Mutual of Omaha
REVERSE WHOLESALE

A BROKER'S GUIDE TO OVERCOMING THE TOP 5 REVERSE MORTGAGE OBJECTIONS

Simple conversations that build confidence and move clients forward

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Not Intended for Consumer Distribution

Equal Housing Lender
Corporate NMLS#1025894

01. I'm waiting for rates to drop

Shift the Conversation:

- "What's the goal with waiting?"
- Reverse mortgages offer flexibility— With the variable rate, if rates improve, your rate will adjust and refinancing is an option later.

Key Talking Points:

- A line of credit can grow over time, increasing available funds
  - That's great - did you know that your unused LOC grows quicker when rates are higher!
- Waiting could reduce proceeds if home values or guidelines change
  - What if the program changes or if rates go up?
- **Show real scenarios:** What does it look like now vs. if rates rise or fall?

02. This is way too expensive

Shift the Conversation:

- "Expensive compared to what?"

Reframe the Value:

- Costs are similar to traditional mortgages—but eliminate monthly mortgage payments*
  - In this case, they are usually referring to the MIP, which is a cost – but not considered a closing cost. Explain how the MIP provides them with protections (non-recourse) and guarantees the loan.
- Consider the alternatives:
  - Selling and moving
  - Drawing down investments (and paying taxes)
  - Continuing to carry monthly mortgage payments

Put It in Perspective:

Make it personal – It's important to remember that you don't need to access all available funds at closing. Based on our conversation, an additional $X per month could make a meaningful difference in your financial well-being.

Provides a growing line of credit for future needs.

What's the cost of doing nothing?

03. It's not enough money

Shift the Conversation:

Focus on the immediate benefits rather than the limitations. Ask the borrower(s), **"What would most help alleviate your financial concerns today?"** Emphasize that they can access only the funds they need and have the flexibility to make payments that cover just the accruing interest, rather than a full principal and interest payment—providing additional monthly cash flow.

Guide the Discovery:

- A line of credit can grow over time, increasing available funds
    - That's great - did you know that your unused LOC grows quicker when rates are higher!
- Waiting could reduce proceeds if home values or guidelines change
    - What if the program changes or if rates go up?
- **Show real scenarios:** What does it look like now vs. if rates rise or fall?

Reframe the Benefit:

- Improve monthly cash flow
- Reduce financial stress
- Delay tapping other assets
- Provide a growing line of credit over time
- Share examples *(grocery shopping items worth $100, pay $65 is that $35 a benefit?)* Start a file of examples and stories about other customers that you can share.
- Use "Initially." This is what you initially qualify for; over time due to the generous growth rate that FHA provides, also funded by the MIP, that could easily double!

04. Heirs and Equity

Shift the Conversation:

- "What's most important to you when it comes to your heirs?"

Clarify & Educate:

- Borrowers retain homeownership
- Reverse mortgages are non-recourse
- Heirs have options: sell, refinance, or keep the home

Bring it to Life:

- Discuss family goals and expectations
- What will heirs actually do with the home?
    - **Did you know that 70% of heirs sell their parents home after inheriting it? It's true!** According to Charles Schwab research reported by the Wall Street Journal, nearly 70% of Americans who expect to inherit a home from their parents plan to sell it. While over 75% of parents intend to leave their home to their children, many heirs choose to sell due to financial, emotional, or practical reasons.[1]

    [1] https://finance.yahoo.com/news/comes-inherited-family-homes-more-184824619.html
- Show potential remaining equity with real scenarios
- Highlight how preserving other assets may benefit heirs even more

05. My ________ told me not to do it

Shift the Conversation:

- "That happens—what concerns did they share so I can better understand?"

Build Alignment:

- Don't assume—clarify the objection
- Offer to include them in the conversation
- Ask: "What solutions are they recommending instead?"

Position Yourself as a Resource:

- Provide side-by-side comparisons
- Show how a reverse mortgage can complement—not replace—a broader plan

Closing Tips

Lean into the objection, don't fight it:

"It sounds like your main concern is [X]. Let's look at how this would actually work for you."

Pro Tips:

- Know the basics!
- Read the attached HECM & FHA FAQs
- Read the attached Nuts & Bolts
- Listen more, talk less — ask about immediate, short-term, and long-term housing + financial plans.
- Leverage the Mutual of Omaha brand — study shows that 95% of 55+ year-olds know and love the brand.
    - **Fun fact:** Before specialty animal programming, Mutual of Omaha sponsored Wild Kingdom, a Sunday evening favorite from 1963 to 1988. Throughout the years, Wild Kingdom told millions about who Mutual of Omaha was and what the company stood for.

Your meeting mantra:

- Let them know that you know
- Let them know that you care
- Let them know you can help
- Let them know that you're fair

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