



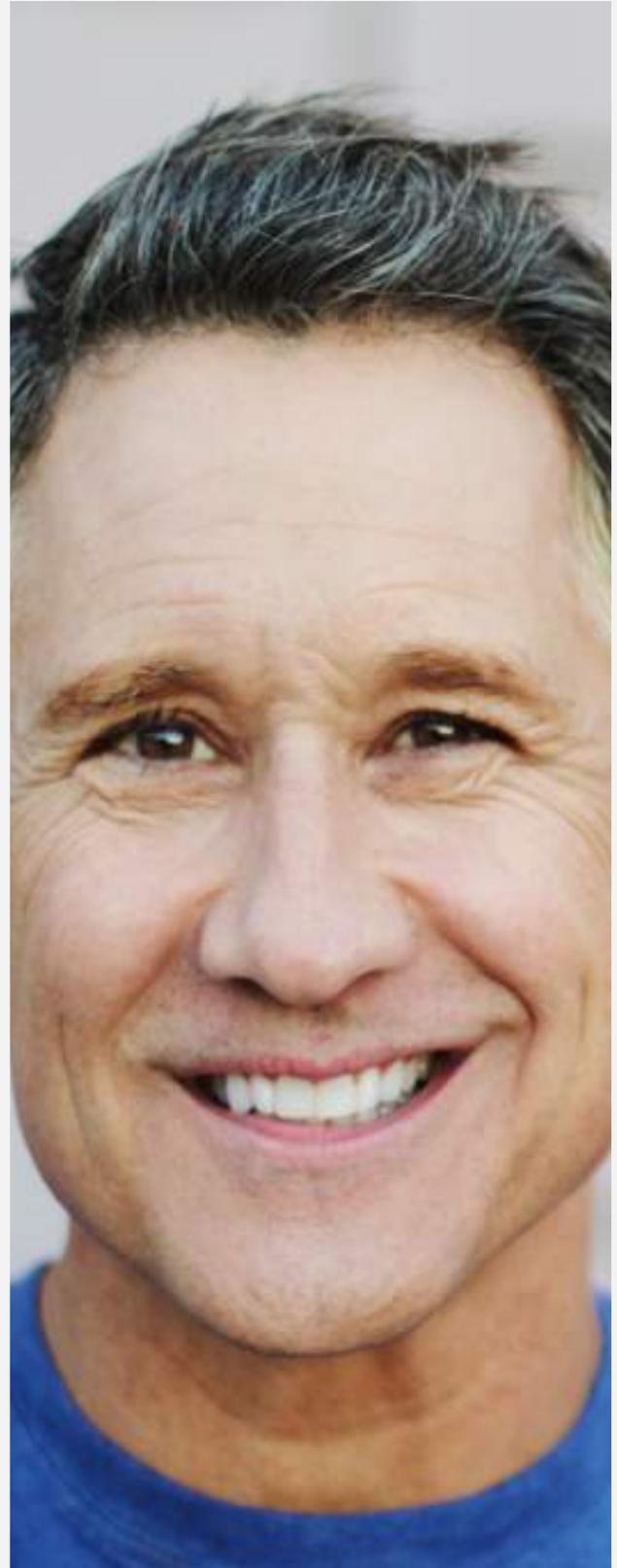
All Reverse
MORTGAGE, INC.



PurchaseReverseMortgage.com

Are you planning to use a Reverse Mortgage to Purchase a Home? Then the following checklist will be very handy.

1. The sale must be an "Arm's Length Transaction" which means that you must be buying from a totally non-related third party. Purchases involving family members are not eligible.
2. Is the property New Construction or just underwent major remodeling? Then the Certificate of Occupancy must have been issued by the county prior to the date of the loan closing. HUD guidelines now permit you to start the application prior to the CO being issued.
3. Has the property recently sold? The property cannot have been sold less than 6 months prior to this sale as that would be "property flipping". HUD does allow for some exceptions for HUD repos. Check with your lender BEFORE you make an offer.
4. You will need to be able to satisfactorily verify and source all funds needed for the down payment and closing costs by using all pages of the bank statements from the account where the funds have been kept for the past 3 months. If you move funds from account to account, all funds must be traced and any new funds must be sourced as well so it is much better to leave funds in a seasoned account.
5. Gift funds from a family member are acceptable, but they will be sourced the same as your funds in #4 above. In addition, the transfer of the funds (both the giving and the receipt) must be verified. The donor will have to provide a letter that the funds are a gift (not a loan) that does not have to be repaid.
6. There can be NO SELLER CONCESSIONS of any kind. The seller can only pay for items that are customary for the area such as a Home Warranty so negotiate the best sales price you can from the start!



7. You and the seller have the right to choose your service providers (title, closing agent), but unlike normal forward mortgage transactions, if the title and closing agent are not familiar and have not done numerous reverse mortgage transactions, they can seriously delay a transaction due to lack of experience. We strongly recommend that you try to negotiate that your title and closing service be used. Some sellers will not allow this as their agents will push back if this is another source of income for their office but it can really help to have experienced reverse mortgage professionals working on your loan. Check with your All Reverse Representative to determine the best services for your area.

8. When you complete your counseling for a purchase reverse mortgage, lenders are a bit different on what addresses they require on the certificate based on the date of counseling and the purchase agreement. The best rule to follow is that if you do not have a contract written and accepted on a specific property at the time you complete your counseling, use your current address for your certificate. If you have already entered into a contract to purchase, give the counselor the new property address for the address to appear on the certificate but be sure they have your correct current address to send you the completed certificate.

9. We can issue you a letter which outlines the reverse mortgage process and is somewhat similar to a "Prequalification Letter" that many sellers require. However, without being able to complete all the HUD requirements that cannot be done until the contract and some of the work is completed, we cannot give a firm prequalification and to do so would not be ethical or legal. Most sellers have accepted the letter and the loans have closed accordingly, but the seller is not required to accept it. The reverse mortgage is not like the forward loan and you can't just run an "automated underwriting approval" for a borrower (which itself is only a contingent approval and is not guaranteed anyway but most sellers are not aware of this fact).

10. If the appraiser notes that there are any necessary repairs, they must be completed by the seller, prior to the close of escrow. In other words, the buyer cannot accept a house in "as is" condition that does not meet HUD's guidelines expecting to complete the repairs after the sale is closed. This is especially significant for borrowers looking to purchase foreclosures and short sales as many times banks and sellers will not complete some repairs.



11. If the property you have chosen is a short sale (the lender has agreed to accept less than is owed on the existing lien), be sure you find out if there are any junior, or secondary liens. Just because the First Trust Deed Lender has agreed to accept less than the full amount owed does not mean that every other lender (if any) will and we have seen sales disintegrate at the last minute due to junior lien holders not approving the terms of the sale and the sellers not having any additional funds to pay the lien in full.

12 Your property type is important as well. HUD will not insure a loan on a condominium unless the entire project is currently on their approved list. Many projects do not meet HUD's parameters and some approvals can take many months to obtain as the HOA's are forced to increase insurance coverage and they or the Condo Boards themselves are not willing to do so. You need to be certain the condo project is approved BEFORE you make a deposit on a purchase. In addition to condominiums, HUD has restrictions on other property types and lenders may impose their own restrictions above and beyond HUD. Manufactured homes, log homes, earth homes 3 – 4 unit properties may be allowed by HUD with certain requirements, but you may find it impossible to find an investor who will lend on this type of reverse mortgage purchase. If you are looking at a condominium or a unique property type, it is best to verify the property's acceptance before you make your offer.

By keeping these items in mind when planning to use a reverse mortgage to purchase, you can save time and mistakes, making your transaction very smooth and easy!

Additional resources courtesy of PurchaseReverseMortgage.com

- [Free Purchase Reverse Mortgage Calculator »](#)
- [Purchase HECM FAQ's »](#)

What to do next:

Receive a detailed analysis from All Reverse Mortgage including closing costs, interest rates and program comparisons.

[Request Purchase Quote](#) or call (800) 565-1722



HECM For Purchase Quick Tips: Contract of Sale

It is crucial that the contract of sale be thoroughly reviewed prior to the borrower applying for a HECM for purchase loan. This quick tip provides useful information regarding items that should or should not be included in a contract of sale. **This is not a comprehensive list and does not include most state specific guidelines.** Users MUST review Mortgagee Letters related to the HECM For Purchase program with emphasis on letters [08-33](#) and [09-11](#). When reviewing the contract of sale, special care must be given to the following areas:

When reviewing the contract of sale, special care must be given to the following areas:

Contract must include the FHA Amendatory Clause and Real Estate Certification

Contract cannot include seller concessions or credits. Seller can only pay customary charges.

- The H4P program requires all loan closing costs including 3rd party title charges be paid by the borrower that are typical and customary for the area. Third party fees include, but are not limited to:
 - Deed prep, recording, owner's and lender's policies, transfer tax, Florida intangible tax, title settlement charges and any and all courier and wire fees affiliated with the loan.
 - Seller can only pay for customary settlement charges, realtor fee, seller attorney representation, lien payoffs and all affiliated charges associated with the payoff (including wire and/or courier fee for the payoffs, and all pro-rations and any and all charges affiliated with transferring vesting of the subject property free and clear of any and all encumbrances.
 - See Mortgagee Letter 2009-11, page 4

The contract must state that there is no monetary value included in the final purchase price for personal property (HECM proceeds can only be used for real property)

The contract cannot contain any rent back options Mortgagee Letter 2009-11, page 4

The contract cannot include credits or concessions from any party to the transaction (seller, lender, realtor, builder, etc.) Mortgagee Letter 2009-11, page 4

If the Seller is the Realtor for the purchase transaction the broker can earn commission, but the broker must identify the realtor is not earning commission income on the purchase.

When the appraisal is ordered, final contract including all pages and amendments must be provided to the appraiser.

If the appraisal identifies any repair items, the seller must pay for and complete all repairs. Seller also must pay for any final inspections associated with those repairs. See Mortgagee Letter 2009-11, page 3

If a home warranty is included, it can be paid by the seller if customary for the area.

Upfront inspections, if negotiated (termite, home inspection etc.) must be paid by the buyer. Any findings must be negotiated between buyer and seller. Repairs must be paid by the seller and completed prior to closing the loan.

Request at least 45 days to close the loan with all sellers/builders.

HECM FOR PURCHASE (H4P) TITLE COMPANY JOB AID

At All Reverse Mortgage, Inc. we strive to make the client's home purchase a seamless transaction. This job aid will provide highlights of the HECM for Purchase program and the fees that are allowed by HUD. Mortgagee Letter 2009-11 should be reviewed for more information.

Ordering Title

For a HECM Purchase loan, the loan amount is based on the lesser of the sale price, appraised value or HUD's Max Claim Amount (currently \$636,150). Title will be requested as follows:

- Schedule A will evidence the final purchase price in dollars
- Schedule B will evidence 150% of the final purchase price
- The lender is identified and insured
- Borrower information must be consistent on the contract of sale/title report and final deed.

*Needed Endorsements**

The lender policy must include the following unaltered endorsements (or its equivalent):

- ALTA 9/ CLTA 100, Comprehensive
- ALTA 8.1 / CLTA 100.9, Environmental protection endorsement
- ALTA 116 / CLTA 116 , street address
- ALTA 14.3-06 OR ALTA 6.2 CLTA 111.8 variable rate with negative amortization and line of credit or a reverse mortgage endorsement , in states where available (T-43 in TX)
- SURVEY (If applicable) or Survey Affidavit
- ALTA 4/CLTA 115.1, Condo (if applicable)
- CLTA 5.1, PUD (if applicable)

In high to moderate tip zones for FHA on purchase, the following termite reports are required:

- NPMA-33 are required when the property is greater than 1 years old (purchase only)
- NPMA 99A and or B are required on all builder loans where the Certificate of Occupancy was obtained within the last 12 months.

*This is not meant to be a complete list of endorsements. As always, consult your title company for more details.

Mortgagee Letter 2009-11

FHA prohibits seller contributions (also known as "seller concessions"), the use of loan discount points, interest rate buy downs, closing cost down payment assistance, builder incentives, gifts or personal property given by the seller or any other party involved in the transaction. This includes customary charges that are normally paid on behalf of the borrower by the seller. "HECM Final Rule has amended the guidelines as of 9/19/17 to allow for Sellers to pay for costs that are customarily paid by a seller in that market area."

- No Seller Concession or Credits
- No Lender Credits

The seller can only pay for:

- Realtor fee and attorney representation fee
- Their pro-rations of taxes and HOA fees due to make all charges current to the day of closing
- All lien payoffs and fees associated with those payoffs due by the seller

All other 3rd party closing costs from title must be paid by the buyer.

We are Here to Help

Upon request, our Product Manager and Senior Closer will make an introductory call to a new Title Company to review the process and program parameters.



The Process

- Loan Originator contacts Title Company BEFORE preparing the GFE.
- Request all title fees including those normally paid by the buyer. Fees include, but are not limited to: Transfer Tax, Owner's and Lender's policy, Title Search fees, Settlement fees, Deed Prep and Recording fees, Mortgage Recording fees, Grantor's tax, Deed Stamps, Wire fee, Courier Fee, Home Warranty fee.
- When the loan is opened (services ordered), we will request Preliminary Title, and estimated HUD 1 and the unrecorded Deed to evidence borrower's name(s) is the same as the Contract of Sale and internal program validations.

Frequently Asked Title Questions

1. Why do the mortgages read 1.5 times the Loan amount?

Reverse mortgage are negatively amortizing loans. Since the maturity date is unknown, HUD established 150% of the loan amount to account for interest and fees that continue to accrue on the loan.

2. How is the maximum claim amount and principal limit calculated? (HUD FAQ's website) For HECM purchase transactions only, the maximum claim amount will be the least of:

- 1) the appraised value;
- 2) sale price; or
- 3) FHA mortgage limit for a one family residence. The principal limit is determined by multiplying the maximum claim amount by the principal limit factor corresponding to the age of the youngest mortgagor or non-borrowing spouse, the expected interest rate and the initial MIP option that the borrower selects.

3. What is the title coverage amount?

The title coverage amount is the Maximum Claim Amount.



Exhibit – HUD 1 (Pages 2-3)

Comparison of Good Faith Estimate (GFE) and HUD-1 Charges		Good Faith Estimate	HUD-1
Charges That Cannot Increase			
	HUD-1 Line Number		
Our origination charge	# 801	211.95	136.95
Your credit or charge (points) for the specific interest rate chosen	# 802		
Your adjusted origination charges	# 803	211.95	136.95
Transfer taxes	#1203	495.00	495.00
Charges That in Total Cannot Increase More than 10%		Good Faith Estimate	HUD-1
Government recording charges	#1201	250.00	146.00
Appraisal fee	# 804	525.00	500.00
Credit report	# 805	35.00	18.11
Flood certification	# 807	15.50	15.50
Mortgage Insurance Premium	# 902	6,187.50	6,187.50
Title Services and Lenders Title Insurance	#1101	1,200.00	1,045.70
Total		8,213.00	7,912.81
Increase between GFE and HUD-1 Charges		\$ -300.19 or	-3.66%
Charges That Can Change		Good Faith Estimate	HUD-1
Initial deposit for your escrow account	#1001		
Daily interest charges	# 901	\$ /day	
Homeowner's insurance	# 903		846.00
Owner's title insurance to	#1103		25.00
Counseling Fee	#1304	125.00	125.00

These are zero tolerance fees

1100. Title Charges					
1101. Title Services and Lenders Title Insurance		(from GFE #4)		1,045.70	
1102. Attorney fee	to	\$ 685.00			225.00
1103. Owner's title insurance to		(from GFE #5)		25.00	
1104. Lender's title insurance to		\$ 360.70			
1105. Lender's title policy limit	\$ 247,500.00				
1106. Owner's title policy limit	\$ 247,500.00				
1107. Agent's portion of the total title insurance premium to	\$ 385.00	End: \$0.00			
1108. Underwriter's portion of the total title insurance premium	\$	End: \$0.00			
1109.					
1110.					
1111.					
1112.					
1113.					
1200. Government Recording and Transfer Charges					
1201. Government recording charges	to Register of Deeds	(from GFE #7)		146.00	
1202. Deed \$ 26.00	Mortgage \$ 120.00	Releases \$	Other \$		
1203. Transfer taxes	to Register of Deeds	(from GFE #8)		495.00	
1204. City/County tax/stamps	\$				
1205. State tax/stamps	\$				
1206.					
1207.					
1300. Additional Settlement Charges					
1301. Required services that you can shop for		(from GFE #6)			
1302. HOA Service fee	to			25.00	
1303. Home Inspection	to			475.00	
1304. Counseling Fee	to	POC:B125.00			
1305. See addit'l disb. exhibit	to			320.00	
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)				9,935.76	12,675.00

This fee is for the Seller's Attorney

Title charges must be on Borrower's side

Transfer tax - Borrower's side. Must be disclosed on GFE - Zero Tolerance

Who We Are

Our family owned team has over 100yrs of combined experience in mortgage banking. We have been instrumental in educating some of the largest banks on the nuances of the reverse mortgage products, and their benefits to senior homeowners. The reverse mortgage is all we do and our goal is exceed your expectations in finding you the very best terms, as well as providing a truly no hassle experience and timely close.

"We truly believe in the positive life changes a reverse mortgage can bring to many Americans, so much that our first customer was a member of our own family"

(Marian Branson, CA)

"The Maverick is All Reverse Mortgage"

- Huffington Post 2014

Winner of "Best Reverse Mortgage Brand"

- RMD Awards 2011

ALL Reverse Mortgage surveyed as "Best Reverse Mortgage Website"

- Professor Guttentag aka The Mortgage Professor 2013



Why Choose All Reverse Mortgage



Are all reverse mortgages the same? Isn't it best to use the lender you just saw that has the national celebrity on TV? That's what many are hoping you will think and they pay those celebrities a lot of money to convince you to use their company

At All Reverse Mortgage, we know that this loan is all about you and your needs, not who the lender is.



In fact, over 99% of the reverse mortgage loans closed today are the FHA-insured Home Equity Conversion Mortgage (HECM or "Heck-um") that is backed by HUD. With the same federal safeguards, the same government insurance for life, why should you pay thousands more for a loan at one lender over another?



Even though all FHA-insured loans have the same government guarantees, not all lenders offer the same rates or costs and we welcome you to compare. We often save our customers thousands of dollars per transaction every single day!



- ✓ We are a direct lender approved by FHA (Federal Housing Administration)
- ✓ The HECM is literally all we do. All Reverse Mortgage is not just a name for us. We have a very low (almost non-existent) staff turnover and our people are experts at reverse mortgages.
- ✓ We don't work with Brokers, allowing us to pass the savings on to you.
- ✓ We don't hire "celebrity" spokespersons as we don't believe you should have to pay for a lender's expensive marketing budget with higher loan costs.
- ✓ We Charge Less. Check out our competition and our customer ratings. We never forget that this loan is about you and your needs and we put you first with superior service and lower costs.



Our customer testimonials tell our history of bringing you excellent service and peace of mind throughout the reverse mortgage process. It is our desire to offer our customers the best reverse mortgage terms accompanied by extraordinary customer service.

A Few Words From Our Customers

I currently work for a top lender in the reverse mortgage industry and when it was the right time for my mom to get her reverse mortgage, I went straight to my friends at All Reverse Mortgage Co. I've worked with them professionally for several years, watching how caring they are toward their customers, and when it was time for my mom and me to be cared for, they did not disappoint. They know this business inside and out, backwards and forwards. Not only was this transaction smooth, timely and a great deal, I've watched so many they've done just like this. Worried yours might be a little complicated? These guys dive in, get their hands dirty and help to figure out any solution they can. I enjoy working with them on a professional level and was impressed and grateful for what they did on a personal level.

Cheryl C.

"Could not be more satisfied. Product is one of the few structured financial instruments that may be fair to consumers under appropriate circumstances. (That's why Wells Fargo and Bank of America are leaving the market.) All reverse got my paper because of superior service, including pointing out a better deal than I had been ready to sign for."

Dr. W. Jackson, Ph.D, banking advisor to US Congress for 27 years

"Thank you so much for your courtesy, experience and knowledge. You definitely made what could be a stressful experience very simple and clear"

Judith

"You handled all of our questions and concerns with sensitivity and professionalism. We felt that you really valued our business and you always went the extra mile"

Richard

"We are very pleased with the whole process and with everyone involved. We would recommend you to our friends, thank you so much for such professional service"

Bronson

"Many thanks for the help I received from you and your staff. I'm living in "cloud nine" Keep up the good work with seniors, you are superior."

Jane

"We were treated with the highest degree of professionalism and made to feel comfortable during the process, thank you for a job well done by all who worked so hard to make this possible "

AI

Ready to Take the Next Step?

Start Your Application by visiting
reverse.mortgage/apply

Questions?

Call us Toll Free (800) 565-1722
or explore our learning center at
reverse.mortgage/questions

