

So if the interest rate goes to 7%, the unused portion of your credit line will grow at 7 1/2% annually, even if the value of your home falls.

Again, no matter what the value of your home is at anytime, the available line-of-credit will continue to grow.

Don't you wish your IRA or other retirement funds could have done the same?

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Are You Kidding? I Didn't Know?

Number of Reverse Mortgages Insured by the Government is Limited Each Year.

Yes, the number of FHA Insured Reverse Mortgages (Home Equity Conversion Mortgages) is limited each year. The period for the limitation starts on October 1st of each year and runs for the following 12 months.

So if you are putting off for tomorrow what you can do today, with the increasing popularity of this mortgage for senior homeowners, be aware that the "well may run dry" when you latch onto your bucket to go to the well.

You Might Be Spending \$14,000 + On Lottery Tickets, Donuts & Cheeseburgers

Some of the most spoken words I hear when I tell people that I educate and develop Reverse Mortgages for seniors, is that "They are too expensive."

One day I casually asked someone what small expenditures they make during the course of the week. The list included lottery tickets, coffee and..., a McDonald's breakfast special, or the ever so popular hamburger, fries and a drink.

We sat down and itemized the previous weeks purchases and they ended up being about \$4.50 per day, which is seemingly quite affordable. Then... (see page 2)

we decided to total the cost for the next ten years.

I'll do the math. Four dollars and Fifty cents a day for six days each week (have got to take a day off once in a while), for 52 weeks for ten years equals \$14,040.

So how does that compare to the Reverse Mortgage charges to guarantee that what is expect from a reverse mortgage, will be exactly what will be provided – guaranteed!.

I have a gentleman who has a house which has consistently appraised for around \$260,000. He has a small lien on his house from unpaid medical expenses and he needs a new roof. In fact every time it rains, water comes into his house and that has been happening for the last two years.

He did not have the money, nor the insurance, to pay for cost attached to a past medical condition and he has no money to pay for the roof repairs.

If he went forward on a reverse mortgage we could payoff the lien, give him the money to make the roof repairs, and arrange for him to have an extra \$700 per month , each month, for as long as he lives in his house; and since he is only 68 years old he probably will be able to live in his family home for a long time.

How much would the reverse mortgage insurance guarantees cost him?

First at closing there is a mortgage insurance premium (MIP) cost of \$5,200 which is based on 2% of the appraised value of \$260,000.

The (MIP) at closing will be rolled into reverse mortgage at the time of the closing as well as the other closing costs which are part of any mortgage transaction. That balance, along with the \$700 per month draw, will incur a 1/12 of 1/2% MIP charge each month.

Over the first ten years, this secondary charge will total \$853.

Between the two mortgage charges, during the first ten years of the reverse mortgage, the MIP charges will total \$6,053. That compares to \$14,040 for lottery tickets, donuts, drinks, hamburgers and fires. Many of which have their own guarantees attached to them, but none so life enhancing as the guarantees that accompany an insured reverse mortgage.

You Can't Spend Your Reverse Money on That!

Would you believe that no one will ever say that to you?

Granted, since you will only be paying one-half percent MIP charge on the money you withdraw from your line-of-credit, you should carefully consider each disbursement that you want to make. But there is no restriction on how you use the money.

You can:

- Pay off back, current or future taxes
- Make home repairs and alterations
- Visit a friend, or ancestral homeland half way around the world
- Help pay for a grandchild's education
- Pay energy expenses
- Or just let the line-of-credit line sit there and grow for future, unexpected expenses remembering that you are not paying interest on the portion of line-of-credit that you have not drawn on.

The Unused Line of Credit Will Decrease if the Value of Your House Decreases

Absolutely Not!

That portion of the line of credit that you have not used, is guaranteed to always be there for you as long as you live in the house, AND it will grow 1/2 percentage point higher than the existing interest rate. (Go to page 4)