



Flexible Financing Solutions Designed to Meet Your Needs As you Age

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CMG HOME LOANS

Financial Security in Retirement - A Growing Concern

Among older Americans, **83%** share a concern over savings and retirement¹

29% of older Americans have neither a pension nor any assets in a 401(k) or IRA account²

The estimated **healthcare expenses** that an average couple will spend in retirement is **\$245,000**³

Families headed by someone ages 65 – 74 **owe \$65,686** in debt on average⁴

The average length of retirement in the U.S. is **18 years**⁵

Only 10% of older Americans have long-term care insurance⁶

¹Source: National Council on Aging, (2017) "National Council on Aging Research Highlights Need for Greater Awareness of Home Equity Products Among Older Homeowners and Financial Advisors."

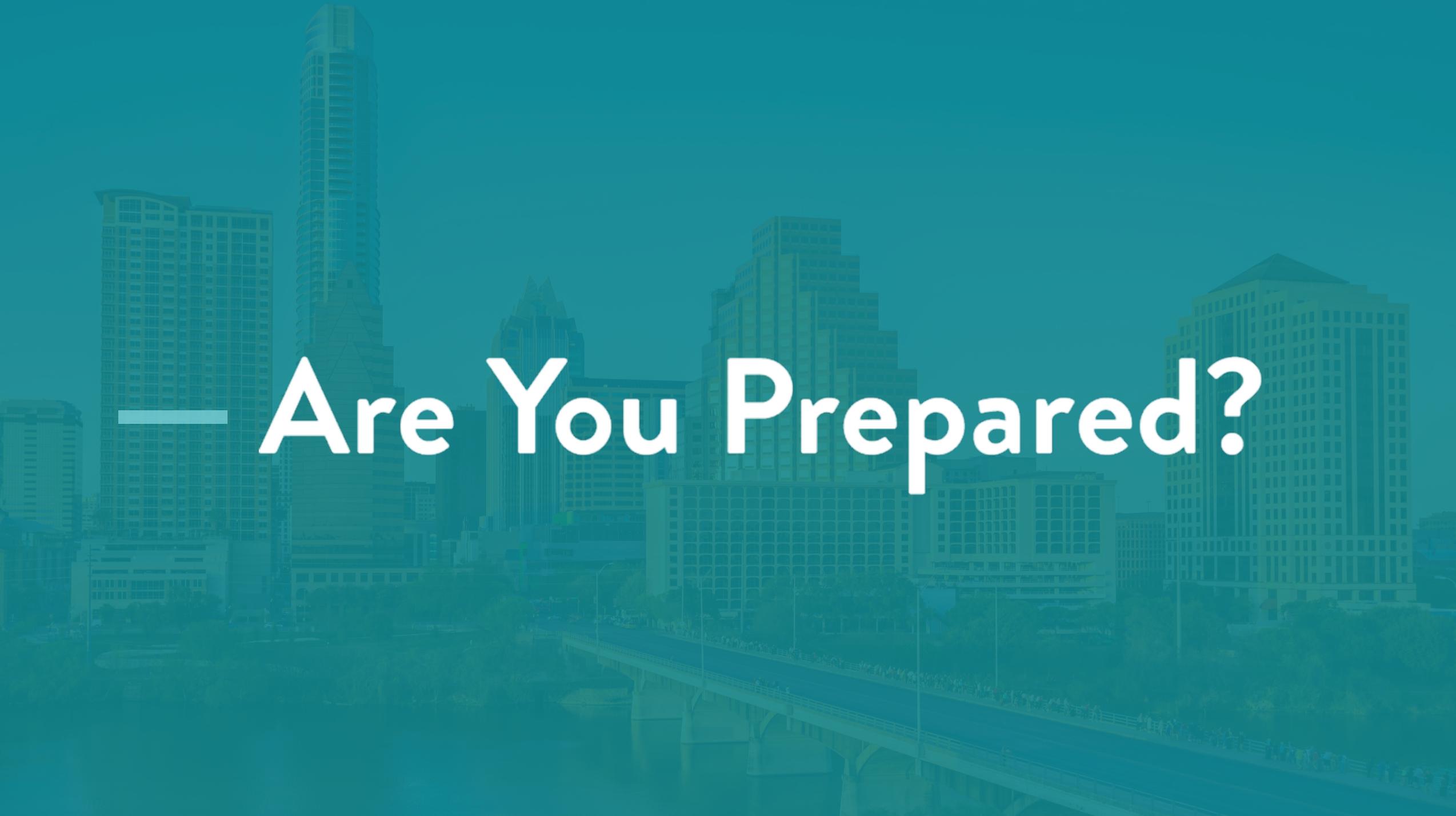
²Source: U.S. Government Accountability Office estimate for 2016, Released March 2019.

³Sandra Timmermann, "Shocks and Loss in Retirement: Preventing Despair, Promoting Resilience," *Journal of Financial Service Professionals* 70, No. 5 (2016): 35.

⁴Source: Go Banking Rates. (2018) "The No. 1 Cause of Financial Stress in Every State."

⁵U.S. Census Bureau.

⁶Susan Hoover, "Long-Term Care Insurance (LTCI): The Good, the Bad, and the Ugly," *Enterprising Investor* blog, CFA Institute, September 19, 2016.



— Are You Prepared?

Typical Scenario's affecting Older Homeowners

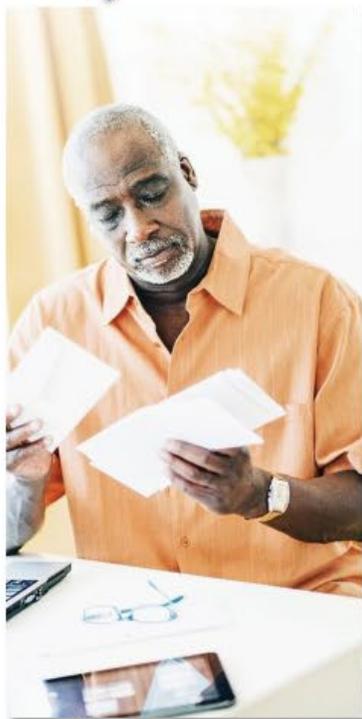
"I'd like to eliminate my monthly mortgage payments and free up cash for expenses."



"I need a safety net to pay for my wife's long-term care expenses and provide security."



"I have several high-interest credit cards and an auto loan. I wish I could reduce my monthly bills."



"We want to buy a home that's closer to our kids without draining our nest egg."



"I want to pay off my mortgage and have a line of credit to use in case of emergencies."



Tapping into Your Home Equity



Did You Know?



- As of **2025**, U.S. homeowners age 62+ have **\$14.7 trillion** in home equity*
- More than **1 million HECM reverse mortgages** have been issued since the government-insured† program started in 1989

*Source: National Reverse Mortgage Lenders Association (NRMLA) / RiskSpan Reverse Mortgage Market Index (RMMI).

†This material has not been reviewed, approved or issued by HUD, FHA or any government agency. The company is not affiliated with or acting on behalf of or at the direction of HUD/FHA or any other government agency.

Three Ways to Access Home Equity



Sell the house
and move



Traditional
Home Equity Loan
or Line of Credit



- Home Equity Conversion
Mortgage (HECM)
- For homeowners & homebuyers age 62+

Home Equity Conversion Mortgage (HECM): An Overlooked Retirement Asset

- Similar to a traditional home loan except mortgage payments are either flexible or can be deferred until you permanently leave the home
- Allow age eligible homeowners to borrow against their home equity without being required to pay a monthly mortgage payment
- As with any mortgage, you must meet your loan obligations, keeping current with property taxes, insurance, and maintenance throughout the life of the loan
- Provides access to income-tax-free funds*
- Becomes due and payable if the borrower moves away, passes, or fails to comply with their loan obligations
- Typically, the loan (along with accrued interest and fees) is repaid with funds received from the sale of the home
- You or your heirs retain any remaining money after the loan is repaid. If you or your heirs want to keep the property, the loan can be repaid at any time using a traditional mortgage or other assets
- Is a non-recourse loan – the borrower cannot owe more than the home's value at the time the loan is repaid

83% of people who took out a HECM said they were “satisfied” or “very satisfied” with their decision.†

*Not tax advice. Consult a tax professional.

†Study: *Reverse Mortgage Borrowers Report High Satisfaction Levels*, by Jason Oliva, 3/13/16, <http://reversmortgagedaily.com/2016/03/13/study-reverse-mortgage-borrowers-report-high-satisfaction-levels/>.

The HECM Reverse Mortgage Cont.



Offers additional benefits over traditional home-equity based loans:

- A flexible repayment feature that gives you the power to pay as much or as little as you like each month – or make no monthly loan payment at all*
- Government-insured† by the Federal Housing Administration (FHA)
- Flexible disbursement options
- Can reduce the taxes‡ you would otherwise pay on withdrawals from IRAs, 401(k)s and qualified accounts
- Can be used to buy a home
- Maximum amount that can be borrowed is up to **\$1,209,750.00**



*As with any mortgage, you must meet your loan obligations, keeping current with property taxes, insurance, and maintenance.

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A Reverse Mortgage Can Help You

- Refinance existing mortgage debt, to dramatically reduce your monthly payments*
- Consolidate debts such as high-interest credit cards, auto loans, etc. to lower your monthly bills
- Improve cash flow
- Gain payment flexibility, for more financial control
- Pay for large purchases, like a new automobile
- Assist a grandchild headed off to college
- Fund home renovation projects
- Pay for medical expenses & long-term care
- Buy a home that better fits your needs



*As with any mortgage, you must meet your loan obligations, keeping current with property taxes, insurance, and maintenance.

Who is Eligible?

At a minimum, to qualify for a reverse mortgage you must:

- Be age 62 or older for a HECM
- Own your home and live in it as your primary residence
- Be able to pay property taxes, homeowners insurance, and maintain the property
- Have sufficient home equity



What Types of Homes are Eligible?

- Single-family homes
- Condominiums meeting certain requirements
- Planned Unit Developments (PUDs)
- Two- to four-family homes
 - Must be owner-occupied, with prior landlord experience only
- Manufactured homes meeting HUD guidelines

Cooperative (Coops) Apartments
NYC



Common Reverse Mortgage Misconceptions

MYTH #1

The bank will own my home.

FACT: This is one of the most common misconceptions about reverse mortgages. Just like any mortgage or home equity loan, you continue to own your home, with your name on the title. Of course, you must meet your loan obligations: keeping current with property taxes, homeowners insurance and maintenance.

MYTH #2

I probably won't qualify because I already have a mortgage.

FACT: Proceeds from your reverse mortgage would first be used to pay off any existing mortgage(s).

MYTH #3

I won't be able to leave my home to my heirs.

FACT: Your heirs will still inherit your home, but they will have to pay back the loan balance if they want to keep the home; this includes the amount of funds you used plus accrued interest and fees. Or, they can sell the home to repay the loan. Once it's repaid, they receive any remaining equity—just like a traditional mortgage or home equity loan.

MYTH
#4

Reverse mortgages are designed to take advantages of retirees.

FACT: Reverse mortgages are specifically designed to help retirees. Many people are living longer—and they're rightfully concerned about outliving their retirement savings. The ability to access home equity can provide a greater sense of security, and more financial flexibility. The industry is also highly regulated: Any lender offering reverse mortgages must follow strict state and federal guidelines and regulations that are in place to protect borrowers. In addition, members of the National Reverse Mortgage Lenders Association (NRMLA) pledge to uphold the industry's highest ethical standards.

MYTH
#5

A reverse mortgage should only be used as a last resort.

FACT: Many savvy homeowners use a reverse mortgage strategically—for example, as a safety net in case of emergencies. In recent years, there have been a number of product advances that have made reverse mortgages more attractive, and academic researchers at respected universities have developed effective strategies for using a reverse mortgage as part of an overall retirement plan. Today, financial advisors are increasingly viewing them as an important option to be seriously considered.

Flexible Funding Options* Available with a HECM



Lump sum



Fixed monthly advances



Line of credit



A combination of these—
you choose



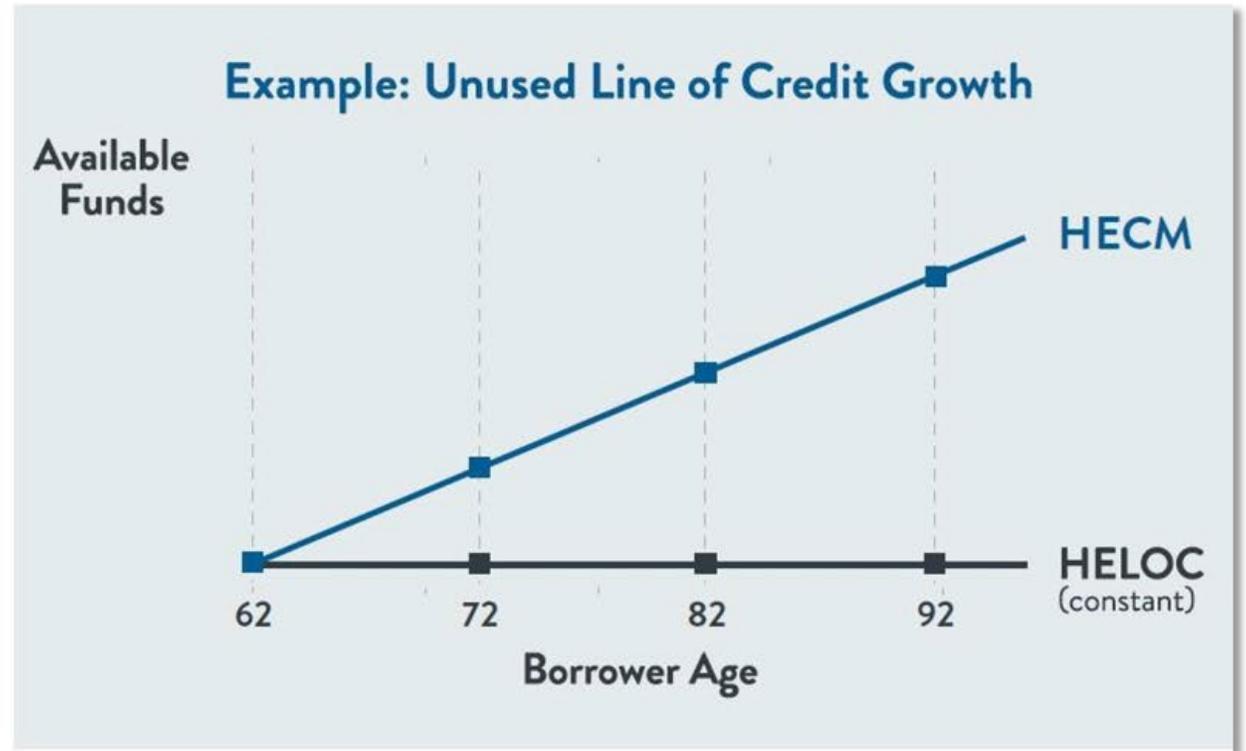
Purchase of a new home (HECM for Purchase)

You can also choose to change how you receive your funds in the future.

*Borrowers who elect a fixed rate loan will receive a single disbursement lump sum payment. Other payment options are available only for adjustable rate mortgages.

HECM Line of Credit Growth

- One of the most valuable features of a HECM LOC is that the **unused portion grows over time***, making more funds available
- Opening a HECM LOC as soon as possible (eligibility begins at age 62) can significantly increase available income-tax-free funds† that can be tapped later on, unlike a traditional HELOC



Information shown for illustrative purposes only.

*If part of your loan is held in a line of credit upon which you may draw, then the unused portion of the line of credit will grow in size each month. The growth rate is equal to the sum of the interest rate plus the annual mortgage insurance premium rate being charged on your loan.

†Not tax advice. Consult a tax professional.

A Reverse Mortgage can be a Solution



"I'd like to eliminate my monthly mortgage payments and free up cash for expenses."



"I need a safety net to pay for my wife's long-term care expenses and provide security."



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It starts with a conversation...

**Q & A to determine goals or
the problem and how best
to solve it**

**Provide a written Proposal
that will help facilitate
your options and
Mandatory Counseling
Session**

If you would like a copy of this presentation or have any additional questions, contact me at anytime. I invite you to engage your family and financial advisor in the process.

Thank You!

Sincerely,



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I DO REVERSE MORTGAGES

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