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Connecting the Pieces on Reverse Lending



plaza
HOME MORTGAGE®

Here for You

I have a current prospect



Determine the loan amount

- Use the LTV table to determine HECM loan amount
- Use the youngest borrower's age (FHA Guides)
- Use the **lesser** of the expected appraised value, the purchase price, or \$1,209,750

Example

Fair Market Value: **\$750,000**
 Youngest borrower's age: **75**
 LTV (see table to right): **47.9**
 Qualifying amount is:
 $\$750,000 * .479 = \$395,250$
 How much this borrower qualifies for: **\$395,250**

LTV Table

AGE	LTV
*5.25% Expected Rate	
62	0.396
63	0.403
64	0.410
65	0.417
66	0.424
67	0.432
68	0.439
69	0.447
70	0.452
71	0.452
72	0.454
73	0.462
74	0.470
75	0.479
76	0.486
77	0.495
78	0.506
79	0.511
80	0.522
81	0.533
82	0.544
83	0.556
84	0.568
85	0.580
86	0.593
87	0.606
88	0.617
89	0.630
90	0.644
91	0.659
92	0.674
93	0.689
94	0.705
95	0.720
96	0.728
97	0.734
98	0.734
99	0.734

Does the dollar amount cover the existing mortgage?

YES → Using the "Reverse" button, fill out and submit your pre-qual on plazahomemortgage.com.

NO → Does the client have the resources to pay the current mortgage down?
Yes → Fill out the pre-qual
No → The LTV is insufficient for the program

What do I get with a pre-qual?

A great understanding of what your borrower's transaction will look like, for instance:

- Expected loan amount, compensation, general rates and fees, amortization schedule, rate sheet, list of HECM counselors, HECM program benefits and general workings of the loan.
- A dedicated Plaza Sales Assistant to walk you through the entire scenario from pre-qual to submission.
- Set-up and access to our Reverse Mortgage LOS (Bay Docs).

Our Dedicated Plaza Sales Assistant Will Be With You From Now Until Loan Submission

You are never alone. We are here to address **all** questions. Let's close this together!

*5.25% Expected Rate.

Why reverse?



Sustainable long-term retirement

Reverse Mortgages are a great financial resource that has enabled seniors to use their home equity to sustain longterm retirement while maintaining residence in their home. The program began in 1988 as part of the Housing and Community Development Act. Since this time, the program has undergone many changes. Most of these changes are designed to protect the consumer and the overall health of the Mortgage Insurance Fund from FHA.

Here are a few of these recent changes that bring increased safety and security to the HECM program:

- 1. Non-borrowing spouse:** As of today, if you're married, both individuals need to be accounted for in the underwriting decision of a Reverse Mortgage. That was not the case prior to ML 2015-02.
- 2. Income and Credit Underwrite:** This was not the case until April, 2015. This will now minimize tax and insurance defaults and help to ensure the desired loan is a positive benefit for the borrower.
- 3. Limitations on cash out in the first year, ML 2014-12,** helps provide long-term sustainability for the HECM borrower by providing access to future funds while slowing the depreciation of the equity position in the home.
- 4. The new version of a FHA HECM Reverse Mortgage for wealth management firms** is that the "Highest and Best" use of the HECM is to improve a client's retirement plan, not rescue it.

Why Plaza?

Plaza Home Mortgage® has been dedicated to Reverse Mortgage since 2008. We have seen and experienced more guideline and policy changes over the last few years than in the industry's previous thirty-five years. Plaza Reverse has a dedicated group that specializes in Reverse Mortgages and are 100% committed to you and your client.

We underwrite, insure and service all Reverse Mortgage production. There are only a handful of organizations in the country that can make this claim. With an aging population, limited retirement savings and home equity at an all time high, now is a great time to look into this unique lending program.

Reverse mortgage workflow



Getting Started

- Set-Up
- Guidelines
- Scenarios
- Training
- Marketing



Proposal

- Prospect
- Pre-Qualify
- Scenarios
- Presentation



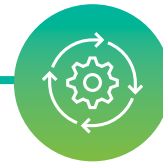
Origination Procedures

Refinance

- Counseling
- Application/ Disclosure
- Case Assignment
- Appraisal Ordering

Purchase

- Counseling/ Sales Contract
- Application/ Disclosure
- Case Assignment
- Appraisal Ordering



Processing

- Submission
- Approval
- Conditions
- Clear to Close
- Documents
- Funding



Servicing

- Access to Funds
- Loan Maturity
- Estate Options

Questions about reverse lending



You are thinking about reverse mortgages as part of your business plan, but have some questions.

Most of your questions are easily answered on the Reverse section of our website plazahomemortgage.com

Access our Reverse Mortgage resources including:

- Reverse Mortgage User Guide
- Reverse Mortgage Product Snapshot
- Counseling Information
- Bay Docs – FREE Reverse Mortgage Software
- Reverse Newsletter – Plaza's Reverse newsletter that highlights educational insights and research on the Reverse Mortgage market.
- Marketing Resources
- Training Resources

Don't forget to subscribe to rate emails and announcements!

For more information on reverse or questions, email us directly at reverse@plazahomemortgage.com

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