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REVERSE MORTGAGE HOMETOWN REPORT

REVERSE MORTGAGES FOR SENIORS
MONTHLY NEWSLETTER



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Reverse Mortgage Popularity Has Taken Off!!!

“As more seniors try to figure out how to cope with today’s economic conditions, the federally insured Home Equity Conversion Mortgage (HECM) program takes on increased significance,” said Peter Bell, President of NRMLA.

A more detailed analysis of HUD data conducted by Reverse Market Insight, Inc., a consulting firm based in Aliso Viejo, CA, indicates that three of the top 10 markets in the country are located in Florida. Miami was the top market in the country by a 2 to 1 margin. FHA insured 9,561 HECM loans in the Miami metro area, followed by Los Angeles (4,126), Tampa (3,956), Santa Ana, CA (3,695), Baltimore (3,595), Phoenix (3,582), Orlando (3,556), Richmond, VA (3,493), Philadelphia (3,317) and Chicago (3,184) to round out the top 10.

Bell anticipates newly enacted changes to the HECM—including a higher loan limit, lower fees, home purchase component, co-op eligibility and stricter consumer protections around cross-selling reverse mortgages with other financial services products—will lead to even more growth in the coming months.

“The strong growth we’re seeing suggests the HECM program

remains a strong and viable option for America’s seniors as they develop their financial plans for retirement,” added Bell. “

The HECM product is the most popular reverse mortgage offered today. Reverse mortgages are becoming a more mainstream financial planning tool for older homeowners. A reverse mortgage enables older homeowners (generally age 62+) to convert part of the equity in their homes into income without having to sell the home, give up title, or take on a new monthly mortgage payment. The reverse mortgage is aptly named because the payment stream is “reversed.” Instead of making monthly payments to a lender, as with a regular mortgage, a lender makes either one or more payments to the borrower. The loan is repaid when the borrower moves out of the property.

Washington, D.C. – NRMLA.org

this issue

- Reverse Mortgage Popularity **P.1**
- Annual HECM Production **P.1**
- BREAKING NEWS!!! **P.2**
- Remember . . . **P.2**
- Hey Joe . . . Hey Rich . . . **P.2**



Annual HECM Production

Following are the number of HECM loans made in each federal fiscal year since the program began. HUD provides data by federal fiscal year (October 1 through September 30).

FY 2009 37,511*	FY 1999 7,982
FY 2008 112,154	FY 1998 7,896
FY 2007 107,558	FY 1997 5,208
FY 2006 76,351	FY 1996 3,596
FY 2005 43,131	FY 1995 4,165
FY 2004 37,829	FY 1994 3,365
FY 2003 18,097	FY 1993 1,964
FY 2002 13,049	FY 1992 1,019
FY 2001 7,781	FY 1991 389
FY 2000 6,640	FY 1990 157 loans

Total = 487,982

Source of statistics: HUD

The record for monthly volume was in February 2008 (10,913).

*Thru January 2009



What do you see . . . GOOD OR EVIL ?



In black you can read the word GOOD, in white the word EVIL (inside each black letter is a white letter).



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BREAKING NEWS!!!

President Signs \$787B Stimulus Real Estate Recovery Package and Largely Impacts the Reverse Mortgage Market!

Gibran Nicholas, chairman of the CMPS Institute, an organization that certifies mortgage bankers and brokers explains:

The loan limits for reverse mortgages insured by the Federal Housing Administration (FHA) have increased to \$625,500 across the entire country – not just in higher-cost areas. The previous limit was \$417,000. According to Nicholas, "This is especially important because the FHA program is virtually the only game in town, as private and jumbo reverse mortgage programs have nearly all evaporated."

Nicholas said this aspect coincides with another little-known change in the reverse mortgage arena: the availability of reverse mortgages on home purchase transactions. "This is a fantastic opportunity for senior citizens to buy a new home and live mortgage payment-free without having to wait for their old home to sell," Nicholas said. "Seniors could also use this strategy to buy a new home and turn the old home into a rental or otherwise wait for market conditions to improve before trying to sell the old home."



"There is something we can do today, that will give us piece of mind tomorrow."

"LET'S TALK ABOUT A REVERSE MORTGAGE!"

**FREE SEMINAR!!!
FREE REFRESHMENTS!**

COME SEE WHAT A

REVERSE MORTGAGE

IS ALL ABOUT!

On **Saturday, March 14th** at 9 a.m.
we'll be at the:

South Jersey Federal Credit Union
Deptford Office located at:
1615 Hurffville Road, Route 41
Deptford, NJ 08096

and

On **Saturday, March 28th** at 9 a.m.
we'll be at the:

South Jersey Federal Credit Union
Moorestown Office located at:
1201 N. Church Street
Moorestown, NJ 08057

GROUP SPEAKERS

The Gray Hair Guys are available to speak to your church, civic or senior group. They have developed a 30 minute program that will leave people smiling and educated. Just for the record, Joe is 64 and Rich is 65!!!

NOTARY SERVICE

for SENIORS – If you are a senior citizen and need something notarized call us. At no cost or obligation we will come to you!

Referrals are always greatly appreciated!!!

REMEMBER . . .

there is no cost or obligation to prepare a report for you that will show what you or a loved one could receive. To prepare a report we only need the following information:

1. Name and Address?
2. Date of Birth?
3. Opinion of home value?
4. Do you have any current mortgages or lines of credit?

If you wish to be taken off our mailing list, please email us at

Joe@NJReverse.com,

Of course, we are always glad to add someone!!!

Thank you from . . .

Your Local Hometown Experts!

Hey Joe . . .

To qualify for a Reverse Mortgage Your home must be debt free - **FALSE!**

Many people getting a reverse mortgage have a traditional mortgage or other debt instrument on their home. The mortgage or debt however, must be paid off first with the proceeds of the reverse mortgage. After this is paid, the proceeds of the reverse mortgage are distributed to you either as a lump sum, by regular monthly payments, or through a Line of Credit.

Hey Rich . . .

You have to make monthly payments on your Reverse Mortgage - **FALSE!**

In fact, with a reverse mortgage, the only monthly payments that are possible are payments TO YOU! Payment of taxes, insurance and general upkeep of the home are the only responsibilities of the homeowner.

DO YOU HAVE A QUESTION FOR THE GRAY HAired GUYS?

Email them at Joe@NJReverse.com or Rich@NJReverse.com