

Referral Request

Promo Code # NL005

We would like to encourage you to spread the good news about reverse mortgages to anyone that might benefit—whether that is by satisfying a want or need, or by enjoying life to a higher degree.

If you would be kind enough to mention your loan officer's name when you refer your friends and acquaintances to Stay In-Home Mortgage, Inc., he or she would be happy to answer any questions that they may have and provide information about this life-changing program.

Please pass on this referral form to help a friend or family member to achieve their financial goals.

Referral Form

First Name _____ State _____ Zip Code _____
Last Name _____ Phone Number _____
Address _____ Email _____
_____ Best Time to Contact _____
City _____ Loan Officer's Name _____

Mail to: Stay In-Home Mortgage, Inc., 1000 124th Ave NE, Ste 200, Bellevue, WA 98005
Or call: 1-800-963-8011 (*When you call, please mention Promo Code # NL005*)

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Stay In-Home Mortgage, Inc.
1000 124th Avenue NE, Suite 200
Bellevue, WA 98005



Stay In-Home, Inc.

Specializing in Reverse Mortgages

"Your Senior Home Advisor"

September / October 2009

Reverse Mortgage Review

A Bimonthly Newsletter Brought to You by Stay In-Home Mortgage, Inc.

Hello Again,

One of the many goals of our bimonthly newsletter is to keep you informed about important changes and developments in the Reverse Mortgage arena.

In February 2009, the US Government temporarily changed the amount available through a reverse mortgage by increasing the loan limit from \$417,000 to a maximum of \$625,500. This temporary increase is scheduled to expire on December 31st. Unfortunately, the increased loan limit may not be renewed. This will result in reductions to the amount of equity available if you choose to **refinance**. This also may prevent some first time users from qualifying altogether. While there is a possibility of renewal, we want to make sure that you have up-to-date information. This is very important news for those of you that have been thinking of refinancing your reverse mortgage loan or for your friends or neighbors that have been contemplating a reverse mortgage.

We urge you to call us now to get the latest information. For example, there is now a Fixed Rate Option at a very low interest rate which allows you to take out the maximum amount available with no prepayment penalties. With this product, your interest rate will never increase. If you **refinance** your current mortgage, you can lock in a higher amount for your line of credit or, if you prefer, add to your monthly income. Whatever your situation or need is, please don't hesitate to call us for an unbiased and honest evaluation as you research your options.

As we mentioned in our May/June newsletter, HUD has launched a new program that allows seniors to use a reverse mortgage to purchase a new home. While many are satisfied to stay in their homes, you may be interested in downsizing or relocating closer to your loved ones. If that's the case, we want to give you more detailed information about how this new program works. Inside, you will find all the facts about this program. If you're interested in specifics, please give us a call. Also, please make sure that your friends and neighbors are aware of this opportunity by having them call us. Or, simply pass this newsletter along to them. Until next time...

Warm regards,

Martin J. Taylor

President
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DID YOU KNOW?

THE NEW FHA HECM FOR SENIOR HOME PURCHASE IS HERE!

Did you know that you can now purchase a home with an FHA insured reverse mortgage? In January of 2009, lenders began accepting applications for the new **FHA HECM for Home Purchase** program specifically designed for seniors.

You may need or want to purchase a new home to move closer to family, or simply to accommodate your changing needs. Previously, you would have had to purchase your home and then refinance into a reverse mortgage, incurring two sets of finance fees. The new **HECM for Home Purchase** program allows you to do so in *one* transaction. This means a significant cost savings to you.

The program allows you to make an initial investment, or “down payment,” and receive an FHA insured reverse mortgage loan for the remainder of the purchase price.

Here are some frequently asked questions and answers about this unique opportunity:

How much will I have to put down?

The down payment is called the “required monetary investment.” It is a calculation based on the youngest buyer’s age, the current interest rates, and the value of the home. For example, if you are 67 years of age and purchasing a home worth \$300,000 you must make an investment of \$118,032 (approximately 40% of value). Note that a buyer at age 75 need only invest \$97,427 for the same property.

So which part is the reverse mortgage?

The remaining balance of the purchase price is the beginning loan balance of the reverse mortgage. In the example above, if you are 67, you have “invested” \$118,032, so your beginning loan balance is \$181,968. Because the required investment for the 75 year old buyer is smaller, he or she will have a higher beginning loan balance of \$202,573.

Is it true that I would NOT have to make any payments?

Yes, there are NO required payments of any kind! This program is designed to let seniors use a portion of their home equity without any required payments at all. If you want to make payments (and pay down the loan balance), you may do so—there are no penalties or requirements of any kind.

Is it difficult to qualify for this program?

It is very simple! Just like a “regular” reverse mortgage, you must be 62, or older, and be able to make the required initial investment—that’s it! Unlike other mortgage programs, there are NO CREDIT and NO INCOME requirements.

Doesn’t the bank take the home in a reverse mortgage?

No, you will always stay on title and the home remains your property. When the home is sold or all the buyers have passed away, the property will revert to your estate. Your heirs will have up to one year to refinance the current loan balance and take title. Or, they may sell the property, pay off the loan balance and retain all remaining equity just like a “regular” mortgage.

What happens if the loan balance becomes higher than the value of my home?

FHA reverse mortgages are unique. If the loan balance is higher than the property value when the home is sold, FHA will pay the difference to the lender. FHA reverse mortgages are insured by FHA and neither you nor your heirs will ever be left with any outstanding debt over and above the value of the home upon the sale of the house.

What is the cost of a HECM for Purchase Mortgage?

The typical cost for a 67 year old homebuyer would be approximately \$12,400. Of this amount, \$6,000 is an upfront premium for the FHA mortgage insurance. These costs are typically financed into the beginning loan balance.

How do I determine the amount for which I would qualify?

Call STAY IN-HOME MORTGAGE and speak to one of our senior home loan advisors! We are the largest independent reverse mortgage broker in the Northwest. Our senior advisors are uniquely qualified to help you obtain rapid, hassle-free purchase financing!

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