

Reverse  
Mortgage  
Information  
Booklet

**Independence.** Insured by HUD.





No monthly  
mortgage payment

More available cash

Tax-free income

FHA insured

No repayment until home is sold  
or last borrower moves out

## What is a Reverse Mortgage? A sure safety net.

Take control of your security.  
Keep your financial independence.  
With a Federal Housing  
Administration (FHA)-insured  
reverse mortgage, you have a  
powerful financial tool to help  
increase your retirement income.  
Did you know that because  
you've built equity in your home,  
you can now access it without

having to sell? And absolutely no  
repayment is required as long as  
you continue to use your home  
as your primary residence.

In essence, your house pays  
you. No gimmicks or misleading  
information. What's more, reverse  
mortgages\* are insured by the  
federal government.

## Why Apply for a Reverse Mortgage? The backing of HUD.

There are many reasons to  
choose a reverse mortgage.  
Underlying all of them is  
independence.

Reverse mortgages are insured  
by the FHA. One reason to  
consider a reverse mortgage is  
that it can help you maintain  
economic independence, thereby  
reducing or eliminating any  
financial burden on your loved  
ones. Additionally, you're free to  
use the money as you see fit,  
whether it's for home repairs  
and modifications, medical or  
personal assistance expenses,  
or a new vehicle that better suits  
your situation. With reverse  
mortgages, your home can truly  
be your nest egg.

And they provide built-in safety  
nets such as mandatory  
counseling with an FHA-  
approved nonprofit agency.  
These sessions ensure that  
seniors and their families fully  
understand the program and  
the various alternatives available.  
In addition, lenders must be  
FHA-approved.

After closing, you're still  
protected — you have three  
business days to change your mind.

At Great Oak Mortgage, an FHA-  
approved correspondent, we want  
you to feel comfortable. That's  
why all our representatives are  
thoroughly trained in every aspect  
of this empowering program.

\*The Home Equity Conversion Mortgage (HECM) is insured by the FHA, a branch  
of the U.S. Department of Housing and Urban Development (HUD).

## Step One: Eligibility

You've spent your life working hard to build equity into your home. Maybe now it's time you get paid back. Reverse mortgages can turn financial struggle into freedom and independence.

The primary requirements of a reverse mortgage are that you must be at least 62 years old and occupy the home as your primary residence. Your age and the value of the home are also very important factors. They determine the amount that you can receive.

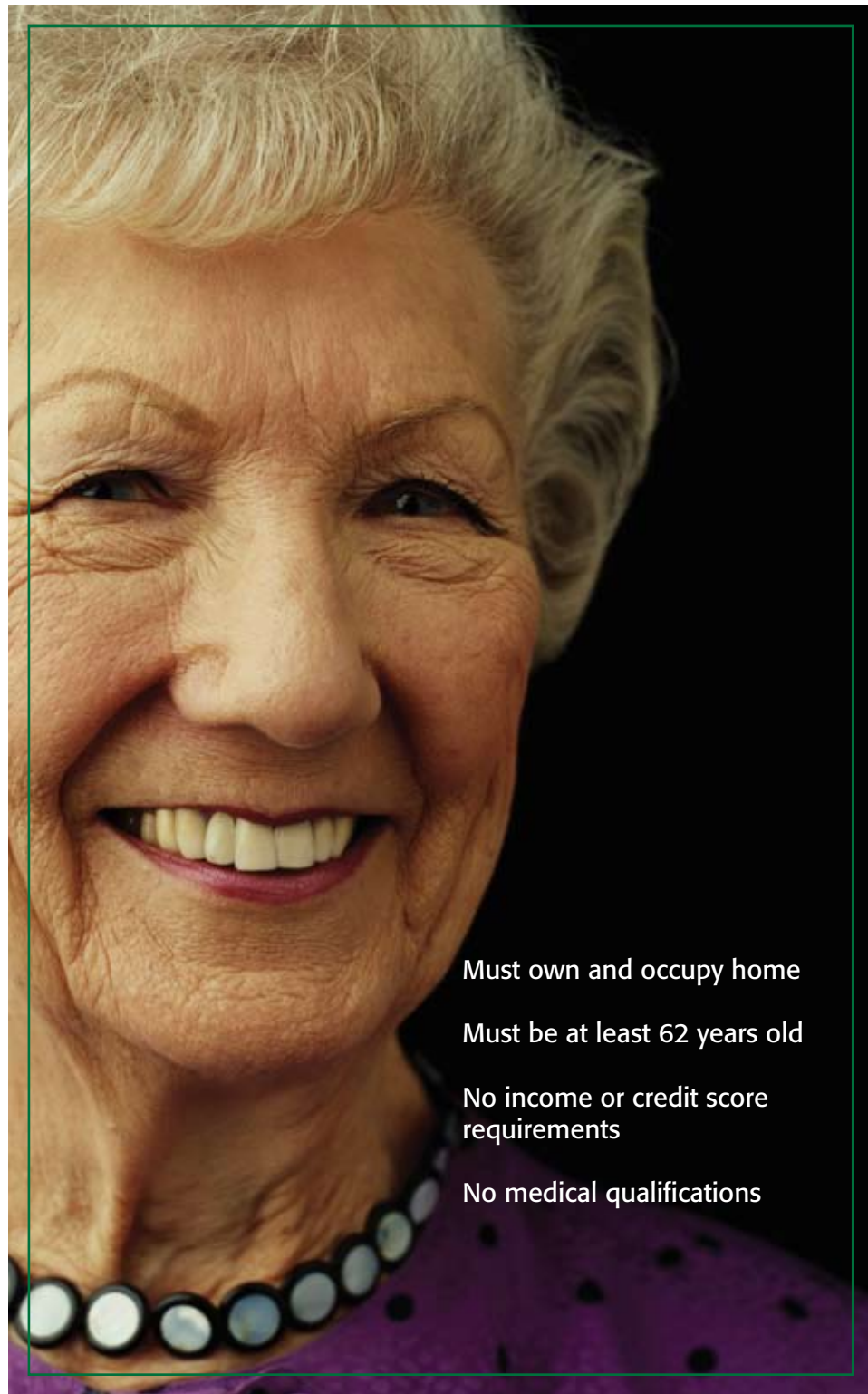
We expect that you'll have questions. And we're happy to answer them. We'll even come to your house to address them in person. In fact, we offer in-home service for everything, from initial questions to the final closing.

### Harriett and Her Grandchildren

*My mother, Harriett, just adores my kids. Before she decided on a reverse mortgage, she'd always talk about taking them to some really great places across the country during their summer break. And now she can... and does! I love that she's so actively involved with them while she's still capable. It's nice seeing her so happy.*

### Why apply for a Reverse Mortgage?

- Eliminate your monthly mortgage payments
- Age in the comfort of your home
- Relief from financial burdens
- Assists you to stay financially independent
- Acts as a back-up in case your company pension isn't what you'd planned
- Repayment is not due until the home is sold or the last borrower permanently leaves the home



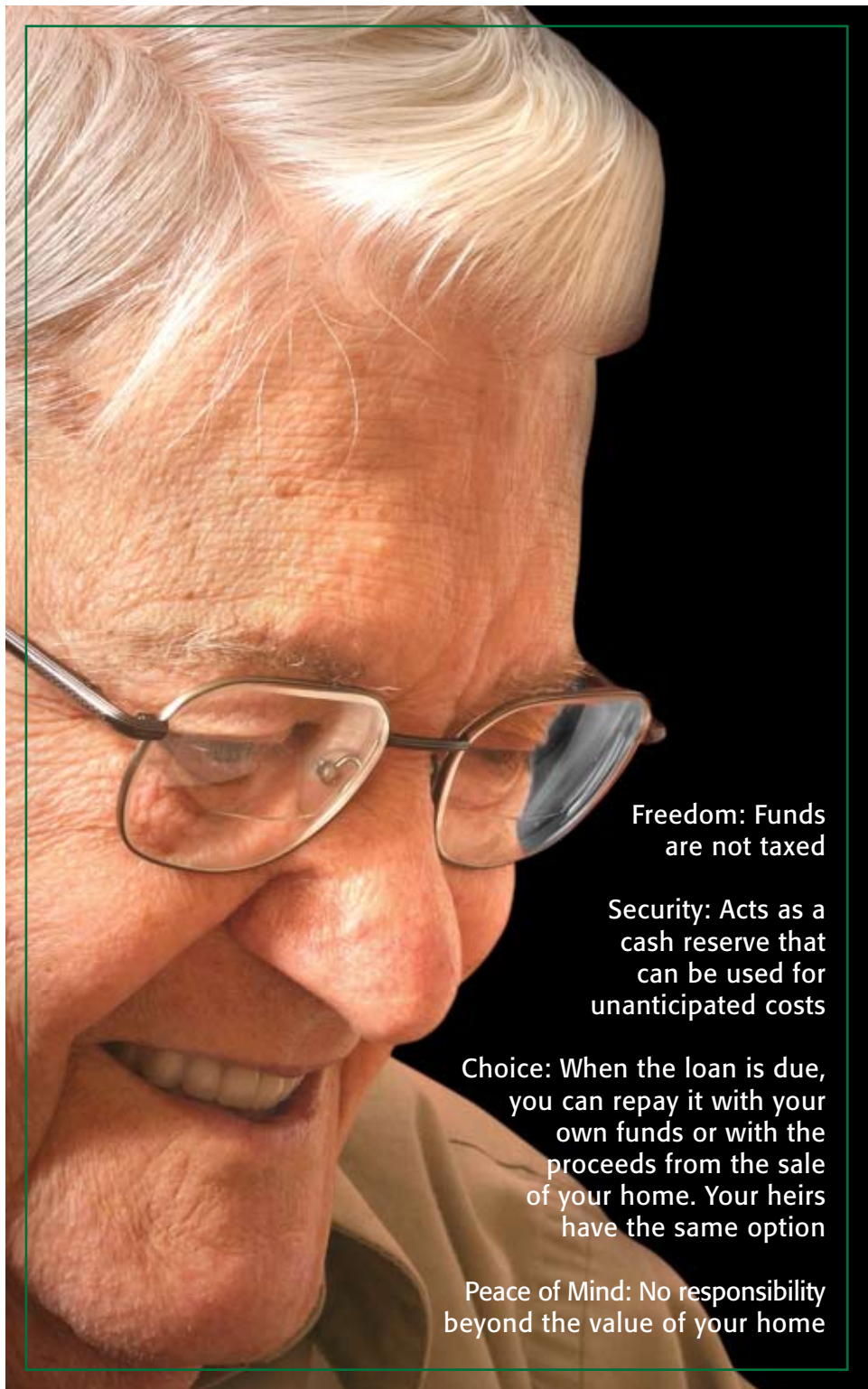
Must own and occupy home

Must be at least 62 years old

No income or credit score requirements

No medical qualifications





**Freedom:** Funds are not taxed

**Security:** Acts as a cash reserve that can be used for unanticipated costs

**Choice:** When the loan is due, you can repay it with your own funds or with the proceeds from the sale of your home. Your heirs have the same option

**Peace of Mind:** No responsibility beyond the value of your home

## Step Two: The application process

Once you've decided on a reverse mortgage, your loan — and greater financial independence — is only a few steps away. The application consists of the following stages:

### Completing the Application.

Your Great Oak representative will come to your home and guide you through each step of the process. Pertinent information and documents are collected and loan parameters such as payment option (lump sum, line of credit, monthly income or a combination) are determined.

### Mandatory Counseling.

A personal, HUD-approved counselor will make sure you fully understand the program that best suits you.

### The Closing.

Following approval, the closing date is set. Remember, you can have the closing take place in the comfort of your own home.

### Peace of Mind.

Insured by the FHA. Assured by HUD. Secured by Great Oak Mortgage.

Remember, Great Oak representatives are happy to come to your home for any step of this process.

### **Hank and His Father's Reverse Mortgage**

*My father had Alzheimer's for the last two years of his life. And even though my wife and I live in the same town as he did, we have two kids in high school and work full-time jobs. Needless to say, it was impossible for us to care for him the way he deserved.*

*Lacking the kind of money it takes for round-the-clock, in-home care, we looked into reverse mortgages as a way to pay for the expenses. With the help of a reverse mortgage specialist, we were able to secure a loan that allowed us to keep him at home as long as possible. He would have been happy to know that the equity he built in his house helped us help him.*

### Step Three: Paying back the mortgage

It's very simple. As long as you are living in your home, you won't have to pay the loan back. Repayment is not necessary until the last borrower no longer occupies the house.

When this occurs, you or your heirs have two options. The house can be sold and the loan repaid with

the proceeds. Or, you or your heirs can keep the house and repay the loan with your own funds. As a built-in safety net, neither you nor your heirs are ever responsible for more than the fair market value of your home. And that's the beauty of reverse mortgages—they are a true non-recourse loan.

It's difficult making any decision, especially financial ones, at the time of an emergency. So plan ahead and make sure funds are available when you need them. A reverse mortgage can help three ways:

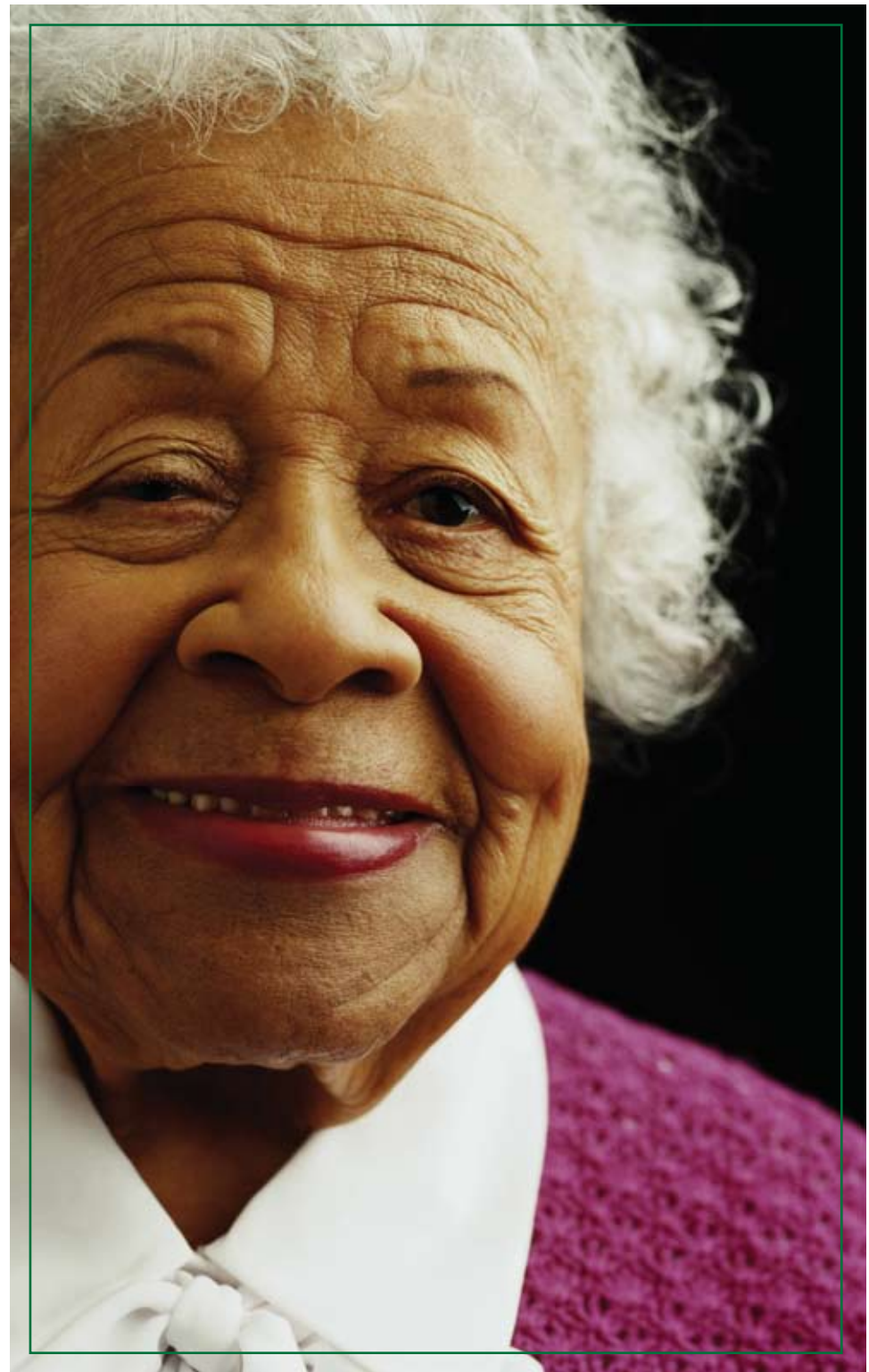
- ➦ **More Options** — Your existing savings may not be enough in a serious crisis. Using a reverse mortgage line of credit can ensure that additional funds are available in your time of need.
- ➦ **More Available Cash** — A lump sum distribution from your reverse mortgage can help you cover unanticipated needs and prevent a cash crunch.
- ➦ **More Monthly Income** — Adding more capital to your monthly income will ease the burden of costly expenses such as prescription drugs.

Caregivers today are likely to spend more time caring for an aging parent than raising their children.

Age Power, Ken Dychtwald, 1999

Only 10% of seniors own long-term care insurance.

America's Health Insurance Plans, 2003



## Frequently Asked Questions:

### Q: What are the requirements?

**A:** Primarily, the borrower must be at least 62 years old and be an owner/occupant of the home.

### Q: How is the money distributed?

**A:** There are four payment options: a lump sum, a line of credit, a monthly distribution, or any combination of these.

### Q: When does the loan have to be repaid?

**A:** Only when the last remaining borrower no longer uses the home as a primary residence. At this point, repayment can be made by refinancing or by sale of the home. Any remaining equity goes to the estate.

### Q: What must I do to keep my reverse mortgage?

**A:** Borrowers must continue to do what most are already doing. You must occupy the home, pay your property taxes and home insurance premiums, and keep up the maintenance so that it retains its value.

### Q: Can I apply for a reverse mortgage if I have an existing mortgage on my home?

**A:** Yes. Your home does not have to be owned free and clear. However, the funds from the reverse mortgage must be a sufficient amount to pay off any existing mortgage debt.

### Q: Can I repay the loan early?

**A:** Yes. There is no pre-payment penalty.

### Q: Do I retain ownership of my home?

**A:** Yes. Your name remains on the title just as it is now.

### Q: Does a reverse mortgage affect my Social Security benefits?

**A:** A reverse mortgage will not affect your regular Social Security benefits. Depending on your situation, it may affect benefits from the federally administered Supplemental Security Income (SSI) program or the state-administered Medicaid program. Consult your housing counselor for any questions you have.

### Q: Can I eventually owe more than the house is worth?

**A:** No. Neither you nor your heirs will ever be personally responsible for more than the fair market value of the house.

### Q: Are there limits to what I can use the money for?

**A:** No. You may spend the money as you see fit.

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This is a brief overview of Reverse Mortgages and does not represent the programs in their entirety.

Great Oak Mortgage Corporation, a Georgia Residential Mortgage Licensee # 5968 and a Member of National Reverse Mortgage Lenders Association.

We are also members of the Better Business Bureau of Metro Atlanta, Athens and NE Georgia.



Reverse Mortgage.  
*Forward Thinking.*



Office: (404) 231-3933  
Toll-free: (866) 6-REVRSE

3098 Piedmont Road N.E., Suite 150, Atlanta, GA 30305  
Fax: (404) 237-7677 | [info@greatoakmtg.com](mailto:info@greatoakmtg.com)