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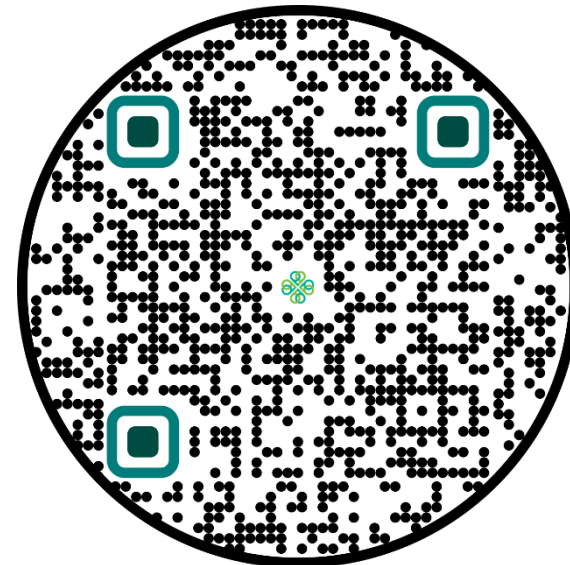
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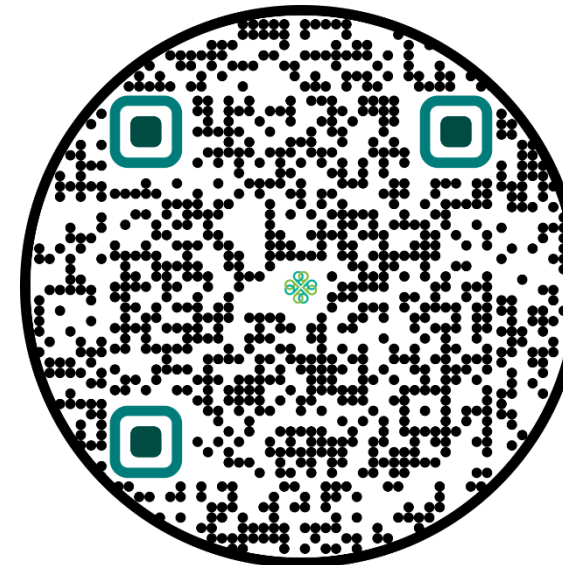
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Reverse Mortgages Simplified

Plaza's Loan Origination Partners

March 2025

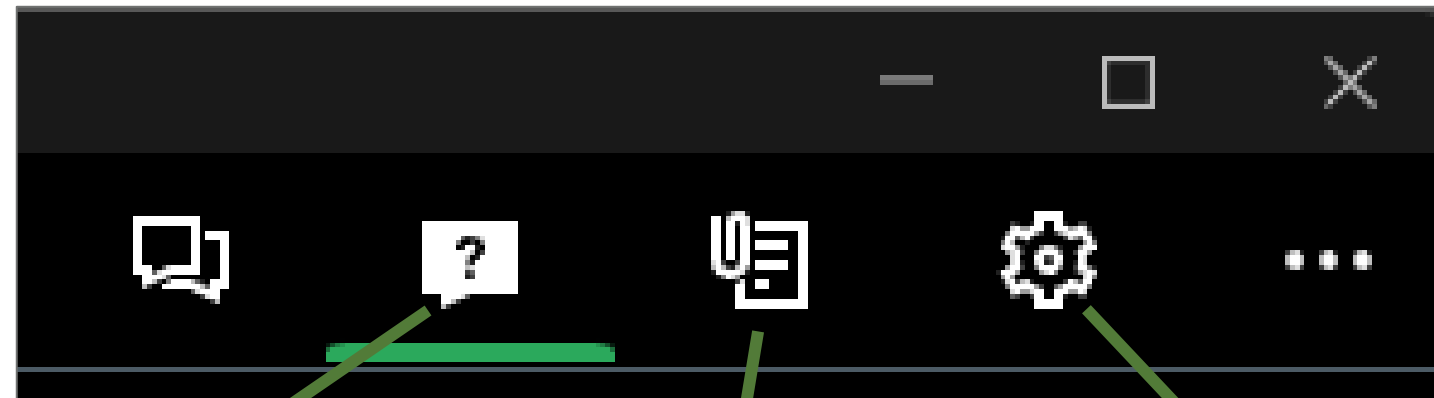
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Presenter



Mark Reeve

VP, Reverse Mortgage Division

Plaza Home Mortgage

Agenda



Plaza's Simplified Process



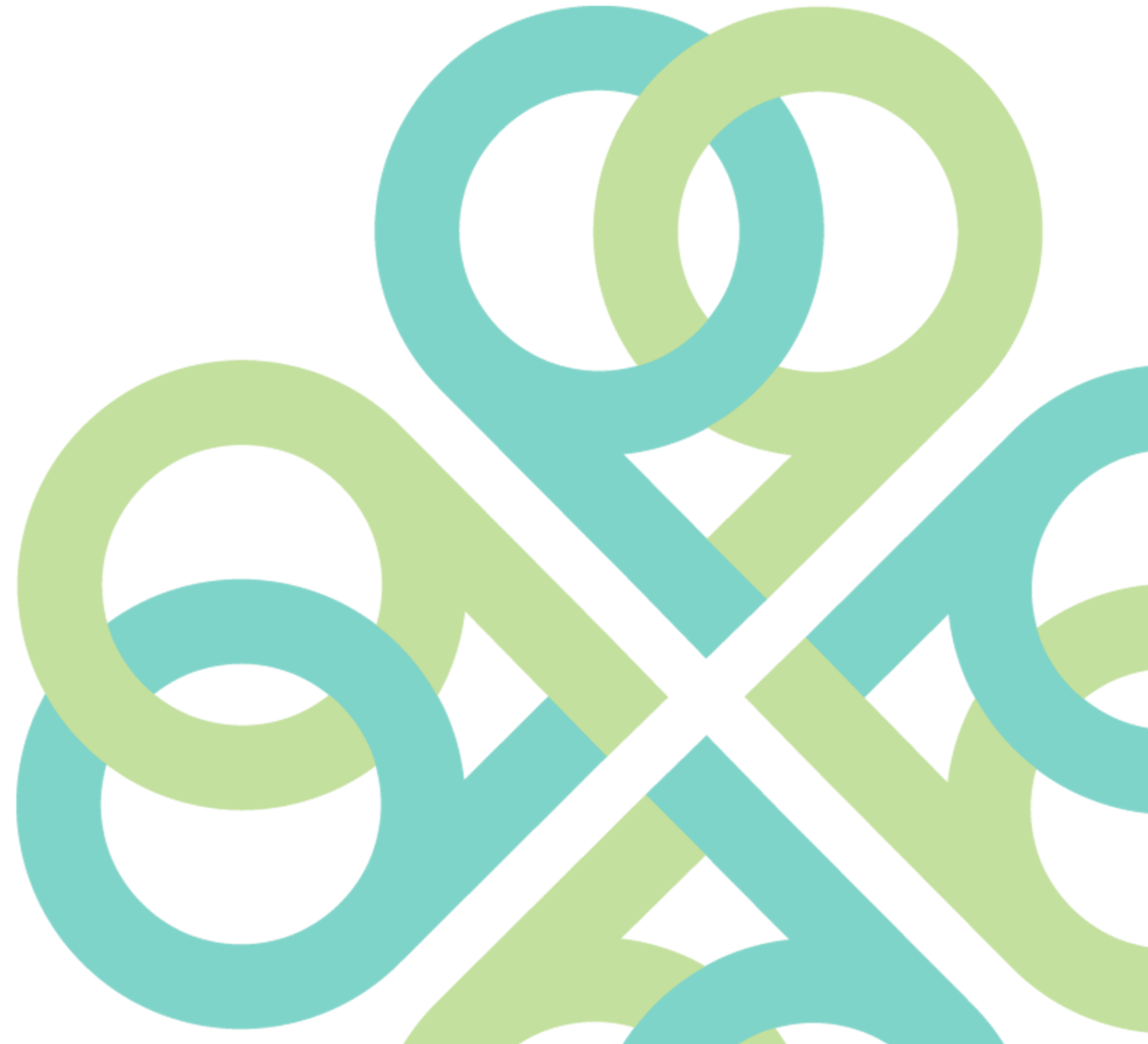
Presenting a Reverse Mortgage



Marketing Reverse Mortgages

Plaza's Simplified Process

We Are Here For You!



Why Reverse?

Here are some key statistics:

By the Numbers

Harvard's Report Focuses on Seniors and Housing

In November 2023, the Joint Center for Housing Studies at Harvard University published a report titled *Housing America's Oldest Adults* that examined the future challenges facing the United States as it strives to provide affordable housing and adequate supportive services for its aging population. Below are some key numbers from that report.



58 million

is the number of Americans age 65 and older, representing 17 percent of the total U.S. population.

17%
OF THE U.S. POPULATION

41%

is the percentage of U.S. homeowners age 65 to 79 with a mortgage on their primary home, including home equity loans and home equity lines of credit.



17 million

is the projected number of households headed by an adult age 80 and older by 2040.

\$110,000

is the median mortgage debt held by homeowners age 65 to 79.



4.3 million

is the number of older homeowners with a mortgage who were cost-burdened, meaning they spent 30 or more percent of their annual income on housing costs.

42 million

is the estimated number of people who provided unpaid care to an individual age 50 or older.



\$14 trillion

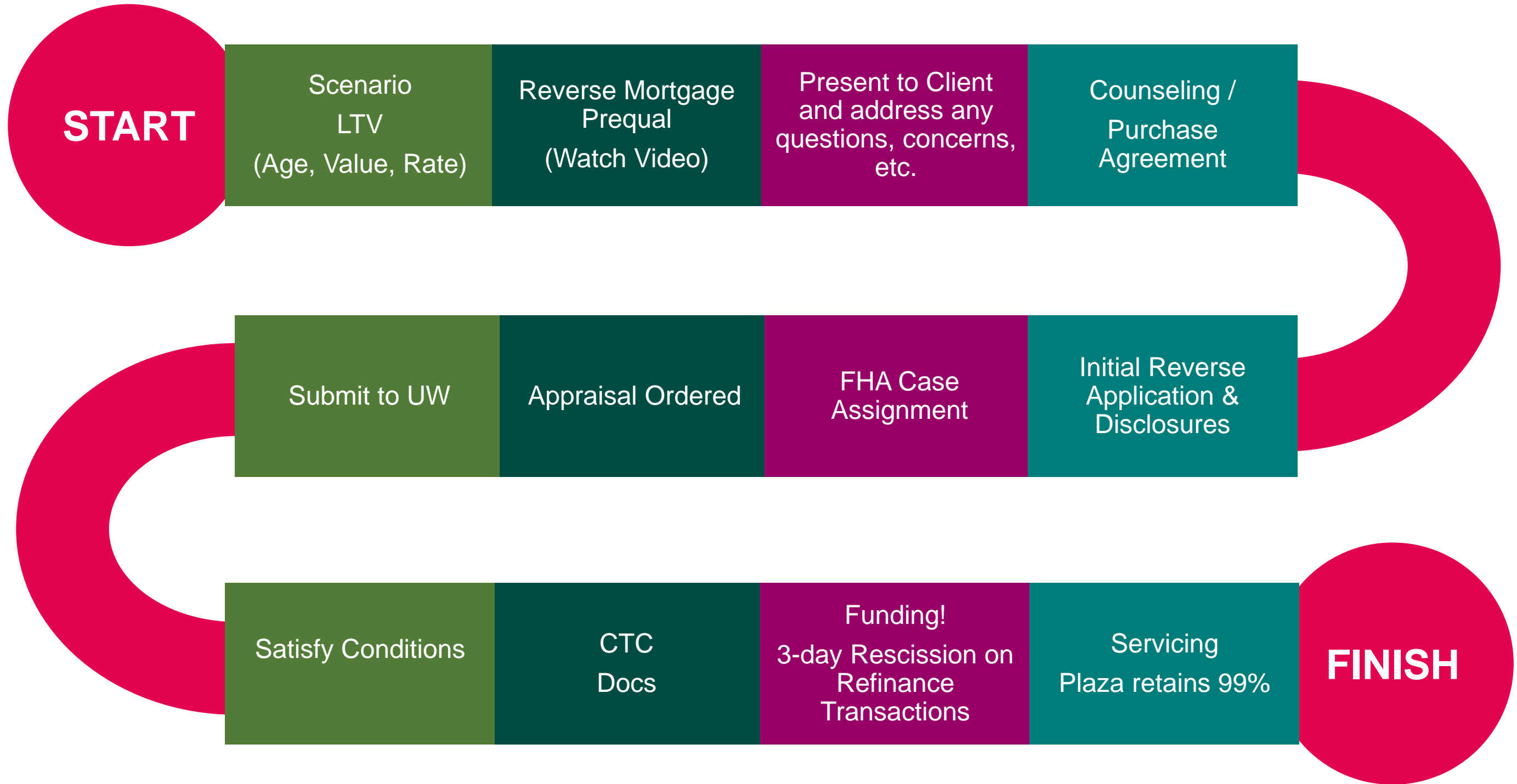
is the amount of home equity held by homeowners age 62 and older in Q3 2024.*



30%


is the percentage of the U.S. population age 80 and older who have difficulty with independent living.

Process Flow



1. Getting Started! Plaza's Sales Assistants



 <h2>1. Getting Started</h2>	<h2>2. Set-Up</h2>
<p>reverse@plazahomemortgage.com</p> <p>Contact our Sales Assistants for:</p> <ul style="list-style-type: none">• Scenarios• Set up• Numbers• Counseling Packages• Reverse Application / Disclosures• Help! I'm Lost!	<p>reverseregistration@plazahomemortgage.com</p> <ul style="list-style-type: none">• FHA Case Assignment• Appraisal Ordering• Submitting your Reverse Mortgage
<h2>3. Underwriting</h2>	<h2>4. Closing / Funding / Servicing</h2>
<p>reverseoperations@plazahomemortgage.com</p> <ul style="list-style-type: none">• Loan Approval• Satisfy Conditions• Clear to Close	<p>reverseclosing@plazahomemortgage.com</p> <ul style="list-style-type: none">• Docs• Funding• Servicing

It All Starts with a Reverse Mortgage Prequal!



- Compliant Counseling Package
 - Phone numbers to the agencies
 - Proper procedure to follow
- Loan Amount and LTV
- Expected rates and fees
 - Comparison of Fixed vs. ARM programs
 - Amortization schedule
 - Summary Sheets
- Cash available to proposed borrower
- Instructional video explaining all the major disclosures!
- Instructional video providing instruction in “presentation best practices”
- Contact with our Reverse Team to further address your questions
- Turn Times typically run 1-3 hours



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Why Choose Plaza?

[Here's Why](#)



Plaza's Reverse Mortgage Pre-Qual



Serving Reverse mortgage clients since 2008 and still going strong!



Click here to see a short video on how to submit a request for a Reverse Mortgage Pre-Qual!



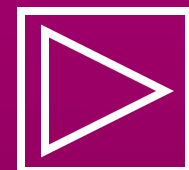
Reverse Mortgage Pre-Qual >

Reverse Processing v

Marketing Materials >

& Guidelines v

es >




Counseling is Complete! Ready for Reverse Application



Serving Reverse mortgage clients since 2008 and still going strong!





 Reverse Mortgage Pre-Qual >

 Reverse Processing <

Request Reverse Mortgage Application / Disclosure Package

 Additional Links

 Quick Quote Calculator >

 Forms <

 Training Center >

 Program & Guidelines <

 Turn Times >

 Tools <



Reverse Mortgage Application and Disclosure Package



Plaza will send you the reverse mortgage application and disclosure package!

To complete this step for you we will need:

1. A copy of the completed counseling certificate
2. A completed, unsigned 1003
 - It is important that this information is complete and accurate
 - Plaza can build the Reverse Mortgage Loan Application (Fannie Mae Form 1009) for you!
3. Title and Closing agent fees
 - Title policy is typically based upon the **expected appraised value**
 - Plaza Sales Assistants will provide the expected coverage amount
 - Plaza often works with closing and title agents who are familiar with our process. If you use one of them, we can take on the heavy lifting for you.
4. It is crucial that POA, Conservatorship, or Trusts are disclosed at the beginning of the process.

2. Set-Up



1. Getting Started

reverse@plazahomemortgage.com

Contact our Sales Assistants for:

- Scenarios
- Set up
- Numbers
- Counseling Packages
- Reverse Application / Disclosures



2. Set-Up

reverseregistration@plazahomemortgage.com

- FHA Case Assignment
- Appraisal Ordering
- Submitting your Reverse Mortgage

3. Underwriting

reverseoperations@plazahomemortgage.com

- Loan Approval
- Satisfy Conditions
- Clear to Close

4. Closing / Funding / Servicing

reverseclosing@plazahomemortgage.com

- Docs
- Funding
- Servicing

3. Underwriting



1. Getting Started	2. Set-Up
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Underwriting



- Plaza's Reverse Delegated Underwriters send out all loan decisions
- Conditions can now be viewed and uploaded directly into the BREEZE LOS
- Communicating directly with the Underwriter is allowed!
- Plaza's CSR should be utilized for most correspondence
- Plaza's CSR will provide any redisclosures to the Originator; if necessary, have the borrowers promptly execute
- Satisfy conditions
- Clear to Close
 - Loan is now locked
 - Doc Order and Fee sheet are sent out to applicable associates
 - Plaza will confirm fees with Title and Closing Agent
- CSR can provide Turn Times and expectations for loan closing

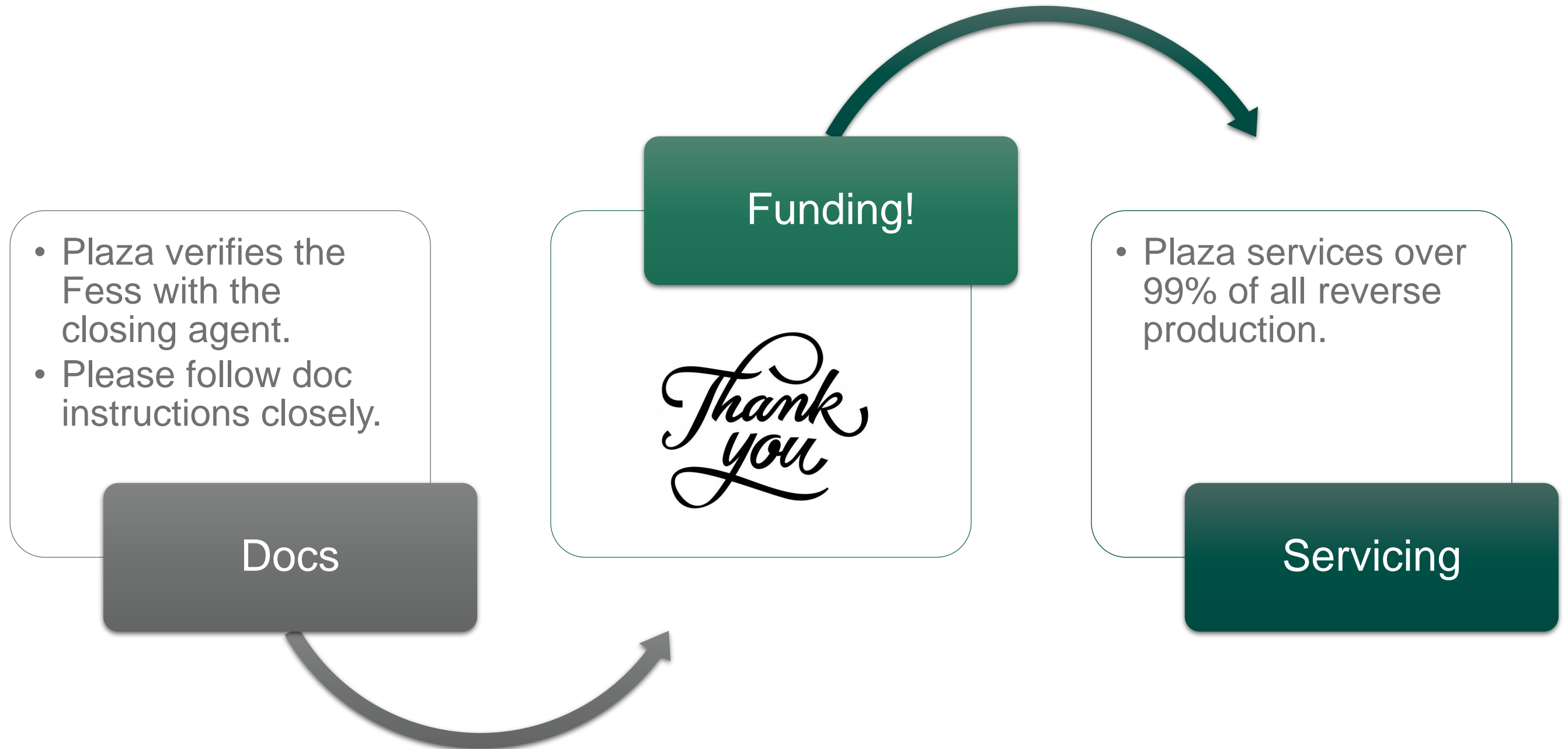
4. Closing, Funding, and Servicing



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Closing / Funding / Servicing



Difficult Issues That Can Jeopardize the Loan



- FHA may require a second appraisal report
 - FHA guideline, no way around it if flagged
 - NY prohibits a reverse borrower from paying for more than one appraisal
 - Fee will be absorbed by either the Broker, Lender, or Real Estate Agent
- Subject property with repairs
 - Cost, time, winter, etc. can all come into play here
 - Repair Set Aside
 - Some may be deferred to post closing
 - Cannot be health and safety, holes in walls, no flooring, etc.
 - Typically used for chipping paint



Presenting a Reverse Mortgage

**It's Not a Close,
It's a Presentation!**



What is a Reverse Mortgage? – Must KNOW These Three!



A HECM (Home Equity Conversion Mortgage) is a special type of mortgage that enables homeowners aged 62 or older to tap into the equity in their home.



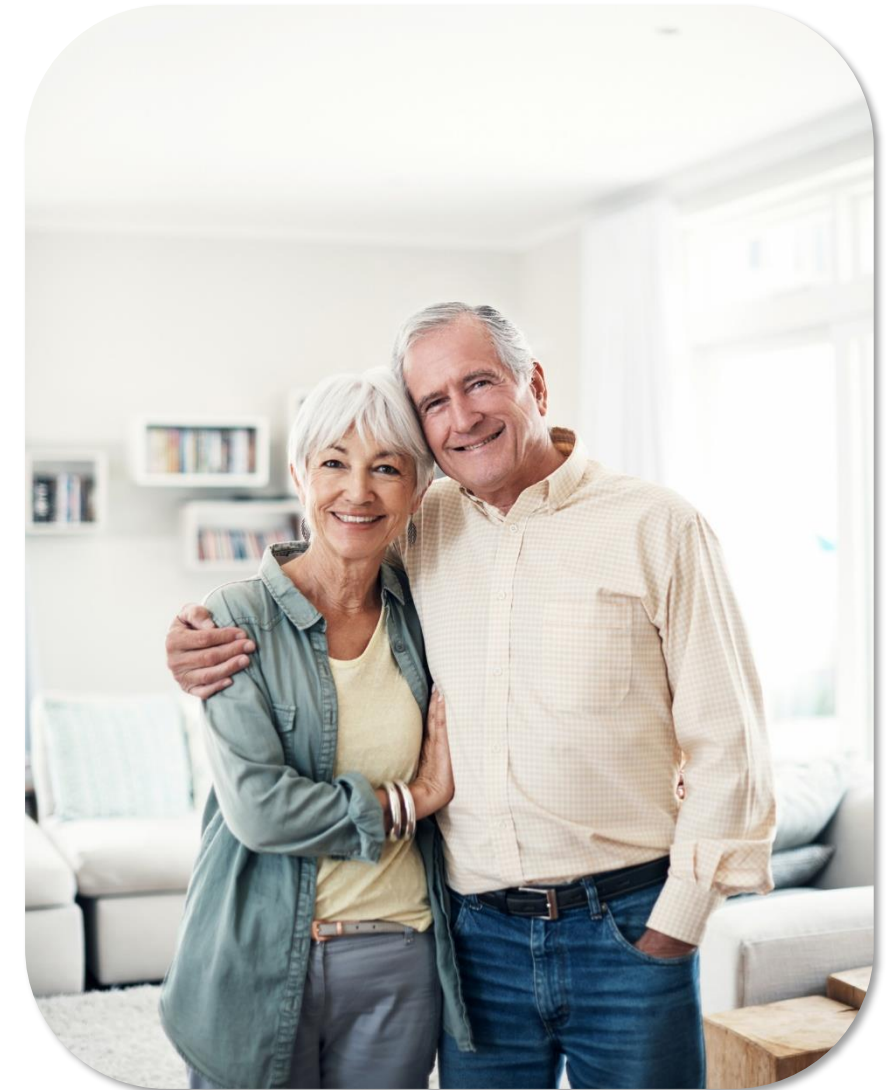
Unlike traditional home loans, no repayment of the HECM loan is required until the borrower no longer occupies the home as their principal residence.



At that time, the lender will declare the mortgage due and payable.



What is borrowed plus interest is due to the lender, any remaining equity remains with the estate.



Presenting the Reverse Mortgage Pre-Qual to Your Clients

~ **Keep it Basic!** ~



The presenter must know the three most important components of the program:

1. No monthly mortgage payment

- Do not dismiss the importance of this, it's the #1 reason seniors get a reverse

2. Non-Recourse Feature – Protection

- Never owe more than the value of the subject property (worst case scenario)

3. Credit Line Growth

- Credit line grows!
- It compounds
- It's guaranteed
- It's readily accessible
- It's Tax free
- Can draw against it and pay back later if they want

Biggest Objections Originators Will Receive



1. Expensive

- Immediately agree with the borrower and blame FHA for the Up Front MIP based on 2% of the Max Claim; usually appraised value.
- It is easy to blame the government, and it separates you from the largest fee.
- Borrowers do receive protection and guarantees from this insurance.

2. Deferred Interest, Losing Equity to Family / Estate

- With LTVs rolled back over the years, the amount borrower(s) can receive is much less than years past.
- With a relatively low-rate environment and high home appreciation, many loans continue to gain equity.
- Home Appreciation out paces the growing interest of the loan balance.
- Look at your amortization schedule!!!!!!

3. “Is this all I can get?”

- LTV is based upon the prevailing rate; we are in a volatile-rate environment as I am sure you are aware.
- It's not uncommon for borrowers to get a reverse and refinance later when rates drop and / or home appreciation increases. This provides access to additional proceeds. Just as you would refinance a traditional loan.

Loan Comparison Summary

The Reverse Mortgage Analysis Summary has the loan details as they pertain to your client. Here are some very important figures that must be addressed:

Loan Principal Limit: This is how much the borrower is qualified for	\$259,500.00
Life Expectancy Set- Aside (LESA): Future Tax and Insurance Impound Account. Not required for all borrowers	\$32,120.62
Expected Closing Costs	\$18,798.00
Expected Mortgage (lien) pay off	\$125,000.00
Total Net Funds available to Borrower	\$83,581.38
Funds Available in Year 1	\$25,950.00
Unusable Funds (Fixed Only) if applicable	\$86,351.32

Below are the most frequently asked questions that arise when contemplating a reverse mortgage.

How is the family protected when the last remaining borrower vacates the property?

- Estate (Immediate Family) can purchase the home at 95% of the appraised value at loan maturity, regardless of what is owed. (ML -2011-16)
- Limitation of Liability- Non Recourse Loan:
 - Borrower shall have no personal liability for payment of the debt. Lender shall enforce the debt only through the sale of the property (HECM Note Section 4C)
- No prepayment penalties: Make monthly interest payments, sell or payoff at any time,
- Keep Title to the home: Borrower(s) never relinquish Title to the property.



Loan Comparison Summary Cont.



How does the credit line work? (Adjustable Rate Only)

- Please reference Credit Line on Amortization Schedule.
- Funds grow at the rate of the credit line growth rate. This is the Note Rate+1.25 (MI), compounded monthly.
- Only the available funds grow and compound.
- Borrowed money can be paid back and re-accessed.
- The available funds on the credit line are never frozen or reduced, regardless of the future equity position in the home.
- Money on the line is not being charged interest until it is drawn on. This protects and prolongs the equity position in the home and protects the estate/inheritance.

Major Family Concerns

- Depreciation of equity: A reverse mortgage is a negative amortization and deferred payment loan. The loan balance can and will grow unless a payment is made to satisfy the interest being charged.
- Looking at the provided amortization schedule will help the borrowers understand the equity position in their home over a set period of time.
- Major Factors that will impact the equity position of the home:
 - An Adjustable Rate Mortgage (ARM) can adjust upwards and down. An upward rate will increase the amount of interest being charged. Conversely, a lower rate in movement will cause less interest to be charged.
 - Draw behavior- Taking smaller draws, slowly over a longer period of time will help sustain the equity position in the home.
 - Real Estate appreciation –Positive home appreciation is not shared with the lender and will help the estate maintain equity in the home.

Your next step in this process is to schedule your actual counseling session so that we may continue with your application. Your counseling documents can be accessed by your counselor at the following location:

WEB SITE NAME:

<https://www.baydocs.net/CounselingDocs.php>

ACCESS CODE:

Marketing Reverse Mortgages

**Turn Misconceptions
into Opportunities!**



Turn Misconceptions into Opportunities!



Reverse mortgages are too complicated.

Only desperate seniors use reverse mortgages.

Reverse mortgages are too expensive to recommend.



Loan Originator

Straightforward Process: Reverse mortgages follow a structured process with proper training.

Smart Tool: Used by retirees to supplement income, delay Social Security, or buy a home.

Unique Underwriting: No monthly payments, different guidelines, and FHA counseling.

Long-Term Benefits: Higher upfront costs offset by payment-free living and non-recourse protections.

Growing Market: Opportunities with financial planners, realtors, and senior professionals.

Turn Borrower Misconceptions into Opportunities!



I'll lose my home.

My heirs won't get anything.

Reverse mortgages are a scam.



Borrower

You Keep Ownership – Stay in your home as long as you meet loan obligations.

Heirs Have Options – They can keep, sell, or walk away with no debt beyond the home's value.

No Overage Debt – You or your heirs will never owe more than what the home sells for.

Stay as Long as You Like – No monthly payments. The loan is due when it is no longer the borrower's primary residence, they default on taxes/insurance, or do not maintain general upkeep.

Built-In Protections – FHA-insured with mandatory counseling and borrower safeguards.

Ways to Use Reverse Mortgage Funds



Home Improvements – Renovations or modifications to age in place (e.g., adding ramps, widening doorways).



Supplementing Income – Covering daily living expenses, utility bills, or other retirement costs.



Healthcare Costs – Medical bills, long-term care, or in-home healthcare services.



Purchasing a New Home – Downsizing or relocating to a more suitable living environment.



Debt Repayment – Paying off existing mortgages, credit cards, or other loans.



Travel – Funding vacations or trips for leisure or to visit family.



Gifts – Giving the money to friends, family, or charity during the senior's lifetime.



Emergency Expenses – Covering unexpected costs, such as medical emergencies or car repairs.

Marketing Strategies



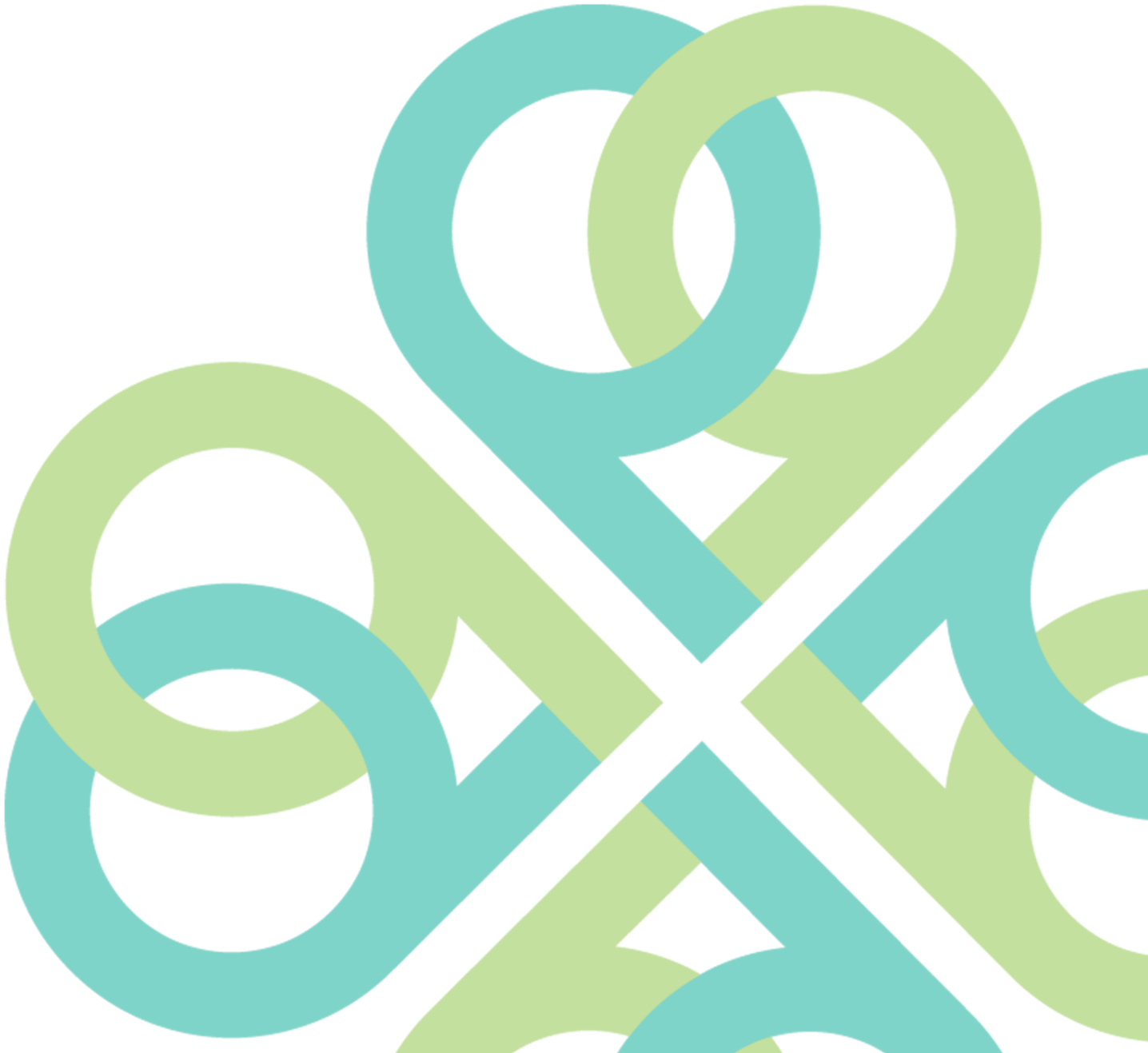
- Your existing client list, even if they have a great fixed rate.
- Client list that you were unable to close. Poor DTI, credit, etc.
- Any prospects that you come across that are over 62, reverse should be a consideration if they have the LTV.
- Reverse Mortgages with all your current marketing strategies, website, on-line profile, etc.
- Real Estate Agents – Reverse Mortgage can be used to purchase a home.
- Financial Planners – A great source for potential reverse mortgage referrals.

I had a broker say to me, “Mark, none of my borrowers are old.”

My response, “Maybe so, but what do all your current young borrowers have? Parents!”

Reverse prospects can come from many sources: family friends, general referral, clubs, church groups, existing client’s parents, etc.

Resources



Suggested Resources



 **HECMWORLD.COM**

Reverse mortgage news, commentary, and analysis for serious reverse mortgage professionals

FREE Weekly Content: No Paywall!

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Weekly videos, podcasts, and blog articles

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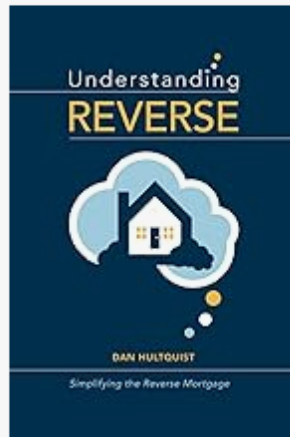
Last Name

Email*

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Suggested Resources



Understanding Reverse: Simplifying the Reverse Mortgage

by Dan Hultquist | Feb 1, 2024

★★★★★ 13

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\$15.70 (6+ used & new offers)

Kindle

\$9⁹⁹ Print List Price: \$16.95

Reverse Mortgages: How to use Reverse Mortgages to Secure Your Retirement (The Retirement Researcher Guide Series)

Part of: The Retirement Researcher Guide Series (4 books) | by Wade D. Pfau Ph.D. | Feb 24, 2022

★★★★★ 209

Paperback

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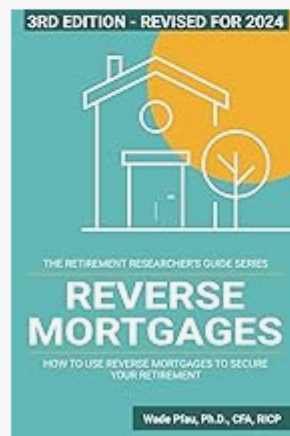
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Don't Miss Our Other Reverse Trainings!

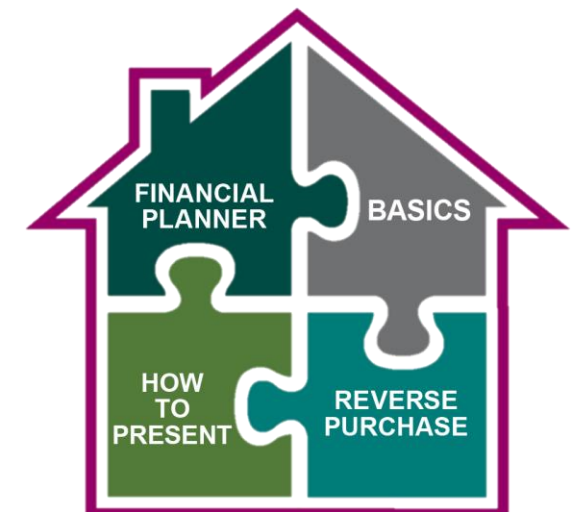


Click the links below to view the webinar recordings for our other trainings:

- [Plaza's Reverse Mortgage PreQual Borrower Counseling Package](#)
- [Reverse Mortgage Basics](#)
- [How to Use the Reverse Mortgage to Purchase a Home](#)
- [How to Present a Reverse Mortgage: The "Kitchen Table" Approach](#)
- [Originating a Reverse Mortgage with Plaza: File Flow from Start to Finish](#)
- [Financial Planners Guide to Reverse Mortgages](#)
- [The Impact of a Rising Rate Environment on Reverse Mortgages and Their Loan Amounts](#)
- [What is the Reverse Mortgage LESA?](#)

Upcoming Webinars: plazahomemortgage.com/calendar

Recorded Webinars: vimeo.com/showcase/plazareverse



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Please let us know your thoughts on the survey form when you exit the webinar. We value your feedback!

If you have any questions or comments, please feel free to contact your Plaza Account Executive or mark.reeve@plazahomemortgage.com.