An Amazingly Simple Retirement Income Supplement That Almost Everyone Ignores

Most retired homeowners over age 62 are unaware of a new way to increase their retirement cash flow without touching a penny of their savings, investments, and current income.

This FREE booklet "The Crucial Step for Having a Comfortable and Stress Free Retirement" is for retirees and shows them how to get more benefits from their existing assets without risk to their financial well-being.

If you have any questions, call 877-529-0550
Valerie VanBooven, RN, BSN, PGCM

Dear Senior:

Thank you for requesting your free report. **The goal of this information is to provide you with a way to generate income tax free without ever touching your savings, investments, or current cash flow.**

This packet of information will also show you how to receive cash flow without affecting your current Social Security Income, or Medicare benefits.

Many seniors would like to receive additional cash flow for purposes of:

- **Helping a grandchild go to college**
- **Giving a charitable donation to a church or organization**
- **Supplementing their retirement income**
- **Paying off a debt or loan**
- **Paying for medical expenses or prescription drugs**
- **Paying for home care**
- **Paying for much needed home improvements**
- **Paying for a long-term care insurance plan that would otherwise not be affordable**

The federal government has established a program to help seniors find additional cash flow.

You may be eligible if you are 62 years old or older, and you own your home (even if you still have a mortgage).

It doesn't matter how much credit card debt you may have, or how many loans you have, or how your credit report looks. It doesn't matter what your current health status is. It doesn't matter if you are wealthy or not.

The bottom line is that there is help and there is hope.

Some seniors find themselves in a position where they would like to stay in their own homes and receive care. However, they don't qualify for long-term care insurance because of their current health concerns. Or, they just can't afford long-term care insurance because the premiums are too high.

All of these situations can be corrected by a program offered through HUD and backed by FHA. This program never touches your investments, savings, or current income. It generates cash flow that is TAX FREE. Social Security Income and Medicare benefits are not affected.

Enclosed are a couple of examples of how seniors are using this program.

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Betty

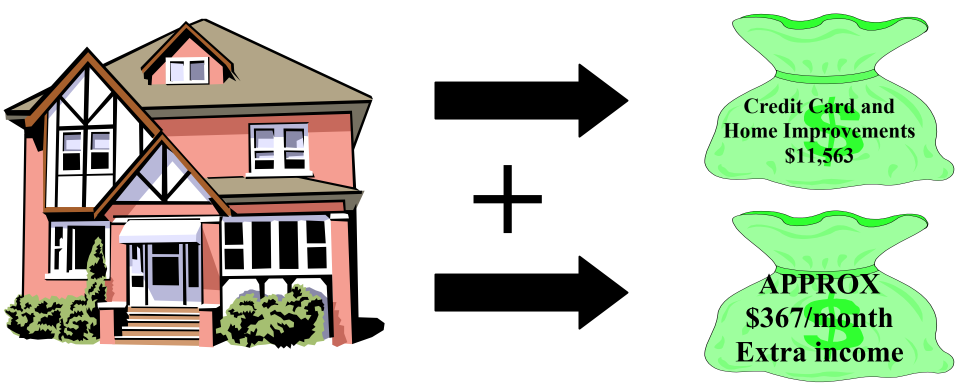
Age: 70
$900/month in Social Security Income
No Savings
Few Investments
Owns her home valued at $120,000
Current Mortgage balance: 0

Betty has some credit card debt due to the high cost of her medical bills and prescription drugs. Her home also needs some improvement.

Credit card and other loans**: $5,563**
Home Improvement needs**: $6,000**

Solution:

Using an HECM (Reverse Mortgage) Betty can:
Pay off existing loans/credit cards: $5,563
Make the needed home improvements: $6,000
Have additional cash flow of approximately $367/month



Betty will never have to leave her home. She still owns her home. The loan will only come due when Betty dies or leaves her home permanently. Her heirs are not responsible for repaying the loan. When Betty dies and the house is sold, her heirs will receive the proceeds from the sale of the home less the loan amount. The additional income will ensure that Betty can afford her medical care and prescription drugs eliminating the need for credit card debt. The home improvements will make her home safe and senior friendly.

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Bill and Mary

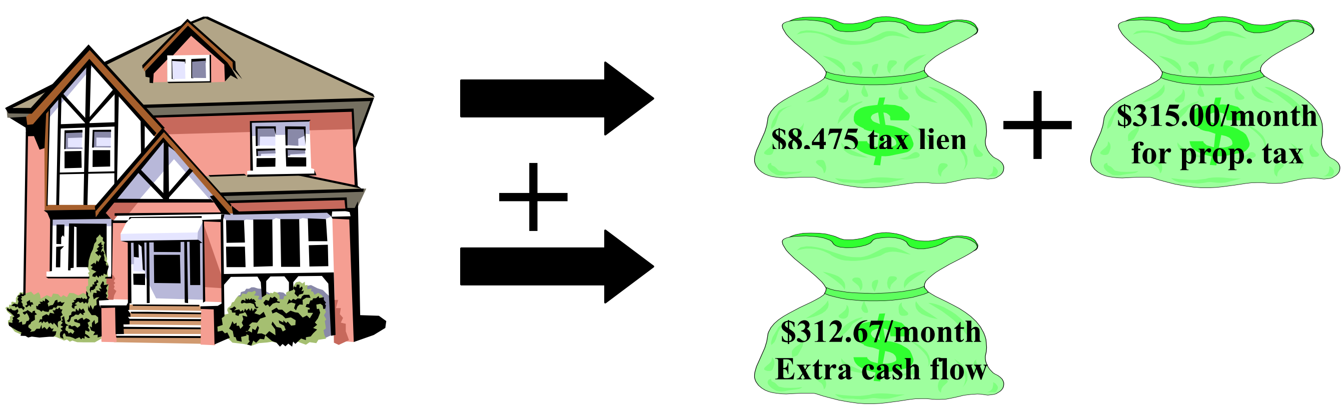
Age: 74
Home Value: $165,000
Mortgage balance: 0
Back property taxes due: $8,475
Monthly Property Tax Payment: $315

This couple whose only real income is their Social Security benefit, is at risk of losing their home due to unpaid property taxes. An interested party has indicated their intention of buying up the tax lien, taking ownership, an either putting the house up for sale, or allowing the couple to stay there in exchange for a monthly rent payment of $750/ month.

Solution

Using an HECM (Reverse Mortgage) this couple was able to:

Pay off the tax lien: **$8,475**
Get a monthly cash flow of: **$627.67**
Pay the monthly tax payment: **$315.00**
Giving them a monthly net extra cash flow of: **$312.67**



Bill and Mary will never have to leave their home. They still own their own home. The loan will only come due when Bill and Mary BOTH die or BOTH leave their home permanently. Their heirs are not responsible for repaying the loan. When Bill and Mary BOTH die and the house is sold, their heirs will receive the proceeds from the sale of the home less the loan amount. The additional cash flow will ensure that Bill and Mary can afford their monthly tax payments, plus a little extra for other expenses.

John and Sue

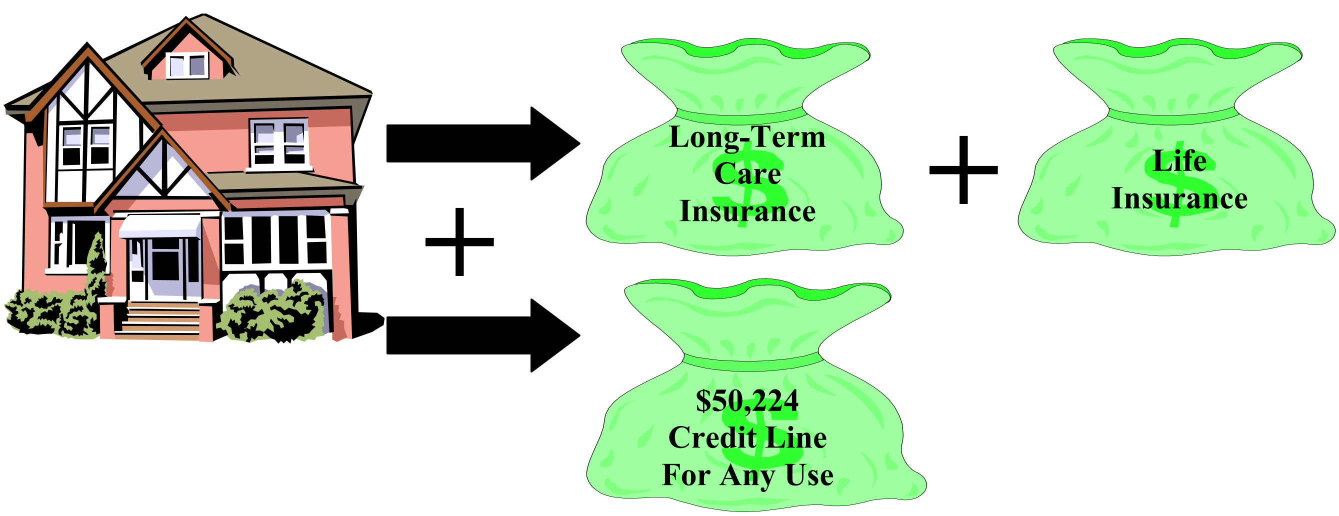
Ages: 74 and 70
Home value: $245,000
Mortgage balance: 0

John and Sue are concerned that in the future one of them will need more care than they are able to provide to each other now, and they don't want to be a burden to their family members. Their fear is that if this happens, they will quickly exhaust their meager savings and leave the spouse who did not need care without the ability to keep their home and make ends meet. They would like to purchase a long-term care insurance policy, but they can't afford the monthly premium. Their retirement account was severely negatively impacted in the recent market.

Solution

Using an HECM (Reverse Mortgage):

- **They can purchase a single premium MoneyGuard policy for $100,000.**
- **This provides each of them with long-term care insurance benefits of almost more than twice the premium.**
- **MoneyGuard also provides them with a 2nd to die life insurance benefit for their children or grandchildren in an amount GREATER than the premium they paid.**
- **If not used, the premium will grow by almost 5% per year and is fully recoverable by the couple anytime they want to give up the policy benefits. This means that they can get their $100,000 back at any time.**
- **They have an additional credit line of $50,224 available to them from the HECM which will grow at a minimum rate of 4.53% each year.**



HECM CASE STUDY #1

Client profile - William and Betty Senior

- Age - William 77, Betty 75 (HECM are calculated using the youngest owners age)
- Home value - $375,000
- Equity - $375,000
- Problem - How to supplement monthly income to help pay for medical and medication expenses.
- Solution - A HECM will provide a cash flow of $180,034 tax free* in one lump sum or credit line or $1,198 per month.

HECM CASE STUDY #2

Client profile - Charles and Judy Pleasant

- Age - Charles and Judy are both 68
- Home value - $165,000
- Equity - $165,000
- Problem - They would like to travel in their motor home but lack the extra income needed to pay the added expenses of travel.
- Solution - A HECM of $93,645 will give them $576.48 per month of extra tax free* cash flow.

HECM CASE STUDY #3

Client profile - Mary S. Citizen

- Age - 72
- Home value - $250,000
- Equity - $210,000 with a mortgage balance of approx. $40,000.
- Problem - Mary lives alone and wants to stay in her home but is having difficulty meeting expenses. Her mortgage payment is $611 per month. With her Social Security income and pension she is still short $187 per month.
- Solution - A tax free* HECM for $154,578 taking a lump sum of $40,000 to pay off her existing mortgage and the balance in monthly payments of $739.89. After paying off the mortgage, Mary's monthly cash flow rises to $1350.89 ($611 mtg. paym't plus $739.89 from the HECM).

HECM CASE STUDY #4

Client profile - John and Joanne Smiles

- Age - John is 82 and Joanne is 80
- Home value - $850,000
- Equity - $850,000
- Problem - Their income is sufficient to live as planned but they would like to assist with the college tuition for their two grand children.
- Solution - A HECM credit line of up to $336,045, which will allow John and Joanne the ability to assist with their grandchild's college tuition.

* Please check with your accountant to verify current tax laws.

FAQ About (HECM)

GETTING STARTED WITH A HECM

What is a HECM?
- A HECM is a loan that enables a "senior" homeowner, having attained the age of 62 or older, to convert part of the equity in their home to tax free cash flow without having to give up title or take on a monthly payment. Another name for a HECM is an Reverse Mortgage.
How do I qualify for a HECM?
- You must be at least 62 years of age, own and have equity in your home and it must be your primary residence. There are no income, credit or health requirements to qualify.

What if I already have a mortgage or other debt on my home?
- The mortgage and or debt will be paid off from the proceeds of the HECM loan. Your HECM will then be based upon the remaining equity in your home.

How will the income from the HECM affect my taxes, social security or other benefits?
- Proceeds from a HECM are not taxable, it's your money (equity), not taxable income. Nor will your regular Social Security or Medicare be affected. The impact, if any, on other federal, state or local assistance programs should be discussed with your financial advisor or the program sponsor.

How much money can I borrow?
- This depends upon borrower's age, market value and equity in the home and the interest rate at the time of origination.

Are there payment options?
- Yes. You can choose to receive fixed monthly payments for as long as the home is your primary residence or, a lump sum payment, a line of credit or any combination of the above.

THE HECM PROCESS

Who will own my home after I get a HECM?
- You will continue to own and have title to your home just as with a regular mortgage.

How much will it cost to get a HECM loan?
- Many of the same costs of a regular home mortgage apply to the HECM. The charges will include an appraisal and credit report fee, termite inspection, origination fee, mortgage insurance fee (for FHA/HUD Home Equity Conversion Mortgages (HEMC), monthly servicing fee and other standard recording or closing costs. In most instances

these fees are capped, financed as part of the HECM and taken out of the loan proceeds at the closing.

Will a formal appraisal be required to get a HECM?
- Yes. The value of your home is one of the factors which will determine how much money you can receive. We will order the appraisal which is normally paid for by the borrower upon application.

Will I need an attorney to get a HECM?
- An attorney is not required but we encourage the borrower to seek advice from a family member and/or legal, tax or financial advisor before committing to a HECM.

Will I be required to receive counseling before I can get a HECM?
- Yes. Counseling is required and this educational session is designed to inform you and reconfirm the mechanics of HECM. We will provide you the name and phone number of an approved HECM counselor.

THE HECM PHASE

Will I be required to make any payments when I have a HECM?
- No. The lending institution pays you. You are responsible for real estate taxes, homeowners insurance and the upkeep of the property.

Are there any restrictions on the use of the money from the HECM loan?
- None whatsoever. You can use the proceeds to pay off medical bills, purchase or pay for health insurance or health care, life insurance, repair your home, purchase a second home, pay for college tuition for your grandchildren, travel, put it in the bank or use it anyway you choose.

Must I make monthly mortgage payments?
- No. There are no payments so long as the owner(s) continue(s) to occupy the home as their primary residence. The homeowner is only responsible to maintain the home, and pay for insurance and property taxes.

Can one of the owners remain in the house if the other moves out or passes away?
- Yes. The last primary resident to vacate the home triggers repayment of the loan.

Will a temporary non-occupancy cause the HECM to become due?
- Non-occupancy of your principal residence for more than one year will cause the HECM to become due.

AT THE END OF THE HECM

When must the loan be paid off?
- When the home is no longer the primary residence of the owner, the owner sells the home, or the owner dies.

Do my heirs have to sell the house to repay the HECM?
- No. They can repay the balance due on the HECM and keep the home. If they choose to sell the home they keep the excess proceeds of the sale after satisfying the mortgage.

Are my heirs responsible for the HECM if it exceeds the value of the home?
- No. Your estate is not responsible for this mortgage. This is a non- recourse loan.

Will my estate have to pay taxes on the proceeds I received from the HECM?
- No. The proceeds are tax free. (But please consult with your tax advisor).

How much will be owed at the end of the HECM?
- The amount borrowed, the accrued interest, the mortgage insurance premiums accrued, services fees and any of the costs or fees financed as part of the HECM. There are no prepayment penalty fees.

THE HECM AS AN ESTATE PLANNING TOOL

Can a Living Trust or other form of trust take out a HECM?
- Yes, but subject to the conditions of the trust document. The entire trust document must be made available to the lender in order to approve the HECM loan and in a manner that maintains the integrity of the trust.

Will any other part of the homeowner's estate be responsible for the HECM debt?
- No. The HECM loan is non-recourse even if the equity is less than the amount due.

Can the accrued interest be used to benefit the estate?
- Yes. In many instances this may be the case but you should consult with your legal or tax advisor regarding these or other tax implications.

Are the proceeds of the HECM tax free, even if taken as one lump sum?
- Yes. But please consult with your financial advisor.

Can the proceeds be used as a retirement or estate planning tool to purchase annuities, life insurance, prepaid health insurance, etc. or any combination thereof?
- Yes. The use of the proceeds is at the discretion of the borrower and/or the direction of the borrower's financial or legal advisors. The use of the proceeds of the HECM is limited to the creativity and needs of the borrower.

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General Comments.
- The HECM may be used to provide funding for healthcare or medical treatment.
- It may reduce the impact of estate taxes through the purchase of various other insurance products.
- It may maximize the legacy of estate transfer.
- It may lower the total estate value subject to taxes.
- It may create estate deductions thereby enhancing the net value of the estate.
- It could provide an added element of control to the estate plan.
- The proceeds of the HECM are tax free. (Consult your financial advisor or tax attorney).

COSTS ASSOCIATED WITH THE HECM

How much will it cost to get a HECM loan?
- Many of the same costs of a home purchase mortgage apply to the HECM. The charges will include an appraisal fee, termite inspection, origination fee, mortgage insurance fee (for FHA/HUD Home Equity Conversion Mortgages (HECM), monthly servicing fee and other standard recording or closing costs. In most instances these fees are capped, **financed as part of the HECM** and taken out of the loan proceeds at the closing.
- An appraisal fee may be charged at the time of the application process.

More Information

If you would like a free book on the subject of Reverse Mortgages (HECM), please contact our offices and ask for Valerie VanBooven.

She will immediately send you a copy of "Money From Home" written by the Fannie Mae organization.

Call 636-441-3700 for your free book.

Valerie can also send you personalized information that gives you an estimate of what might be available to you based on your age and the equity in your home.

Thank you!!

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