

**OKLAHOMA ALLIANCE ON AGING  
EDUCATION COMMITTEE REPORT, January 21, 2005**

**REVERSE MORTGAGES as a FINANCIAL PLANNING TOOL for SENIORS**

**BACKGROUND**

The **Federal Housing Administration (FHA)** approves Home Equity Conversion Mortgages (reverse mortgages) through FHA approved lenders that can help homeowners 62 years old and older who need funds in order to pay for home repairs, home maintenance, debts, medical bills, or everyday living.

AARP worked with FHA to devise the concept of Reverse Mortgages so that seniors can turn home equity into cash. The concept of Reverse Mortgages has been publicized in the Daily Oklahoman newspaper.

Last year, over 40,000 Reverse Mortgages were approved. More people need to be informed about them.

**MOUNTAIN PACIFIC MORTGAGE.....Dave France**

This mortgage firm, headquartered in Edmond, Oklahoma and with offices in other states, is a firm that handles regular mortgages but also has been federally approved to educate older people about reverse mortgages. The firm does not sell such mortgages.

**1st REVERSE MORTGAGE USA** is a division of MOUNTAIN PACIFIC MORTGAGE.

**Dave France** is a mortgage consultant who spent 20 years with the Federal Reserve Bank and is now with MOUNTAIN PACIFIC. Highly trained senior loan advisors are available on your schedule to meet with individuals as well as family and other trusted financial advisors.

A person seeking a Reverse Mortgage must go to counseling, as a safeguard arranged by AARP and the Federal Housing Administration.

Closing costs may change. The rate for Reverse Mortgages is published every three months.

Home owners can qualify for a Reverse Mortgage loan if they are 62 years old or older, own their home, and want to stay in their home. An 80-year-old person can get a Reverse Mortgage loan. No special qualification is required; the loan is tax-free. The lender for a reverse mortgage puts a lien on the house.

The owner can take the loan as a monthly payment or as a lump sum. Funds are a help for low income people, who may use funds for home improvements, for daily living expenses, for taking out a large life insurance policy, for home health care, for long term care insurance, or for helping grandchildren to go to college.

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Reverse Mortgage Fast Facts;

- You will never give up title to your home
- Neither you nor your spouse can ever be required to leave your home
- The proceeds are tax-free
- You will never make a payment as long as you occupy the home
- You or your heirs retain remaining equity upon the sale of the home
- Your home does not need to be free and clear

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Common Uses for Reverse Mortgage

Eliminate your current mortgage payment  
Receive extra money tax-free income  
Pay for home improvement & property taxes

For free no obligation reverse mortgage analysis, call  
405-844-6793 to reach Dave France, Brett Bayne, or Bud Flinn.

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Committee Chairman