



FINANCE *of* AMERICA

There's a **better way** with **FOA.**

Make the most of your next chapter by
unlocking your home's equity.



Prefer to watch a video?

The information in this guide is also available
as a video. Scan the QR code or visit:

FinanceOfAmerica.com/Guide

Turn the page to a better future with Finance of America.

For over 20 years, our team has helped homeowners 55+ access their home equity a better way. And we can't wait to show you how.

In this guide, you'll learn:

- ✓ What a reverse mortgage is, and how it compares to other home equity options.
- ✓ The unique advantages of this loan and its common strategic uses.
- ✓ The protections and features that help make reverse mortgages safe.
- ✓ Why many people are using home equity as part of a holistic retirement plan.
- ✓ If tapping into home equity could make sense for your financial situation.

Have questions? We're here to chat. One of our experts can give you more details and help you find the product that works best for you. Just call us toll-free at **(800) 789-0566**.

Sincerely,

Your Team at Finance of America

Finance of America customer
Melanie and son Gabe.



Invite your loved ones into the conversation

We encourage you to share this guide with family, loved ones, and anyone helping you decide what path is right for you.



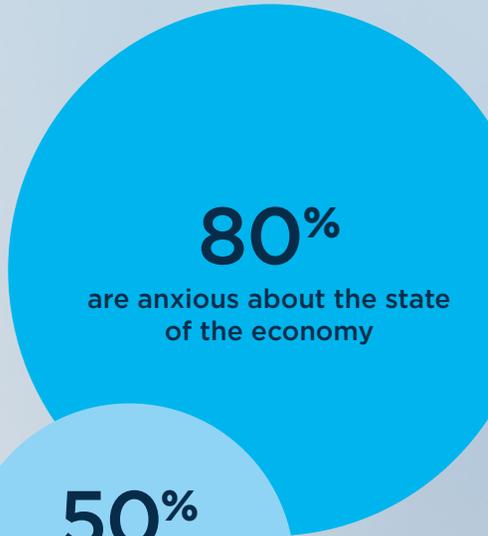
Finance of America borrowers have been compensated for their participation. Their statements are their own.

We conducted a survey of over 2,000 homeowners.

Want a comfortable retirement? You're not alone. Like you, many adults want to ensure they have enough money to keep enjoying their lifestyle. And their home.

Luckily, there's a better way. The significant wealth tied up in your home could be the key to getting the most out of your next chapter.

Tapping into your home equity with a reverse mortgage loan can ease financial stress, so you can do retirement your way.



With a reverse mortgage you can unlock:



Budget Relief

Breathe easier by eliminating your monthly mortgage payment.¹



Accomplish More

Do more with the extra funds—like home renovations or starting your dream business.



Preparedness

Create a safety net for any unexpected costs like higher interest bills or medical expenses.



A Living Legacy

Pay for a loved one's education, build generational wealth, and beyond.



Peace of Mind

Stay in your home¹ and live life on your terms and so much more.

¹) The borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid.

Source: Finance of America Reverse, Home Equity Punch List 2023



What is a reverse mortgage?

A reverse mortgage is a loan exclusively available to homeowners ages 55+¹ that converts a portion of home equity into cash that can be used virtually any way you see fit.

Key advantages include:

- ✓ Eliminating your monthly mortgage payments (if any) and improving cash flow²
- ✓ Turning stored home wealth into liquid cash
- ✓ Continuing to live in and retain ownership of your home³

How does the loan work?

- 1 A reverse mortgage loan allows you to unlock equity in your home that has built up over the years.
- 2 This unlocked cash can be used virtually any way you please without the requirement to pay back the loan month after month.²
- 3 The loan balance grows over time and is typically repaid when you sell the home, no longer use it as your primary residence, pass away, or don't comply with the loan terms.



Dive Deeper

Learn more about how reverse mortgages work. Scan the QR code or visit FinanceofAmerica.com/RMexplained



How much cash could I receive?

The amount you may be eligible for with a reverse mortgage is dependent on several factors, including:

- Your age
- The state you live in
- Current interest rates
- Your home's value
- The reverse product chosen
- Your payout option

A free, no-obligation conversation with an experienced loan officer is the best way to get custom numbers that reflect your situation. Call us toll-free at (800) 789-0566.

How can I receive my loan proceeds?

As a reverse mortgage borrower, you have the flexibility of accessing your home equity on your terms.⁴



One-time lump sum



Regular installments (yearly, monthly, etc.)



Line of credit that can grow over time

Or with a HECM, combine these options in a way that best suits your unique situation and goals.⁴ Speaking to a licensed professional can help you determine which option may be best for you. Call us toll-free at (800) 789-0566.

1) For certain HomeSafe products only, excluding Massachusetts, New York, and Washington, where the minimum age is 60, and North Carolina and Texas where the minimum age is 62. 2) The borrow must meet all loan obligations, including living in the property as the principal residence, maintaining the home, and paying property charges, including property taxes, fees, hazard insurance. If the homeowner does not meet these loan obligations, then the loan will need to be repaid. 3) The right to remain in the home is contingent on paying property taxes and homeowner's insurance, maintaining the home, and complying with the loan terms. Call to discuss product terms and eligibility. 4) Product terms apply. Call to discuss product terms and eligibility. Available options may vary according to the product type.

What are the basic eligibility and loan requirements?

- ✓ Be a homeowner age 55+*
- ✓ Undergo a financial evaluation to receive the loan
- ✓ Maintain the home and live in it as your primary residence
- ✓ Keep up to date with property charges, like taxes and insurance



Dave,
Finance of America customer



What if I'm not eligible at this time?

You may become eligible as you age or if your property value/home equity increases over time.

To run future scenarios, scan the QR code or visit FinanceofAmerica.com/Calculator



*For certain HomeSafe products only, excluding Massachusetts, New York, and Washington, where the minimum age is 60, and North Carolina and Texas where the minimum age is 62.



I can travel now when I'm 67 and go to all of these places instead of at a later date in my life. It's really important to be able to do things when you're physically active and can enjoy your life to the maximum."

— Susan, Finance of America customer

How do reverse mortgages compare to other financial solutions?

The traditional forward mortgage (such as a 15/30-year fixed) and home equity line of credit (HELOC) have their places in the financial landscape. However, a reverse mortgage may offer unique advantages to borrowers in or near retirement:

	REVERSE MORTGAGE	vs	TRADITIONAL MORTGAGE	
	Reverse Mortgage		HELOC	15/30-yr Fixed Mortgage
Monthly mortgage payments	Optional		Required	Required
You still own your home	Y		Y	Y
Unused line of credit grows regardless of equity*	Y		N	N/A
Non-recourse loan	Y		N**	N**

*Available only for HECM reverse mortgage loans with the line of credit option selected by the borrower. | **Except where prohibited by state law



What's a non-recourse loan?

A type of loan in which the lender can only seize the collateral used for the loan, such as a home, and cannot pursue any other assets of the borrower if they default.



Reverse Mortgage Safeguards

The largest misconception around reverse mortgages is that they're dangerous. The truth is that these products are regulated and come with strict consumer protections.

Key safeguards include:

- ✓ Required borrower financial assessment*
- ✓ Required counseling with an independent, government-approved counselor

It's also important to remember:

- ✓ **The lender does not own your home.****
You maintain ownership, and the lender can't take possession of the house as long as the loan obligations are met.
- ✓ **Your heirs never inherit the debt.** Heirs can choose to keep the house and pay off the loan or sell the home and take any profits once the loan is repaid, but they are not personally responsible for the debt if the house depreciates in value.

*HomeSafe Second has a streamlined financial assessment for qualified borrowers.

**The right to remain in the home is contingent on paying property taxes and homeowner's insurance, maintaining the home, and complying with the loan terms



Don't just take our word for it.

The **Consumer Financial Protection Bureau** has additional resources for consumers interested in learning more about rules, guidelines, and safety around reverse mortgages.

Read their Reverse Mortgage Discussion Guide here: files.consumerfinance.gov/f/documents/cfpb_reverse-mortgage-discussion-guide.pdf

What happens at the end of the loan?

A reverse mortgage loan is repaid when the borrower no longer uses the home as their primary residence, passes away, or fails to comply with the loan terms.

The loan balance can be settled by the sale of the home, or with other assets if the borrower/heirs wish to keep the home. Contacting the servicer to discuss repayment options as soon as possible will help ensure borrowers/heirs have a smooth experience.

Most importantly, the borrower/heirs will never be responsible for a debt that is more than the home's value. If they choose, they can hand over the keys and walk away.

“

Our reverse mortgage is working just as promised, giving us extra money each month to do the things we love, and best of all, **peace of mind knowing we can live in our home as long as we desire.**”

— Dennie and Hasan,
Finance of America customers

A better strategy forward.

With no required monthly mortgage payments, a reverse mortgage loan can free up extra funds to make your life easier and better.¹



A better way to increase cash flow.

Without a monthly mortgage payment, you can use the extra cash to pay off your current mortgage and put more money into your pocket.¹



A better way to fund medical expenses.

Instead of draining your savings, you can use the equity to help pay for ongoing medical expenses and in-home caretakers.



A better way to build a financial safety net.

Prepare for unexpected expenses and emergencies with a line of credit that can grow over time.

1) The borrower must meet all loan obligations, including living in the property as the principal residence, maintaining the home, and paying property charges, including property taxes, fees, hazard insurance. If the homeowner does not meet these loan obligations, then the loan will need to be repaid. 2) Not tax advice. Consult a tax professional.

All reverse borrowers must participate in reverse mortgage counseling to see if a reverse mortgage is the right fit for them. A reverse mortgage isn't the best option for every consumer.



I decided to look into a reverse mortgage and finally said, 'Let's do it.' I got that extra cash, **paid off the majority of my credit card debt, and have had a huge stress taken off of me.**"

— Linda, Small business owner and Finance of America customer



A better way to pay off higher-interest debt.

Address higher-interest consumer debt, like credit cards, and create financial breathing room.



A better way to kickstart your retirement journey.

Give yourself the financial flexibility to work less and live more.

Reverse Mortgage Success Stories

Discover how our customers are strategically using home equity to make the most of retirement. Scan the QR code or visit FinanceOfAmerica.com/CustomerStories





Your forever home. But better.

Pay for home improvements to make your home safer, more enjoyable, and better for your lifestyle.



Your retirement. But better.

Preserve your retirement accounts and continue to grow your assets while using the extra cash to cover other expenses.



This was the house I grew up in. I was able to **remodel the kitchen, bedrooms, redo the floors, paint, add decks, update plumbing and electric, and convert the yard to drought-friendly.** Life is good.”

— Ann, Finance of America customer



I feel like a huge burden has been lifted from my shoulders in terms of my financial responsibility to my family. **I don't have to work full-time** to pay for the normal obligations that I have.

It's a life-changing experience.”

— Stephen, Former lawyer and Finance of America customer



Purchase a new home.

Boost your homebuying power and gain the flexibility to put down only a portion of the purchase price in cash and cover the rest with loan proceeds.



Capitalize on opportunities.

Take advantage of unique, wealth-building opportunities, such as buying investment properties and businesses.



Achieve your retirement dreams.

Take the trip of a lifetime, pursue hobbies and passions, and complete your retirement bucket list.

Your equity. Your way.

Keep enjoying your lifestyle and your home with our range of reverse mortgage solutions.

HECM

Home Equity Conversion Mortgage

The traditional reverse mortgage for borrowers 62+ that's insured by the Federal Housing Administration (FHA).

- ✓ Eliminates monthly mortgage payments¹
- ✓ Creates tax-free income proceeds²
- ✓ Allows you to stay in your home¹

HomeSafe SECOND

A second lien and powerful HELOC alternative that complements existing low-rate mortgages.³

- ✓ Unlock a portion of home equity
- ✓ No new monthly mortgage payments¹
- ✓ No impact on current mortgage

1) The borrower must meet all loan obligations, including living in the property as the principal residence, maintaining the home, and paying property charges, including property taxes, fees, hazard insurance. If the homeowner does not meet these loan obligations, then the loan will need to be repaid. **2)** Not tax advice. Consult a tax professional. **3)** The borrower must meet all loan obligations, including meeting all loan obligations under the first lien mortgage, living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid. **4)** For certain HomeSafe products only, excluding Massachusetts, New York, and Washington, where the minimum age is 60, and North Carolina and Texas where the minimum age is 62. **5)** Based on client satisfaction surveys since 4/01/2023. **6)** Top Reverse Mortgage Lenders must have verified reviews on ConsumerAffairs, an overall satisfaction rating of at least 4 stars, and at least a 2:1 ratio of 5-star to 1-star reviews. Finance of America pays a monthly fee to participate in the ConsumerAffairs Authorized Partner Program. As of June 2024. **7)** Based on <https://www.bankrate.com/mortgages/reverse-mortgage-lenders/#best.lenders>. **8)** Finance of America is listed as Best Reverse Mortgage companies by money.com in (<https://money.com/best-reverse-mortgage>). Finance of America is a paid advertiser with money.com **9)** Product terms apply. Call to discuss product options and eligibility. **10)** These materials were not provided by HUD or FHA and were not approved by FHA or any government agency.

All reverse borrowers must participate in reverse mortgage counseling to see if a reverse mortgage is the right fit for them. A reverse mortgage isn't the best option for every consumer.

HomeSafe STANDARD

A proprietary jumbo reverse mortgage that offers the same advantages of a HECM while unlocking more home equity and financial flexibility.

- ✓ Loan amounts up to \$4 million
- ✓ For homeowners 55 and up⁴
- ✓ No mortgage insurance premium

HomeSafe SELECT

A reverse mortgage line of credit that's ready when you need it.

- ✓ Access equity with no monthly mortgage payments¹
- ✓ Loan amounts up to \$4 million
- ✓ Funds can grow for up to seven years⁹

Why choose Finance of America.

- ✓ Over 90% Borrower Satisfaction⁵
- ✓ A+ Better Business Bureau rating
- ✓ A top-rated lender on ConsumerAffairs.com⁶
- ✓ Bankrate's "Best Reverse Mortgage Lender"⁷
- ✓ Official HUD-approved HECM Lender¹⁰



ConsumerAffairs
✓ TOP-RATED REVERSE LENDER

Money

BEST REVERSE MORTGAGE COMPANY FOR PRODUCT VARIETY AND CUSTOMER SERVICE⁸

What to expect when applying.

The process for getting a reverse mortgage is similar to receiving any other mortgage. Here's a brief step-by-step overview of what steps to expect.*

*Based on the ability to qualify. Not all applicants will qualify for financing.



Dennis and Evelyn,
Finance of America customers

1. Independent Counseling

By law, anyone who wishes to receive a reverse mortgage loan **must meet with a government-approved counselor**. This unique consumer protection ensures you understand the loan's requirements and have a chance to discuss questions with an independent third party so you can make an informed financial decision.

2. Application

At a minimum, you will need to submit documents that verify your date of birth, proof of income, Social Security number, homeowner's insurance, and a mortgage statement. The lender may ask for additional information to ensure you meet the loan's eligibility requirements and will run a title check on the home to ensure no federal liens are present.

3. Home Appraisal

Appraisals help determine how much you can borrow with a reverse mortgage loan. An **independent, third-party appraiser will walk through your home on behalf of the lender** to determine its appraised value and ensure it meets minimum property standards for a reverse mortgage.

4. Underwriting

An underwriter reviews the submitted paperwork to determine if your loan is approved, approved with conditions, or denied for a particular reason.

If your loan is approved with conditions, additional documents and/or steps may be required to close the reverse mortgage.

5. Closing

You'll meet with a notary to officially sign the reverse mortgage documentation, usually at your home. During this final review, you and **the notary will confirm the paperwork matches the terms** previously discussed with the lender, including the loan amount, fees, interest rate, and the disbursement of loan proceeds.

6. Receive Funds

Once your signed closing documents are received and any final conditions are met, **there is a waiting period of three business days before any funds may be distributed**. On the fourth business day, any current mortgages/property liens are paid off using loan proceeds and, if you choose, a percentage of the remaining funds can be disbursed.

Frequently Asked Questions

Will I still own my home?

Yes. With a reverse mortgage loan, **you own your home, not the lender.** Just like any other mortgage, the lender puts a lien on the property to ensure the loan will be repaid, and you can reside in the home as long as you uphold the terms of the loan.

Will I be able to sell my home?

Yes. Like a traditional mortgage, it will need to be paid off at closing, but there are no prepayment penalties.

Are there fees?

Yes, but apart from mandatory reverse mortgage counseling costs and FHA insurance (on certain loans only), the fees for the reverse are generally the same as those for a traditional mortgage. It's also important to remember that **with a reverse mortgage, most fees are added to the loan balance**, which means you pay little out-of-pocket upfront.

Will my heirs get stuck with the debt?

No. A reverse mortgage is a “non-recourse” loan, which means that if you default on the loan, or if the loan cannot otherwise be repaid, the lender can only enforce the debt through the sale of the property and cannot look to your other assets (or your estate’s assets) to meet any outstanding balance. If the loan balance is higher than what the home is worth, your heirs will not be responsible for paying the difference when the home is sold to repay the balance.

Can I leave my home or its equity to my family?

Several factors, including your home value increasing over your lifetime, can make it possible to pay off a reverse mortgage and still leave your remaining home/equity to your heirs. You can also choose to take less equity out of your home in the beginning, pay down the balance as you go, or simply use a reverse mortgage to establish a line of credit to be used only if you truly need it, which would help you to retain more equity in the home.

Face the future with confidence.

Reverse mortgages can be a powerful financial option for many, but they are not for everyone. As you review this guide and consider what may be right for you, **here are some steps to take in making the best decision for your future.**



Share This Guide

Sending this guide to family, loved ones, and caregivers will ensure that those closest to you understand all your options.



Have a Caring Conversation

Discussing finances and the future can be sensitive, but vitally important for communicating your desires for retirement and beyond.



Seek Professional Advice

Speaking with your healthcare provider, a lawyer, and a financial planner can help you plan ahead and avoid a crisis.

Ready to unlock the power of your home?

We're ready to help.

Call us toll-free at (800) 789-0566 to speak with a licensed loan specialist and learn how unlocking home equity can help you achieve your goals.





FINANCE of AMERICA

Call today: (800) 789-0566 | Visit: FinanceOfAmerica.com

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These materials are not from HUD or FHA and were not approved by HUD or a government agency.

Loans up to \$4 million available for HomeSafe products. The HomeSafe reverse mortgage is a proprietary product of Finance of America Reverse LLC and is not affiliated with the Home Equity Conversion Mortgage (HECM) program. Not all HomeSafe products are available in every state. Please contact us for a complete list of availability.

For Reverse Loans. When the loan is due and payable, some or all of the equity in the property that is the subject of the reverse mortgage no longer belongs to borrowers, who may need to sell the home or otherwise repay the loan with interest from other proceeds. The lender may charge an origination fee, mortgage insurance premium, closing costs and servicing fees (added to the balance of the loan). The balance of the loan grows over time and the lender charges interest on the balance. Borrowers are responsible for paying property taxes, homeowner's insurance, maintenance, and related taxes (which may be substantial). We do not establish an escrow account for disbursements of these payments. A set-aside account can be set up to pay taxes and insurance and may be required in some cases. Borrowers must occupy home as their primary residence and pay for ongoing maintenance; otherwise the loan becomes due and payable. The loan also becomes due and payable (and the property may be subject to a tax lien, other encumbrance, or foreclosure) when the last borrower, or eligible non-borrowing surviving spouse, dies, sells the home, permanently moves out, defaults on taxes, insurance payments, or maintenance, or does not otherwise comply with the loan terms. Interest is not tax-deductible until the loan is partially or fully repaid.



BEST REVERSE MORTGAGE COMPANY FOR PRODUCT VARIETY AND CUSTOMER SERVICE

ConsumerAffairs' Top-Rated Reverse Lender: Top Reverse Mortgage Lenders must have verified reviews on ConsumerAffairs, an overall satisfaction rating of at least 4 stars, and at least a 2:1 ratio of 5-star to 1-star reviews. Finance of America pays a monthly fee to participate in the ConsumerAffairs Authorized Partner Program. As of June 2024. **Finance of America is listed as Best Reverse Mortgage Companies by money.com in (<https://money.com/best-reverse-mortgage>).** Finance of America is a paid advertiser with money.com.