

SecureEquity

Powered by Mutual of Omaha Mortgage

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01 SecureEquity

What is SecureEquity?

It's a proprietary proprietary reverse mortgage loan offered by Mutual of Omaha Mortgage, specifically designed for homeowners with high-value properties. This financial product allows homeowners to access their home equity while eliminating the need for monthly mortgage payment*.

How do HECM's compare to SecureEquity Loans?

Traditional Home Equity Conversion Mortgages (HECMs) are federally insured by the Federal Housing Administration (FHA) and are subject to lending limits. In contrast, a SecureEquity loan allows borrowers to access equity beyond FHA's limits.

Benefits

- 100% of the equity is available in the first year
- Tax-free lump sum of up to $4 million
- Pay off the primary mortgage while retaining homeownership
- Fixed interest rate
- Age 55** and older
- No Mortgage Insurance Premium (MIP)
- No pre-payment penalties
- Own a high-value property exceeding FHA limits

*Borrower must occupy home as primary residence and remain current on property taxes, homeowner's insurance, the costs of home maintenance, and any HOA fees. **Due to state restrictions, some states have a higher minimum age than 55. Minimum age for MA and WA is 60. Minimum age for NC, TX and UT is 62. In traditional reverse mortgages, the first-year payout limit is typically 60% of the total loan proceeds. FHA-insured reverse mortgages are subject to HUD-imposed lending limits, which may vary annually.



02 Key Features of SecureEquity Loan

Protections:

SecureEquity is a non-recourse loan, which means that in the event of the borrower's death or the sale of the property, the borrower or the estate will never owe more than the loan balance of value of the property, whichever is less.

Loan Amount:

Borrowers who qualify for a proprietary reverse mortgage may access up to $4 million in home equity.

Fund Access:

With a SecureEquity loan, borrowers may access up to 100 percent of the loan proceeds in the first year.





No Mortgage Insurance Premium:
SecureEquity loan borrowers do not have to pay mortgage insurance premiums as traditional reverse mortgages require.

Pre-payment Penalties: None

Flexibility:
SecureEquity loan proceeds can help borrowers achieve their financial goals.

- Fund home renovation projects
- Cover medical or in-home care expenses
- Refinance an existing reverse mortgage to access a larger pool of funds

Fixed Rates:
SecureEquity loan comes with fixed interest rates.

03 SecureEquity Loan Eligibility Requirements



Age Requirements:

Borrowers must meet the age requirement of 55* years and older.

Residence:

A SecureEquity loan requires that the property must serve as the borrower's primary residence.

Property Type:

The property must be a single-family home, a qualifying condominium, a town home, or a multi-family residence with one to four units in which the homeowners live in one of the units.

*Due to state restrictions, some states have a higher minimum age than 55. Minimum age for MA and WA is 60. Minimum age for NC, TX and UT is 62.



Property Values:
Properties valued at $850,000 or more and condos above $500,000.

Maintenance:
Borrowers must remain current on property taxes, homeowner insurance, home maintenance costs, and HOA fees.

Repayment:
Repayment is not required until one of the following events occurs: the homeowner relocates, does not comply with the loan conditions, or passes away.

Availability:
SecureEquity loan is available in 25 states.

04 Disbursing Proprietary Reverse Mortgage Funds

How are Proprietary Reverse Mortgage Funds Disbursed?

Homeowners can access hundreds of thousands of dollars more of their home equity than a traditional reverse mortgage loan currently offers.

Payment: A single lump-sum payment is made at the closing of the loan.



05 SecureEquity Loan Costs & Fees

SecureEquity Loan Costs & Fees Include:

Interest Rates: Proprietary reverse mortgage interest rates are higher than traditional reverse mortgages.

Origination & Closing Costs: No out-of-pocket funds at closing.

FAQ'S

Who Owns the Home with a Proprietary Reverse Mortgage?
One myth about reverse mortgages and proprietary reverse mortgages is that the bank owns or buys the home from the homeowner. A home with a proprietary reverse mortgage belongs to the homeowners, so borrowers must still pay the property taxes and homeowners insurance and maintain the home, giving them complete control and security over their property.

Is Money from a Proprietary Reverse Mortgage Taxable*?
Because the money received from a proprietary reverse mortgage is a loan, it is not considered income and is therefore not taxable.

Can Borrowers Get a Line of Credit with a Proprietary Reverse Mortgage?
Yes, borrowers can get a line of credit with a proprietary reverse mortgage, but not all lenders offer a line of credit option with proprietary loans.

*Client may want to consult a tax professional

05 SecureEquity Loan Costs & Fees Continued

What Is the Difference Between a Proprietary Reverse Mortgage and a Jumbo Reverse Mortgage?

A jumbo reverse mortgage is a proprietary reverse mortgage. Jumbo reverse mortgages are considered proprietary because they are private loans offered by Mutual of Omaha Mortgage, not the FHA.

Will a Proprietary Reverse Mortgage Affect My Social Security Benefits?

Reverse mortgage funds have no impact on Social Security benefits. However, Social Security is not a "needs-based" program. The same goes for Medicare; it could affect someone's access to a program like Medicaid or disability benefits.





Bottom Line

SecureEquity loan is an option for homeowners looking to access more funds than is allowed with a traditional reverse mortgage. With the ability to borrow up to $4 million, homeowners can tap into their home equity and use the funds as they see fit, giving them the financial freedom they deserve.

Additionally, SecureEquity offers certain benefits, such as no mortgage insurance premiums and the ability to receive 100% percent of the loan proceeds in the first year.

However, it's important to carefully consider the pros and cons before making any major financial decision.

Mutual of Omaha MORTGAGE

GIVE US A CALL!

Find out if SecureEquity is right for you. Talk to one of our experienced reverse mortgage specialists today!

(800) 375-5819

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