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SENIOR HOME EQUITY INCREASES FOR THIRD STRAIGHT QUARTER

WASHINGTON, D.C. – Americans 62-years old and older now have more equity in their homes than at any time since mid-2009, according to data released today by the National Reverse Mortgage Lenders Association.

The new information comes from the ***NRMLA/RiskSpan Reverse Mortgage Market Index*** (RMMI), which analyzes trends in the home values, home equity, and mortgage debt of homeowners 62 and older. The RMMI is updated quarterly and tracks back to the start of 2000.

"The positive trends supported by today's RMMI are good news for senior homeowners, and they contain positive signs for the American economy and housing market," said Peter Bell, president of the National Reverse Mortgage Lenders Association.

"Thankfully, the recovering real estate market continues to grow seniors' home equity, creating a valuable resource for them. Tapping into that equity is one option to help fund living expenses, home maintenance costs, or health care needs in retirement," Bell said. "With proper planning, seniors can use their home equity to pay off a forward mortgage and lower their monthly expenses, or they can use it for the financial flexibility needed to hold onto other assets during a down market."

In the fourth quarter of 2012, the RMMI reached its highest level (152.59) since the second quarter of 2009. After falling to start 2012, the RMMI increased slightly in the second quarter before showing significant growth in the third and fourth quarters.

"In the second half of last year, the RMMI had its strongest two quarters of growth since early 2006," said Allen Jones, managing director of RiskSpan, the analytics firm which designed and manages the RMMI. "Senior home equity increased by $50 billion between the third and fourth quarters of 2012, driven largely by the increase in the aggregate value of seniors' homes."

Over the last 12 months, the total home equity of homeowners 62 and older increased by $117 billion (+3.8 percent), while their home values increased by $97 billion (+2.3 percent) and their mortgage debt declined by $20 billion (-1.8 percent).

REVERSE MORTGAGE MARKET INDEX

Quarter	Home Value Among 62+ ($ Trillions)	Home Equity Among 62+ ($ Trillions)	Mortgage Debt Among 62+ ($ Trillions)	RMMI	RMMI Quarterly Change
2010-Q3	4.26	3.12	1.14	148.96	1.69%
2010-Q4	4.25	3.13	1.12	149.21	0.17%
2011-Q1	4.16	3.04	1.11	145.16	-2.71%
2011-Q2	4.11	3.00	1.11	143.00	-1.49%
2011-Q3	4.15	3.05	1.10	145.30	1.60%
2011-Q4	4.18	3.08	1.10	147.01	1.18%
2012-Q1	4.15	3.06	1.09	146.13	-0.60%
2012-Q2	4.16	3.07	1.09	146.48	0.24%
2012-Q3	4.23	3.15	1.08	150.21	2.55%
2012-Q4	**4.28**	**3.20**	**1.08**	**152.59**	**1.58%**

Prepared by RiskSpan, Inc.
Data sources: American Community Survey, Census, FHFA, Federal Reserve

The housing value estimate used in the RMMI is based on the Federal Housing Finance Agency's Q4 2012 all-transactions Indices, which saw housing values increase in 71 percent of the 395 MSAs covered by RiskSpan.

In addition to calculating the RMMI level for the most recent quarter, RiskSpan recalculates historical RMMI levels using the Federal Reserve's revisions to its historical Home Mortgage Debt figures and FHFA's revisions to its historical HPI figures. As a result of the Fed's and FHFA's revisions to the data they published in Q4 2012, the Q3 2012 RMMI level was upwardly revised from 149.99 to 150.21. Most quarters show similar very small adjustments.

Going back to the start of 2000, the RMMI peaked at 191.22 in the fourth quarter of 2006, when the collective home equity owned by Americans 62 and older hit $4.0 trillion. Since that high water mark, home values have declined 13.6 percent for homeowners 62 and older, and their collective home equity has declined by 20.2 percent.

Over the long term, however, home equity has proven to be a valuable asset. The collective home equity of Americans 62 and older has grown by more than 50 percent since the RMMI's starting point. In Q1 of 2000, seniors owned $2.1 trillion in home equity, compared to $3.2 trillion today.

"The equity Americans have built in their homes is often their greatest asset, an important resource for funding their future," Bell said. "The FHA Home Equity Conversion – or reverse mortgage – program has been a useful tool, helping hundreds of thousands of seniors maintain their homes and lead more financially stable lives."

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About Reverse Mortgages

Reverse mortgages are available to homeowners 62 years old and older with significant home equity. They are designed to enable retirees to borrow against the equity in their homes without having to make monthly payments as is required with a traditional "forward" mortgage or home equity loan. Under a reverse mortgage, funds are advanced to the borrower and interest accrues, but the outstanding balance is not due until the last borrower leaves the home, sells, or passes away. Borrowers may draw down funds as a lump sum at loan origination, establish a line of credit or request fixed monthly payments for as long as they continue to live in the home.

To date, more than 750,000 senior households have utilized an FHA-insured reverse mortgage. More than 575,000 senior households are currently using a reverse mortgage to help meet their financial needs. For more information, please visit www.ReverseMortgage.org

About the National Reverse Mortgage Lenders Association

The National Reverse Mortgage Lenders Association (NRMLA) is a membership organization comprised of more than 300 companies and more than 1,000 people participating in the reverse mortgage industry. With a membership responsible for more than 90 percent of reverse mortgage transactions in the United States, NRMLA serves as the national voice for the industry. It serves as an educational resource, policy advocate and public affairs center for lenders and related professionals. NRMLA was established in 1997 to enhance the professionalism of the reverse mortgage business. All NRMLA member companies commit themselves to our Code of Ethics & Professional Responsibility.

Reverse Mortgage Market Index
(Q4 2012 RMMI)

NRMLA/RiskSpan
March 14, 2013

Presentation Outline

- Trends in Senior Housing
  - Aggregate Home Values (Q1 2000 – Q4 2012)
  - Aggregate Mortgage Debt Levels (Q1 2000 – Q4 2012)
  - Aggregate Equity (Q1 2000 – Q4 2012)
  - Reverse Mortgage Market Index (RMMI) (Q1 2000 – Q4 2012)
  - Historical Summary of key RMMI components (Q2 2010 – Q4 2012)

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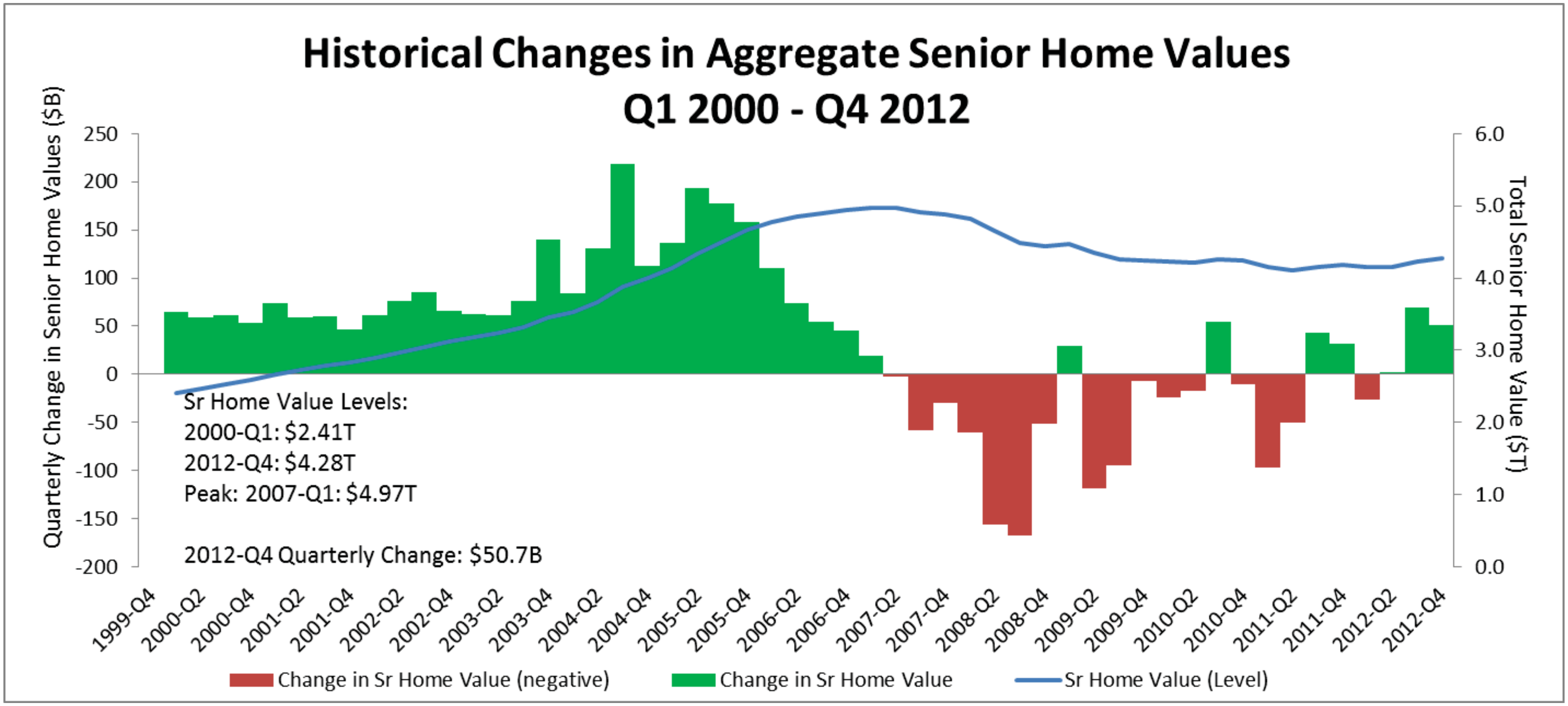
Quarter over quarter changes in senior home values



Prepared by RiskSpan, Inc.
Data sources: American Community Survey, Census, FHFA

Explanation of slide 3, “Quarter over quarter changes in senior home values”:

This graph shows the historical trend in the aggregate value of housing owned by the senior population. The blue line shows the estimated aggregate value, or level, of senior owned housing. This level is captured on the right axis. We estimate that aggregate senior housing value was $4.28 trillion in Q4 2012, 14% below the Q1 2007 peak of $4.97 trillion but 77% above the Q1 2000 level of $2.41 trillion. The red and green bars show the estimated quarterly change in senior housing values. These changes are captured on the left axis, which uses a smaller scale than the right axis in order to demonstrate visually these changes. A green bar represents a quarterly increase in aggregate value; a red bar represents a quarterly decline in aggregate value. The changes were consistently positive until 2007, when the housing market downturn began. We estimate that since Q2 2007, the aggregate value of senior housing fell in 16 of 23 quarters but that it rose in 5 of the last 6 quarters, with Q4 2012 seeing a $50.7B increase in value relative to Q3 2012.

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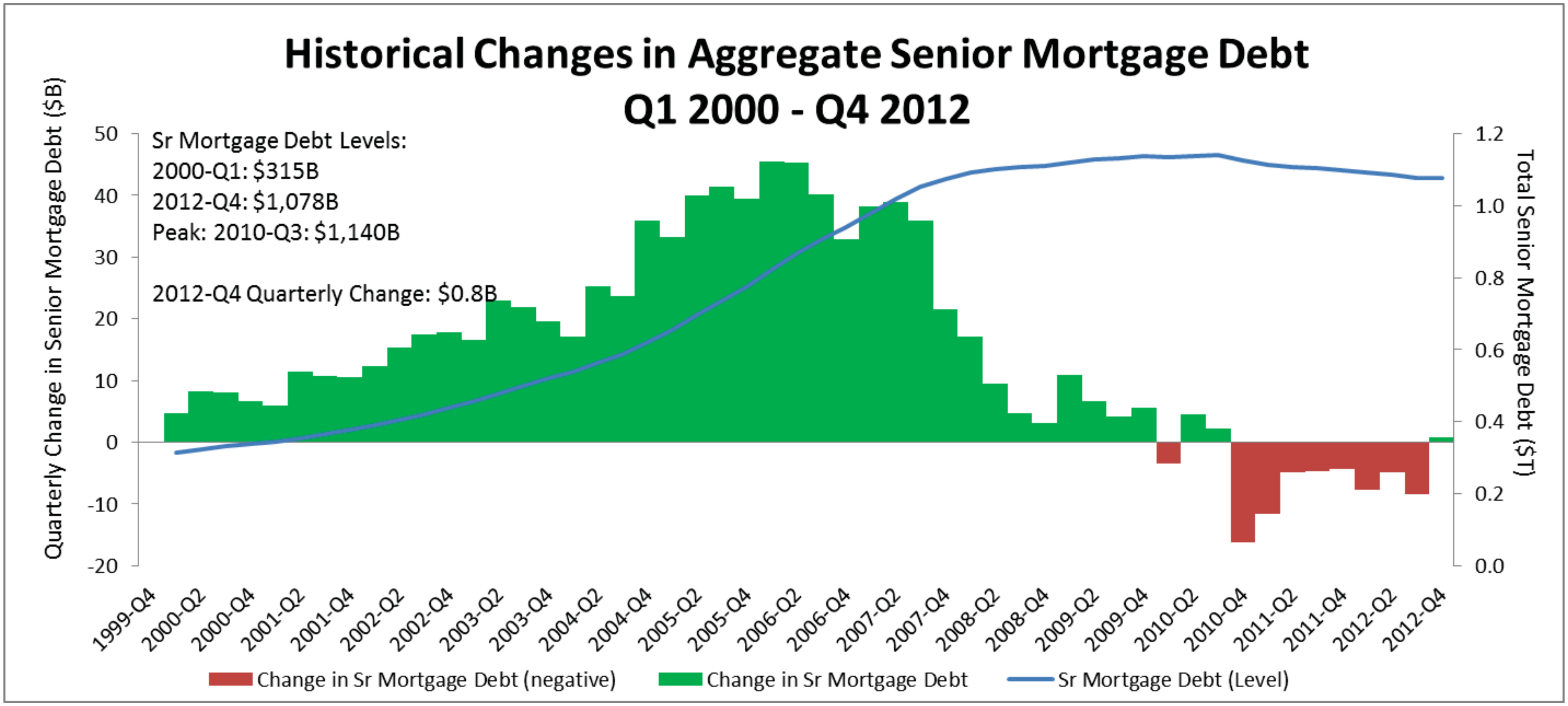
Quarter over quarter changes in senior mortgage debt levels



Prepared by RiskSpan, Inc.
Data sources: Federal Reserve

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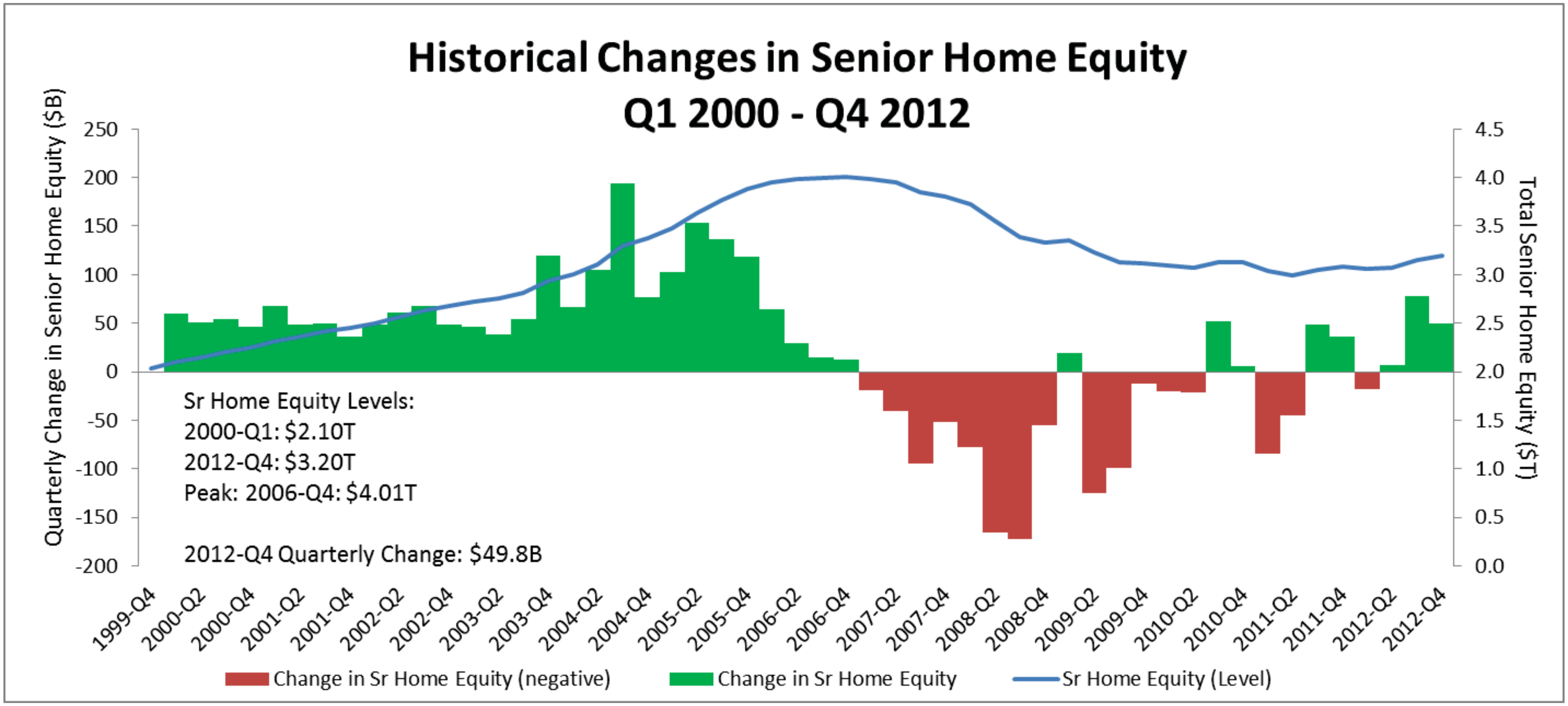
Quarter over quarter changes in senior home equity



Prepared by RiskSpan, Inc.
Data sources: American Community Survey, Census, FHFA, Federal Reserve

$$\textbf{RMMI (Q3 2012)} = \frac{\$3.20T}{\$2.10T} * 100 = \mathbf{152.6}$$

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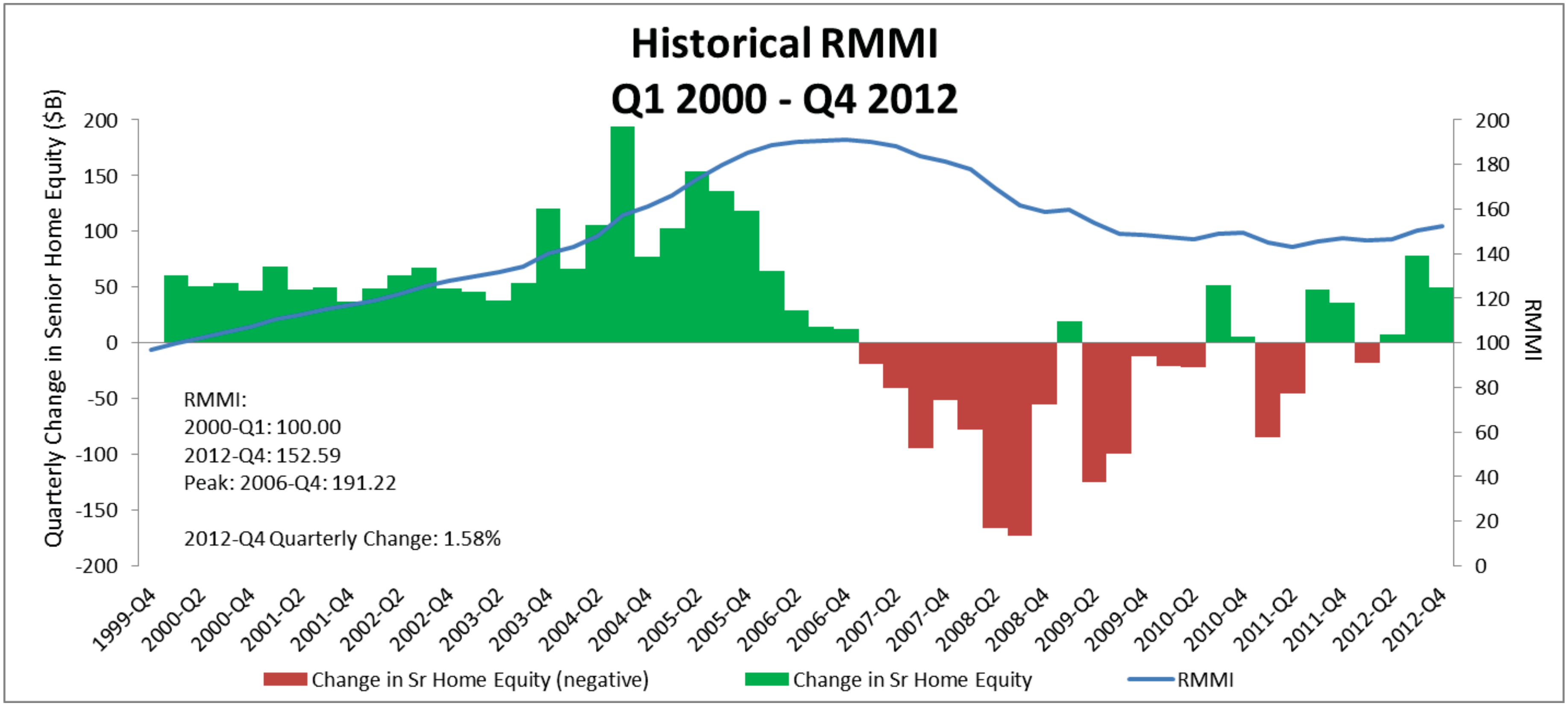
Quarter over quarter changes in RMMI



Prepared by RiskSpan, Inc.
Data sources: American Community Survey, Census, FHFA, Federal Reserve

Historical RMMI

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2010-Q3	4.26	1.14	3.12	148.96	1.69%
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