

SecureEquitysm Plus vs. HECM Fixed

Many reverse borrowers like the peace of mind of a fixed interest rate but limits on distributions make it a little used option on HECMs and since rates are generally higher on HECM Fixed than ARMs, Principal Limits are often lower too. Just like all SecureEquitysm loans, there is no upfront or ongoing MIP which can save your borrower thousands!

Let's compare a 74-year-old borrower in California with a \$1,500,000 home who owes \$300,000. The green highlights show where SecureEquitysm has the advantage.

No MIP - Since SE is not a government insured loan, there is no MIP, but it's still non-recourse! Ongoing MIP on this loan means another \$4000+ after 10 years.

Higher Values - Borrowers with homes under \$10,000,000 get to "use" all of their property's value instead of just \$1,209,750.

Higher Loan Amounts - The borrower gets almost \$295,000 more in Principal Limit with SE+.

Lower Closing Costs - No upfront MIP saves the borrower over \$24,000 in Closing Costs. Although the Origination fee is higher on SE+, the borrower still pays about \$1,000 less in total Closing Costs.

More Proceeds - SE+ provides almost \$400,000 in proceeds all of which is available at loan funding, not just the \$43,000 available on the HECM. That's over \$350,000 that your borrower can use to fund in-home care, purchase a vacation home, help their family and more! more with SecureEquitysm.

	HECM Fixed	SecureEquity Fixed Plus
Index	(Fixed)	(Fixed)
Margin/Rate	Rate: 7.810%	Rate: 8.990%
Expected/Initial Rate	7.810% / 7.810%	8.990%
Interest Rate Cap		
MIP Rate	0.500%	0.000%
Monthly Servicing Fee		
Initial LOC Growth Rate		
Estimated Property Value	\$1,500,000.00	\$1,500,000.00
Max Claim Amount	\$1,209,750.00	\$1,500,000.00
Principal Limit	\$435,510.00	\$730,500.00
- Mortgage Insurance	\$24,195.00	\$0.00
- Origination Fee	\$6,000.00	\$29,220.00
- Other Fees	\$2,404.05	\$2,404.05
- Liens Payoff	\$300,000.00	\$300,000.00
Available Funds	\$43,551.00	\$398,875.95
Available Tenure		
Disbursement	Cash \$43,551.00	Cash \$398,875.95