

# REVERSE MORTGAGE FOR PURCHASE LOAN

## Real World Case Study for Financial Advisors



### Client Scenario

A doctor and his wife, ages 74 and 70, decided to downsize from the nearly 50-acre farm where they raised their family.

### Sequence of Events

- Home owned free and clear, sold for \$835,000
- Tried to find home for \$300,000 - nothing
- Tried for \$400,000 - still nothing
- Financial advisor recommended considering a HECM (Home Equity Conversion Mortgage) via Mutual of Omaha Mortgage
- The couple found a home for \$502,000
- Made a \$263,510 down payment, with no monthly mortgage payments\* thereafter
- Financial advisor, who received \$450,000 to invest, then reconstructed clients' financial plan, which resulted in a \$30,000 increase in their annual income
- Doctor and his wife retained the balance of proceeds for liquidity and personal enjoyment

### Summary

- Increase in retirement portfolio
- No monthly mortgage payment\*
- Increased cash flow while also helping to preserve assets
- New home better suited to clients' needs in retirement
- Extremely happy clients

Example shown is for illustrative purposes only. Actual down payment amounts may vary based on interest rate, borrower age and other factors. This range assumes closing costs will be financed into the loan. Closing costs include an up-front mortgage premium of 2% of the property value as well as other closing costs such as an origination fee, title insurance, appraisal fee, credit report fee and recording costs. Typical closing costs including initial MIP range between \$10,000 to \$40,000. Please check with your HECM Specialist for actual figures.

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