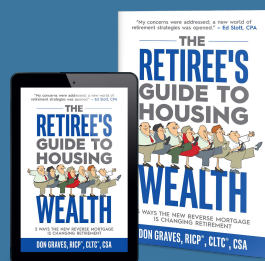


The Retiree's Guide to Reverse Mortgages In Retirement Income Planning

HousingWealthVideos.com



Seminar Workbook Don Graves

Based on the *Retiree's Guide
to Housing Wealth*

Reverse Mortgages are about retirement:

Retirement _____, _____ and _____.



3 Honest Questions



Q What % of Your Friends (at or in Retirement) Do You Think Would **Have A Need for a Reverse Mortgage ?**

_____ %

Q What % of Those Friends Would Say They're _____ **Certain They'll Have a Great Retirement ?**

_____ %

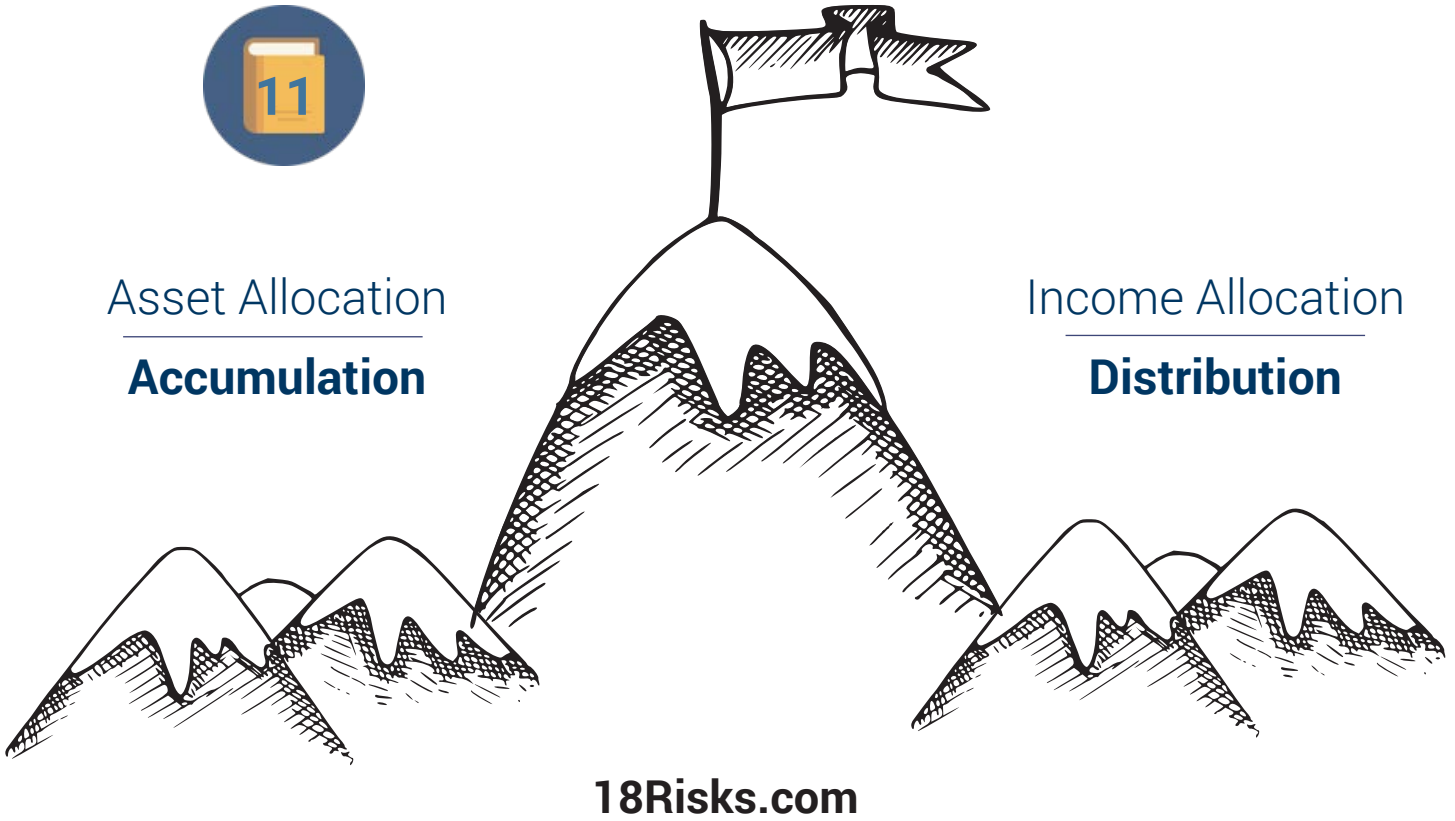
Q If There Were a Strategy That Could Help _____ **Cash Flow,** _____ **Risks,** _____ **Assets,** _____ **Liquidity** and _____ **New Savings...** _____ %
What % of Your Friends Would Want You To Tell Them About It ?

“Retirees simply cannot afford to continue to ignore home equity as an income source and still meet their retirement goals.”

- Professor Jamie Hopkins

Income Allocation

Distribution



Notes:



With more than **\$6 trillion dollars** in existing retiree's home equity,

Housing Wealth is Simply a Resource that is too Big to be Ignored!

\$92,238

Non-Equity Assets

32%

**Equity and
Non-Equity Assets**
for Average Married
Couple at Age 65

68%

\$192,553

Equity in Home

Notes:

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How Do Reverse Mortgages and Retirement Savings Work Together

to Enhance Retirement Outcomes and Client Satisfaction?



Income

Investments

Insurances



What is a Reverse Mortgage?

Four
Words



HOME EQUITY CONVERSION MORTGAGE (HECM)

A Federally Insured Loan developed by congress in 1988 to provide a mechanism for retirees 62 and over to use their housing wealth in a conservative and prudent manner.

- ✓ Without having to make any Monthly Loan Payments
- ✓ And Without giving up home Ownership or Coming off Title to house
- ✓ Without Having to Repay More than Home Is Worth

HOW MUCH MONEY CAN I GET?

- ✓ The Age of the youngest borrower
- ✓ The Value of the property
- ✓ The Interest rate associated with the program

WHAT ARE THE BORROWERS' RESPONSIBILITIES?

- ✓ Live in the Property
- ✓ Maintain the Property
- ✓ Pay the Property Related Taxes
- ✓ Maintain Hazard Insurance

WHAT ARE THE SPENDING OPTIONS?

1. Lump Sum
2. Line of Credit
3. Monthly Tenure payments (length of loan)
4. Monthly Term Payments (limited and adjustable)
5. Combination

HOW DOES REPAYMENT WORK?

- ✓ The loan is repaid when the last surviving borrower permanently departs the home. (either moves or deceases)
- ✓ At that time, whatever proceeds were advanced to the borrower plus accrued interest and HUD fees will be repaid
- ✓ 100% of the remaining equity is passed on to the borrower, the heirs or the estate.



Borrower Profiles

CONCERNED

Retirement plan needs a rescue.
Something unexpected happened.

COMFORTABLE

Workable retirement plan, but needs improvement and contingency.

CONSTRAINED

Dire circumstances.
Fixed income.
Little to no other savings.



CAREFREE

Solid retirement plan with capacity to weather any shocks.

Notes:

5 The 5L's

L

Enough to meet my basic living needs?

L

Enough to maintain my standard of living?

L

Access to money when I need it?

L

Leave a lasting financial memory?

L

Prepared for health related expenses?



Notes:



Creating **Cash Flow**

“What would retirement be like if you didn't have to make a monthly mortgage payment?”

Notes:

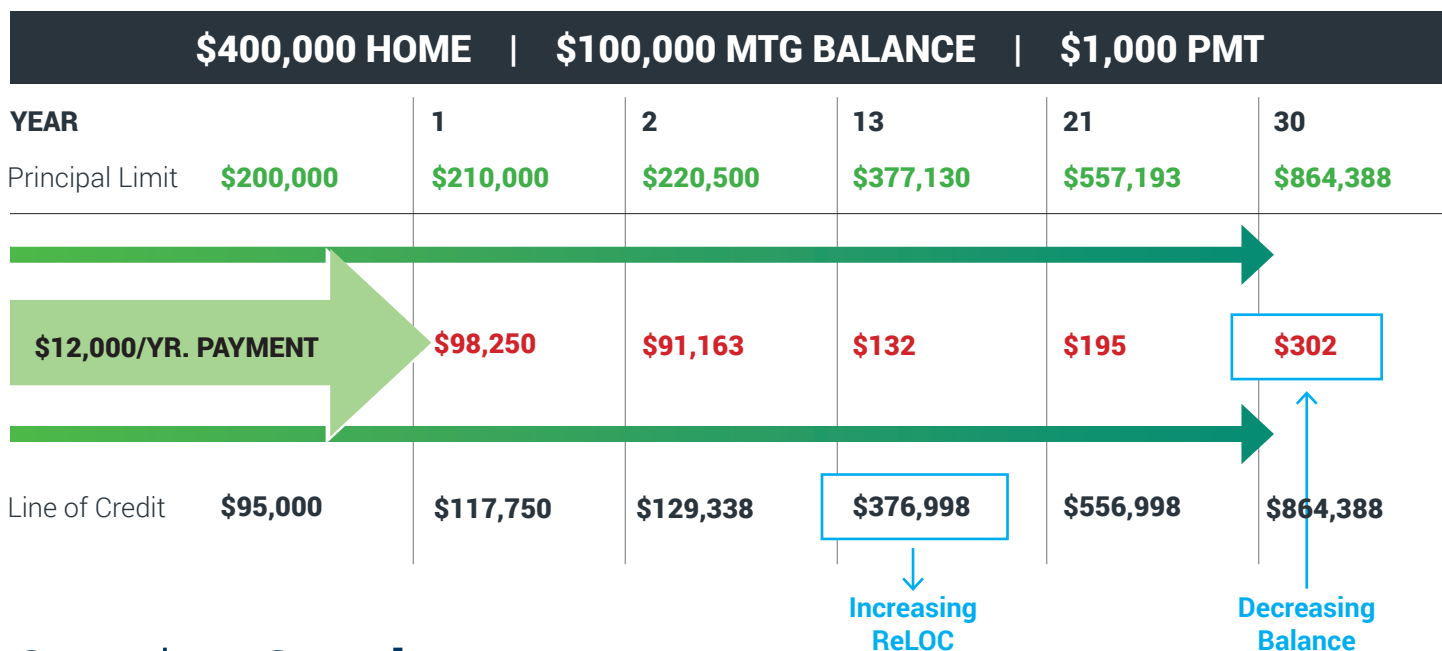
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Creating **Longevity**



How Making a \$12,000 a year Payment Works

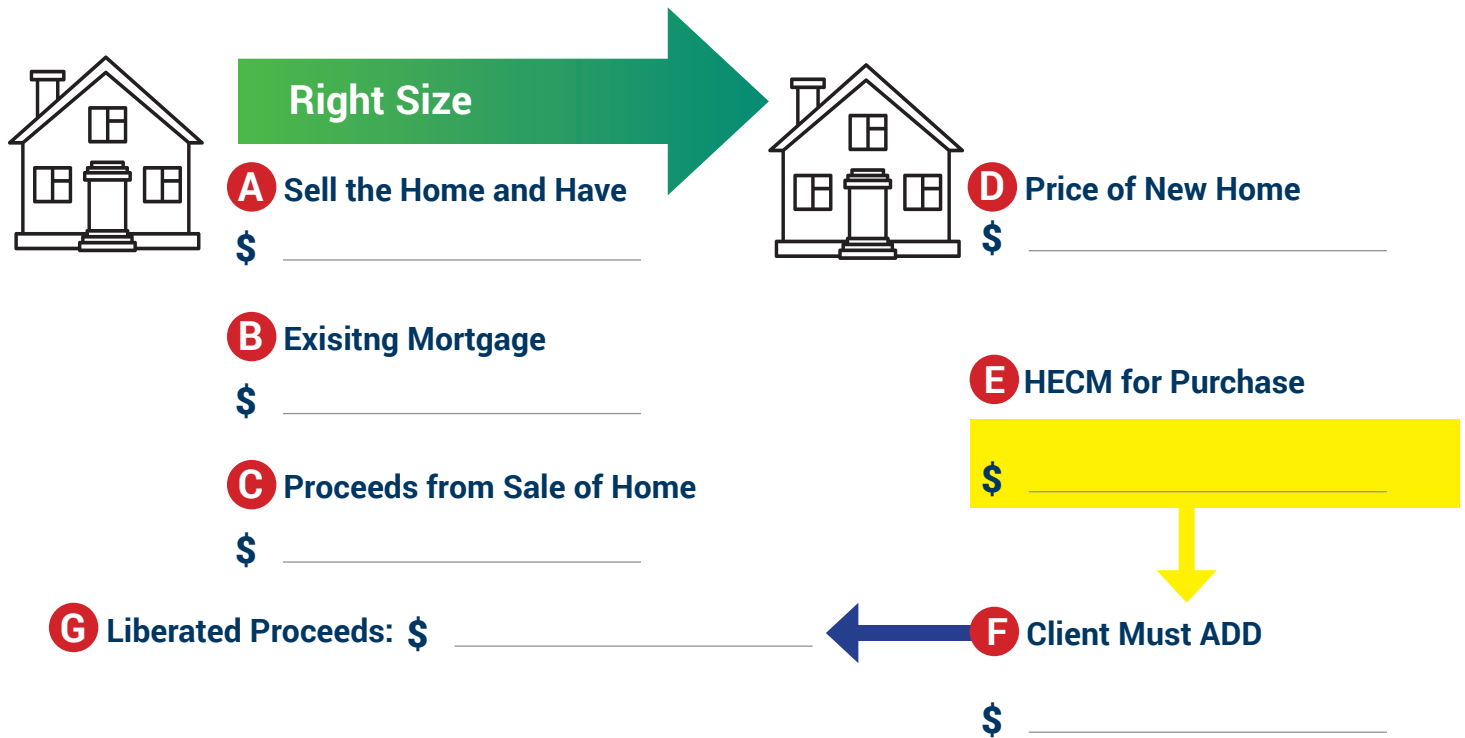
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Creating **Contingency**

Notes:

Creating Flexibility: **The HECM for Purchase**

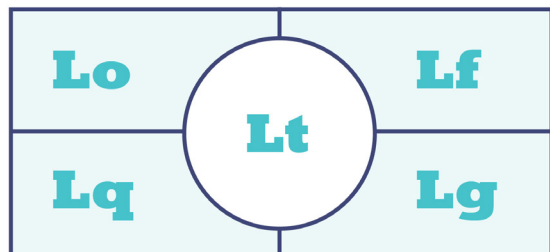


Notes:



4 Ways to Implement

Have the Five Concerns Conversation with Your Trusted Advisor(s)



Be Sure to Only Work with a HECM Institute Housing Wealth Certified™ Lender or Advisor

Review the Additional Education Materials

Determine IF any of the Reverse Mortgage Strategies Could Help Your Retirement **Outcomes, Enjoyment or Impact.**

Increase Cash Flow

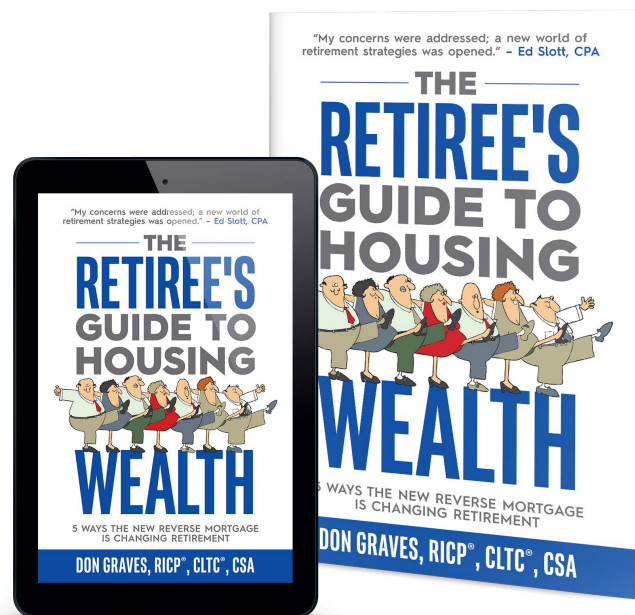
Reduce Retirement Risks

Preserve Assets

Enhance Liquidity

Add New Dollars Back into Savings

Partner Resources



Don Graves, RICP®, CLTC®, is the president of the Housing Wealth Institute and an adjunct instructor of retirement income at the American College of Financial Services. He is considered one of the nation's leading educators on incorporating housing wealth into retirement income planning. He has been quoted in Forbes Magazine, featured on PBS-sponsored shows, and recently published a best-selling book for retirees.

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