



Golden Equity Mortgage

Land Home's Reverse Mortgage Division

— "Putting the Trust Back into Lending!" —

Reverse Mortgage FAQs

Call: 855-995-5040 or
Email: reverse@lhfinancial.com
NMLS #1796

How can this program benefit me?

1. An FHA Reverse Mortgage will eliminate your monthly mortgage payments for as long as you live in your home.
2. You can draw tax-free money from your home for any use without having to worry about paying it back while you still live in the home. You can use this money to pay off debt, supplement your monthly income, take a vacation, or even buy a new car. Your financial advisor can use this money to provide longevity to your portfolio or protect your retirement account. This tax-free money is yours to use any way you want.
3. The security of a mortgage that is insured by the Federal Housing Administration with built-in protection for seniors.

If I get a reverse mortgage, will I still own my home?

Yes, absolutely! The reverse mortgage works just like a regular mortgage except that you don't make monthly mortgage payments. You still retain ownership and title to your home.

What are the qualifications? What if I have poor credit or income?

It's easy to qualify for an FHA Reverse Mortgage: simply be a homeowner age 62 or more. Your income typically does NOT matter. Neither your credit history nor your credit score matters. It's all about your age, your property's value and the equity you have. Qualifying properties include single family homes, duplexes, condominiums or town homes, some multi-unit properties, and manufactured homes (built after 1976 & converted to Real Property).

Can I get an FHA Reverse Mortgage if I don't own my home outright?

Yes. If you have sufficient equity, an FHA Reverse Mortgage will pay off your current mortgage and may offer you additional money as well. Please use our Reverse Mortgage Calculator to see if this can work for you, or call 855-995-5022 to talk to a loan officer for more information.

How much does an FHA Reverse Mortgage cost?

While lender fees and costs are similar to a regular mortgage, you'll notice that the overall costs are higher. This is mostly due to the FHA Mortgage Insurance Premium paid in order to get your Reverse Mortgage. This money insures your loan, protects both you and your heirs and pays for this loan program to exist.

What is the interest rate on an FHA Reverse Mortgage?

You have two options, a Fixed Rate Reverse Mortgage or an adjustable interest rate based on a financial index plus a fixed margin. Since this is a government insured loan program there is less risk involved to the bank so rates are generally less than non-insured loans. The Fixed Rate is decided by the prevailing market conditions while the adjustable rate uses the LIBOR (London Interbank Offering Rate) as the index.

How much money could I be approved for?

The amount of money available to you depends on your age, the value of your home and the product you select. Please view our Reverse Mortgage Calculator, or call us at 855-995-5022 to talk to a loan officer.

How do I get my money from a Reverse Mortgage?

Reverse mortgages allow you to tap the equity in your home without making a monthly mortgage payment. Depending on your age, home value and equity, you may be able to access that equity. Reverse Mortgages allow you to tap the equity in your home without making a monthly mortgage payment. This can be delivered to you in one of four ways:

1. Lump sum at closing. Cash to you after the loan closes.
2. Structure as a monthly payment to you for either a set period of time or lifetime, depending on your needs.
3. As a Line of Credit where you can draw money as you need it in an amount you control. The available money for you will grow every month!
4. Any combination of the above. You can change your plan at any time throughout the life of the loan!

Our Loan Officers can help you explore the options available to you and customize your loan to best serve your needs.

How does a Reverse Mortgage get paid back?

You or your estate will pay the money back plus interest when you permanently move out of your home. If you sell your home during your lifetime you'll be paying back your Reverse Mortgage at the sale. If you live there until you pass away, that's when it needs to be paid back.

Do I have to pay any monthly mortgage payments on my FHA Reverse Mortgage?

No. Just pay your homeowner's insurance, property tax and your Homeowner's Association Fees (if any). FHA Reverse Mortgages do have a monthly service fee but it's added on to your loan balance—you don't have to pay it out of pocket. You will never be responsible to pay more than your home is currently worth.

Can I make a payment on my FHA Reverse Mortgage?

Yes you can. You can pay as much as you want at any time you want without penalty. There are no prepayment penalties of any kind. The payment will directly reduce the amount of money you owe on your Reverse Mortgage, and will also increase the amount of money you can draw on a Line of Credit.

Can I buy a Home with a Reverse Mortgage?

In addition to using a reverse mortgage on your current home, you also have the option of using a reverse mortgage to finance the purchase of a new home. Please call 855-995-5022 and talk to a Loan Officer to help you evaluate this important move.

What happens when I pass away?

The Reverse Mortgage works in the same as a regular mortgage when you pass away. You or your estate / heirs always own the equity in your property. When the last borrower on the FHA Reverse Mortgage passes away the loan comes due, just like with a regular mortgage. The heirs have an initial 6-month period to pay back the loan. They can do this by either getting their own mortgage to keep the property, or selling the property. If they sell the property, the loan is paid off with the sale proceeds and the equity (left-over money) goes to your heirs. The time to pay back the Reverse Mortgage on the property may be increased by applying for extensions (up to an additional six months).

What happens if my wife or husband passes away before I do?

An FHA Reverse Mortgage stays in force so long as either one of the borrowers still lives in the home. If your husband or wife passes away during the lifetime of the loan NOTHING HAPPENS. If you're receiving monthly payments they don't stop. If you have a Line of Credit it's still there. Many borrowers get an FHA Reverse Mortgage in order to provide security for their spouse by eliminating their house payments in the event they pass away before them. Please keep in mind that this only applies to borrowers on the loan who are on title, and all must be at least 62 years of age.

If my FHA Reverse Mortgage gets too big will I have to pay it back? Will I lose my home? Will my family / heirs have to pay anything if the mortgage is more than the house is worth?

No to all of these! As long as you're living in the home no mortgage payment is due—even if the Reverse Mortgage balance is high or you live into your 80s, 90s or even 100 and above. An FHA Reverse Mortgage is what's called a "non-recourse" loan, meaning that if the loan payoff is more than the home value at the time the borrower passes away, the loan company is paid back by the FHA. Your heirs can choose to sell the home and they won't have to pay any excess money beyond the value of the property or they can "buy back" the property from FHA for only 95% of the current value! They can keep the family home and benefit from the reduced price!

Can I have my home in a Trust and still get an FHA Reverse Mortgage?

Yes you can, Living Trusts and Revocable Trusts in the name of borrowers age 62 or more work just fine with an FHA Reverse Mortgage.

Can I sell my home later if I get an FHA Reverse Mortgage?

Yes you can sell your home at any time without penalty. If you do this during your lifetime you'll be paying back the money you have borrowed plus the interest and fees added during the time you've had the loan. Leftover money (your equity) goes to you. No special permission or government approval is required to sell your home when you have an FHA Reverse Mortgage.

Will I be taxed on money I receive from an FHA Reverse Mortgage? Can I deduct the interest paid on an FHA Reverse Mortgage?

Money from a Reverse Mortgage is borrowed, thus it is not taxable. Generally speaking, interest accrued on any mortgage is not tax deductible until the year that it is paid. With an FHA Reverse Mortgage, typically interest cannot be deducted until you pay off the mortgage or if you choose to make payments monthly or periodically, then you would receive a 1098 for the tax year the payments were received. You should consult a tax professional for specifics on how an FHA Reverse Mortgage would affect your specific tax situation.

Will an FHA Reverse Mortgage affect my qualifications for income-based programs, Social Security, Medicare or Pension?

Since Reverse Mortgages are borrowed money they generally don't affect these benefits. Senior programs vary state by state so you should consult your representative at any program you're currently in to check on your eligibility.

What about the housing market these days?

This is the perfect time to get a reverse mortgage. By doing your reverse mortgage right now, we establish the current value of your home and your future is safe. The line of credit available grows even if your property depreciates!

How do I get a reverse mortgage? What is the process?

- Simple, just call us toll-free at 855-995-5022.
- We'll get some basic information from you (your age, property value, current mortgage) and start to explore what kind of benefits you can expect from getting an FHA Reverse Mortgage.

Why should I choose Golden Equity Mortgage?

You want someone experienced that you can trust. Golden Equity is the reverse division of Land Home Financial Services, a direct lender since 1988. Golden Equity has been a leader in the reverse mortgage market for the last 7 years and a proud member of NRMLA. Because we are a direct lender we have the most aggressive FHA Reverse Mortgage products and programs available. We will get you the best possible FHA Reverse Mortgage program tailored to meet your financial goals and maintain a genuine concern for your quality experience.

