

# Retirement

is just the beginning.

Reverse mortgages are becoming an increasingly popular tool for retirees who want to maximize their financial potential, allowing them to age in place and make the most of the years ahead.

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**NATIONWIDE Equities**  
Corporation

**EquityPower**

POWERED BY NATIONWIDE EQUITIES CORPORATION



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# Embrace the power of your home equity.

Your home equity funds can give you the freedom to design the retirement you've always envisioned.

## What is a Reverse Mortgage?

A reverse mortgage is a unique mortgage designed specifically for older adults. One incredible advantage of this product is the ability to eliminate your monthly mortgage payment. You only need to comply with the loan's terms and pay your other payment obligations such as property taxes, homeowners insurance and maintenance.\* This allows you to retain full ownership of your home and still have financial flexibility in your retirement. *Learn more about your rights and responsibilities as a homeowner on page 7.*

## How does it work?

A reverse mortgage allows homeowners to access a portion of their home equity in the form of tax-free<sup>1</sup> funds. Unlike a traditional home equity loan or home equity line of credit, a reverse mortgage does not have to be repaid until the last surviving borrower no longer lives in the home, or the home is sold. However, borrowers can make payments at any time. There are plenty of options for how you can use and configure your reverse mortgage. For instance, some reverse mortgages can be used to finance the purchase of a new home. This guide will walk you through some of these options and help you to envision what life could be like with a reverse mortgage.

More than **one million homeowners** have used a reverse mortgage to help them achieve their retirement goals.



\*Failing to pay these amounts or satisfy other obligations of the reverse mortgage loan, may cause the reverse mortgage loan to become due and may subject the property to an encumbrance or possible foreclosure. <sup>1</sup> Consult a tax advisor. <sup>†</sup>[nmlaonline.org/annual-hecm-endorsement-chart](http://nmlaonline.org/annual-hecm-endorsement-chart)



# Addressing the Myths and Stigmas

## The bank **does not** own your home.

You will retain the title to your property. Just like a traditional mortgage, the lender places a lien on the title to ensure repayment. You are still responsible for the cost of property taxes and homeowners insurance, as well as maintaining your home and following the loan terms, otherwise the loan will need to be repaid.

## There are **no restrictions** on how you can use the money from a reverse mortgage!

How you use your reverse mortgage proceeds is up to you! Among the most common uses are paying off credit card or medical bills, creating a cash reserve or investments, supplementing monthly income, paying for home improvements, purchasing a new or second home, and covering long-term care expenses.

## You **will not** lose your home if you run out of equity.

You cannot lose your home unless you stop paying your property taxes, homeowners insurance and maintenance costs, or stop complying with the loan's terms. If you keep up with those obligations and continue to occupy your home as your primary residence, you can age in place as long as you like.

## Assets in your estate **will not** be impacted by your reverse mortgage.

Reverse mortgages do not affect *any* other assets, including your possessions and cash reserves. If your heirs choose to sell your home, all proceeds go to the seller after the mortgage is repaid.\*

## Reverse mortgages are **not** only for the wealthy.

Whether your home is worth \$200,000 or \$2,000,000, a reverse mortgage is a financial tool that can establish a safety net, cover a large expense, or increase spending money in retirement. Reverse mortgages can allow retirees to delay their 401k and social security payments. Your tax-free<sup>1</sup> equity funds can be used to pay for home upgrades and more frequent family trips. They can even be saved for later in a line of credit or used to start a college fund for your grandchildren!

### \* More Options for your Heirs

Your heirs *do* have the option to keep your home! As long as they can repay 95% of the home's appraised value, or the reverse mortgage balance (whichever is less), they can keep your home in the family for years to come. The payment can be made with cash or with a traditional mortgage.

<sup>1</sup> Consult a tax advisor.



# Do I qualify for a reverse mortgage?

- ✓ You are 55 years or older.
- ✓ You own and occupy your home as your primary residence.
- ✓ You are current on your property taxes and other federal debts.
- ✓ You have sufficient equity accrued. This means that the difference between your home's value and the balance of your current mortgage is large enough that the reverse mortgage will benefit you.
- ✓ Your home meets the minimum property standards, meaning that it is safe and in good condition.  
(see page 6 for more information)



## What types of homes are eligible?

- ✓ Single-family homes
- ✓ Owner-occupied 2–4 unit homes
- ✓ Condominiums
- ✓ Manufactured homes

### More About Types of Homes:

Only your primary residence is eligible for a reverse mortgage. Vacation homes and investment properties aren't eligible.





# Steps of a Reverse Mortgage

1

## Contact us for a Free Financial Assessment

During this consultation, one of our licensed loan specialists will be able to assess your needs and financial situation. They will review your income, assets, and expenses; talk about your concerns and plans for your retirement; and estimate the funds that you may qualify for.

2

## Counseling and Application

You must speak to a third-party, licensed counselor before you can apply<sup>†</sup>. This requirement is to protect you! Your counselor will make sure that you have a full understanding of all aspects of a reverse mortgage. After you finish counseling, your loan specialist will help you fill out your application.

3

## Processing & Approval

Once your application is ready, we will order a home appraisal to confirm the value of your home. We will order some title work, a credit evaluation, and some other supporting documents. Once we gather all of the paperwork, we can begin processing! Our underwriter will then review your application.

4

## Closing

When all of the final loan documents are ready to sign, it's time to schedule your loan closing! Any existing mortgage will be paid off through the reverse mortgage. After the closing (and 3-day rescission period), you will receive your equity funds in your chosen payment method!

<sup>†</sup>For HUD Counseling, please visit [www.hud.gov/program\\_offices/housing/sfh/hcc](http://www.hud.gov/program_offices/housing/sfh/hcc) or call (800) 569-4287.





# How can you access funds?

Reverse mortgages offer several payment options to choose from. You and your loan specialist can help you decide which option is best for you based on your financial needs and priorities.



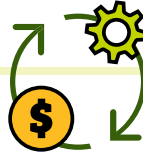
## Line of Credit

Use what you need, when you need it. Allows you to let the equity keep growing!



## Term or Tenure

Receive structured monthly payments either for a fixed term or for life\*.



## Modified Plans

Your lender can help you figure out a custom combination of these options.



## Lump Sum

Maximize your cash payout. This is only available with fixed-rate reverse mortgages.

Available with  
**EquityPower™**

# Popular Reverse Mortgage Strategies



Save your retirement fund



College Funds for your family



Updates & Upgrades



Travel & Leisure



Turn a hobby into a Small Business



Eliminate Credit Card Debt



\* Available with Tenure-Based or Modified Tenure plans, so long as the borrower does not default on the loan. The borrower must occupy the home as their primary residence, pay property taxes, homeowners insurance and maintenance costs, and comply with all other loan terms. With Modified Tenure plans, the lender will set aside a specific amount of money for a line of credit.



# How we determine your available funds:

## Current Interest Rates

HECMs have adjustable interest rates, meaning they may change over time, or fixed rates, which stay the same unless you refinance. EquityPower rates are always fixed. Usually, a higher interest rate means you can access more cash, but a lower interest rate helps you to preserve your home equity.

## Your Age

The age of the youngest borrower or eligible non-borrowing spouse determines the amount of equity you can access. The older you are, the more funds you can get!

## Your Home Value

The higher your home is appraised for, the more equity you have, which means more money! See page 8 for more on appraisals.





# Appraisals

The value of a home is the foundation of a reverse mortgage. After your appraisal is complete, you and your loan specialist can begin to build the rest of the loan. That includes your rates, the type of reverse mortgage product you'll use, how much cash you are eligible for, and how you would like to receive your funds.

Appraisers use a lot of factors to calculate your home value. Even small improvements, such as new countertops or a fresh coat of paint can increase your home value. Updates and upgrades can greatly affect the value. Your neighborhood matters, too! The average price of nearby comparable homes has a big impact on your appraisal. These "comps" are recently sold homes with similar foundational features and updates as yours. Keep an eye on the real estate market in your area!

When it's time for the appraisal, be prepared, not scared! If your home needs repairs, it's a good idea to take care of them before the appraisal to avoid any delays in processing. The appraisal isn't just to determine your home's market value; the appraisal is also a way of making sure your house is safe for you to live in! Home maintenance is a very important part of being a homeowner. And remember—your home equity funds can be used to make future repairs, upgrades or renovations!



## Snapshot of an Appraisal

- ☒ Roof and Foundation
- ☒ Heat, Water and Electric
- ☒ Bedrooms and Bathrooms
- ☒ Structure and Safety
- ☒ Neighborhood "Comps"





# You are protected.

Deciding to apply for a reverse mortgage should not be taken lightly. Working with a reverse mortgage specialist is crucial, as they perform comprehensive financial assessment to make sure you get the maximum benefit. At Nationwide Equities, our focus is on educating our clients while we closely follow every law and guideline. These are a few ways that we protect our borrowers.

## 1. First Year Withdrawal Cap

If you choose a line of credit payment method with your reverse mortgage, you are limited to the amount of money you can withdraw your first year, which helps preserve your equity.

## 2. Financial Assessment

Before any formal application, we do a thorough financial assessment to ensure a reverse mortgage is a good fit for your needs and that you will be able to maintain stability.

## 3. Counseling

All of our borrowers must have a session with an impartial, third-party licensed counselor before applying. This is to ensure that you understand every aspect of a reverse mortgage.

## 4. Asset protection

Your reverse mortgage will **never** affect your cash assets or possessions.

## 5. Three-Day Recission Period

After closing, you have 3 days to change your mind and cancel the mortgage with no penalties.

# Your Reverse Mortgage Responsibilities

Although a reverse mortgage can eliminate monthly mortgage payments, you need to comply with the loan's terms and pay your other payment obligations such as property taxes, homeowners insurance and maintenance, as you would with any mortgage.\* If you don't pay these ongoing costs or comply with your loan terms, however, your home could go into default, which may lead to foreclosure.

It's also important to note that while you can sell your home and pay off your loan balance any time without a prepayment penalty, reverse mortgages make more sense financially the longer you plan to stay in your home, as you're spreading your initial loan costs out over a longer period. At the conclusion of the loan, you will have to repay the outstanding loan balance, which includes interest, from the proceeds obtained from refinancing or the sale/transfer of the property. Reverse mortgages can have closing costs and servicing fees in connection with the mortgage, which can be added to the balance of the reverse mortgage loan. The balance of the reverse mortgage grows over time and interest will be charged on the outstanding loan balance, which will decrease your home's equity. However, over time, the appreciation of your home value may potentially minimize this decrease of equity.

Interest on a reverse mortgage is not deductible from your income tax return until you repay all or part of the reverse mortgage loan. Funds from a reverse mortgage will not affect your Social Security or Medicare. However, a reverse mortgage could impact Medicaid or Supplemental Security Income (SSI), so make sure to speak with an accountant or tax advisor<sup>1</sup> for more information.

<sup>1</sup> Consult a tax advisor. For HUD Counseling, please visit [www.hud.gov/program\\_offices/housing/sfh/hcc](http://www.hud.gov/program_offices/housing/sfh/hcc) or call (800) 569-4287.





# EquityPower<sup>SM</sup>

Nationwide Equities offers this innovative reverse mortgage to borrowers who can benefit from a more customized solution. Whether your home's value is too high for a HECM or you are too young to qualify,\* we will build your loan around **your** needs and priorities!

## **MINIMUM AGE OF 55.\***

Borrowers can be as young as 55 years old. Taking out an EquityPower reverse mortgage early in your retirement gives you the opportunity to design and plan a perfect, fulfilling retirement.

## **LOANS UP TO \$6 MILLION.**

If you have a high valued home, EquityPower can support that value. The FHA has a set limit on the highest value they will consider for a reverse mortgage. As of 2021, EquityPower offers the highest loan amounts in the reverse mortgage industry.

## **LUMP SUM PAYMENTS.**

EquityPower borrowers receive equity proceeds as a lump sum, which can help if you are using the funds for a large purchase or need access to all of your equity at once. This can also be put into an account and used gradually.

## **NO MORTGAGE INSURANCE.<sup>2</sup>**

EquityPower loans do not include any type of mortgage insurance. HECM closing costs include an initial Mortgage Insurance Premium, plus an annual charge of 0.5%<sup>3</sup> of the outstanding loan balance.

\*62 in some states. <sup>2</sup>Nationwide Equities may charge closing costs and servicing fees which can be added to the loan balance or paid at close. Borrower must continue to pay property taxes and homeowners insurance, maintain the property and follow all loan terms. <sup>3</sup>As of 2021. [hud.gov/sites/documents/hecmreformfactsheet.pdf](https://hud.gov/sites/documents/hecmreformfactsheet.pdf)

# About Nationwide Equities

Founded in 1999, Nationwide Equities has become one of the most recognized and respected reverse mortgage lenders in the country. At Nationwide Equities, our team is dedicated to finding the right product for each individual and helping older homeowners achieve financial freedom. Our licensed experts are available to speak with you over the phone or in person to discuss our products and evaluate your situation.



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## Licensed Across the Nation



## Competitive Rates



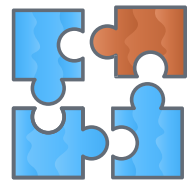
## Customer Focus



## Personalized Service



## Product Solutions



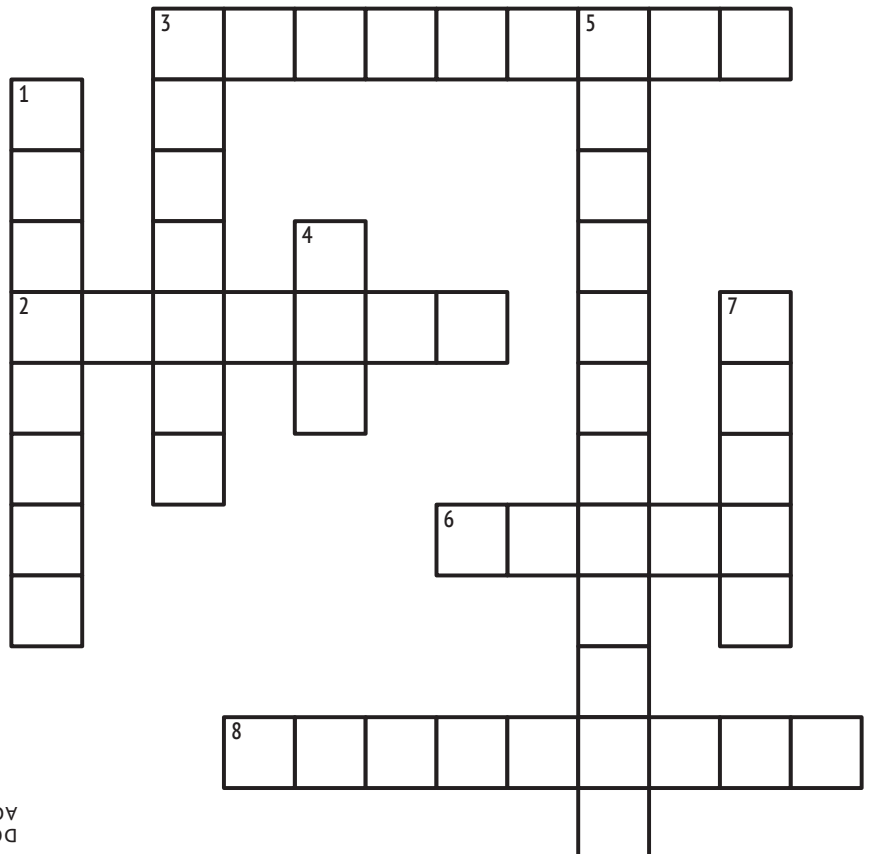
## Test your reverse mortgage knowledge!

### DOWN

- 1 Borrowers must continue to pay their \_\_\_\_\_ taxes with a reverse mortgage
- 3 The step after Processing & Approval
- 4 Funds from a reverse mortgage are \_\_\_\_-free!
- 5 One way to receive your equity funds
- 7 Equity\_\_\_\_\_ offers loans up to \$6 million

### ACROSS

- 2 Only your \_\_\_\_\_ residence is eligible for a reverse mortgage
- 3 You must see a licensed, third-party \_\_\_\_\_ before you can apply
- 6 You have \_\_\_\_\_ days to change your mind after your reverse mortgage is finalized
- 8 The \_\_\_\_\_ determines the foundation of a reverse mortgage.



DOWN: 1-PROPERTY 3-CLOSING 4-TAX 5-LINE OF CREDIT 7-POWER  
ACROSS: 2-PRIMARY 3-COUNSELOR 6-THREE 8-APPRAISAL