

A photograph of an elderly couple standing in front of a modern house, viewed from behind. The man is on the right, wearing a dark blue t-shirt and light-colored pants, with his arm around the woman's shoulder. The woman is on the left, wearing a blue long-sleeved shirt. The house in the background has a grey roof and large windows. A large orange vertical bar is on the left side of the image.

YOUR **HECM** TOOLKIT

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SouthRiverMortgage.com



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Company NMLS #1854524



YOUR WAY TO A BETTER RETIREMENT

John and Betty had an emergency medical expense arise, making it difficult to make their monthly mortgage and auto loan payments.

They knew they had to do something. They knew downsizing wasn't an option because their current home is where their life is and always will be. Their bills were piling up, and they knew they needed a new option.

	CASH OUT	HELOC	HECM
Access Home Equity	✓	✓	✓
Draw Funds on Demand ¹	✗	✓	✓
Grow Line of Credit ¹	✗	✗	✓
Monthly Mortgage Payment ²	REQUIRED	REQUIRED	\$0.00*

After reviewing their options, they realized a Home Equity Conversion Mortgage (HECM) is a smart solution that helped improve their cash flow to meet their needs. The HECM program enables John and Betty to enjoy their retirement in the comfort of their beloved home.

¹ - A HECM line of credit payment option enables you to draw available funds. With the line of credit payment option, the unused line of credit amount will increase at an annual rate calculated by adding the initial interest rate to the annual mortgage insurance premium rate, affording borrowers access to the "growing" credit available.

² - With any mortgage, borrower must continue to make property charge payments, such as taxes, insurance, and maintenance, as well as comply with other loan terms.

HOME EQUITY CONVERSION MORTGAGE EXPLAINED

A reverse mortgage is a loan that allows you to tap into your home's equity. With the HECM program, you still own your home and reside in it for the rest of your life.*

QUICK FACTS

01

Our average customer accesses \$43,924.35 of previously untapped home equity with a HECM reverse mortgage.

02

Over 1 million homeowners have utilized the HECM program since its inception.

03

Home equity levels reached a national high of \$27.8 trillion in 2022.

04

South River Mortgage boasts a 96% customer satisfaction rate with an average 4.8-star rating on Google reviews.**

*While reverse mortgage borrowers retain ownership in the home, the reverse mortgage loan, like traditional mortgages, are secured by a lien, and borrowers can, in fact, lose their homes. Reverse mortgage borrowers are responsible for several requirements, including paying property taxes, homeowners insurance, and property maintenance, as well as complying with the loan terms. Failing to meet these requirements can trigger a loan default that results in foreclosure.

**Based on South River Mortgage's customer Google reviews between June 1, 2019, and June 15, 2022.

HOW TO QUALIFY

A reverse mortgage is a smart solution for many seniors. However, not everyone can qualify. Below are some requirements you must meet to be eligible.



Be 62
or Older



Own and Occupy
Your Home



Have Some
Home Equity

YOUR RESPONSIBILITIES

You do have responsibilities both before and after your loan closing. One of our licensed loan officers will be there to guide you through every step of the application process.

- ♦ Complete counseling with a third-party HUD-approved counselor. You can do this over the phone.
- ♦ Maintain the property in good condition.
- ♦ Continue paying your property expenses, like homeowners insurance, association dues, and property taxes.

Other requirements will apply; speak with one of our licensed loan officers to obtain more information.



This is a testimonial from a real borrower. However, the image is not of our actual borrowers.



Madasin has been an exceptional professional, remarkable, and outstanding in guiding me through the process of obtaining a reverse mortgage through South River Mortgage at a time of my life when I needed most to be inspired and motivated.

- MARGARET G.

DETERMINING YOUR PROCEEDS

The amount of proceeds available to you depends on some key factors:



Age



Home Value



Interest Rates

Your financial obligations, elected payment plan, maximum loan limit, and other factors also will determine the amount of proceeds available. Speak with one of our licensed loan officers for more information.

OBTAINING YOUR PROCEEDS

If approved, you can receive your proceeds in one of three ways, whichever works best for you. You can also obtain a combination to receive monthly payments and line of credit.



Lump Sum*



Monthly Payments



Line of Credit

**Choosing a lump-sum disbursement is the only way to obtain a fixed interest rate reverse mortgage.*

BENEFITS AND POSSIBLE USES

A reverse mortgage can be more flexible than other products that provide you with many of the same benefits.

- Never Repay More Than the Value of the Home When Loan is Due
- Line of Credit Growth¹
- No Required Monthly Mortgage Payments²
- Income Tax-Free Equity Access³
- Pay for In-Home Care and Renovations
- Use Loan Proceeds to Pay Credit Cards, Medical Bills, and Other Debt
- No Credit Score Requirement
- Sustain or Improve Your Retirement Lifestyle

1 - With the line of credit payment option, the unused line of credit amount will increase at an annual rate calculated by adding the initial interest rate to the annual mortgage insurance premium rate, affording borrowers access to the "growing" credit available.

2 - With any mortgage, borrower must continue to make property charge payments, such as taxes, insurance, and maintenance, as well as comply with other loan terms.

3 - This is not tax advice; consult your tax advisor.

WHY CHOOSE HECM OVER A HELOC?

	HELOC	HECM
No Required Monthly Payments ¹	✗	✓
Growing Line of Credit ²	✗	✓
Line of Credit Available for Life ¹	✗	✓
No Prepayment Penalty ³	✗	✓
Government Insured ⁴	✗	✓
No Annual Account Maintenance Fee	✗	✓

¹ - With any mortgage, borrower must continue to make property charge payments, such as taxes, insurance, and maintenance, as well as comply with other loan terms.

² - With the line of credit payment option, the unused line of credit amount will increase at an annual rate calculated by adding the initial interest rate to the annual mortgage insurance premium rate, affording borrowers access to the "growing" credit available.

³ - Most HELOCs have a prepayment penalty.

⁴ - This material has not been reviewed, approved, or issued by any government agency; the company is not affiliated with or acting on behalf of or at the discretion of any government agency.



This is an actual testimonial from a real borrower. However, the image is not of our actual borrowers.



Justin has been so very helpful, enjoyable even. The whole process has been painless, he's answered every question we've had and made us feel safe and secure throughout the whole process. A million thanks to Justin!

- BETTY G.

HECM SPECIAL FEATURES

The HECM loan is one of the most common types of reverse mortgages. This product offers many special features.



Federal Housing Administration (FHA) Insured

The FHA established basic requirements that lenders must apply to HECMs, including FHA mortgage insurance.



No Prepayment Penalty

Repay the loan at any time without a prepayment penalty.



Non-Recourse Loan

You will not owe more than outstanding balance or home value, whichever is less, at the time the loan is repaid; no assets other than the home may be required to repay the loan.



Tax and Insurance Set Aside

In some instances, HECM guidelines may require a tax insurance set aside. You may have the option to have your property taxes and homeowner's insurance paid automatically through the loan.

FREQUENTLY ASKED QUESTIONS

Q Do I still own my home?

A Yes, like a traditional mortgage, you retain full ownership and remain on the title. With any mortgage, you must continue to make payments for property taxes, insurance, and maintenance, as well as comply with the loan terms.

Q Is there a minimum credit score requirement?

A No, there is no credit score requirement.

Q Do I need to pay off my existing mortgage?

A Your existing mortgage will be paid using the HECM loan proceeds.

Q Do I pay income taxes on the proceeds?

A No, HECM loan proceeds are not subject to income tax.*

Q Will it affect my Social Security?

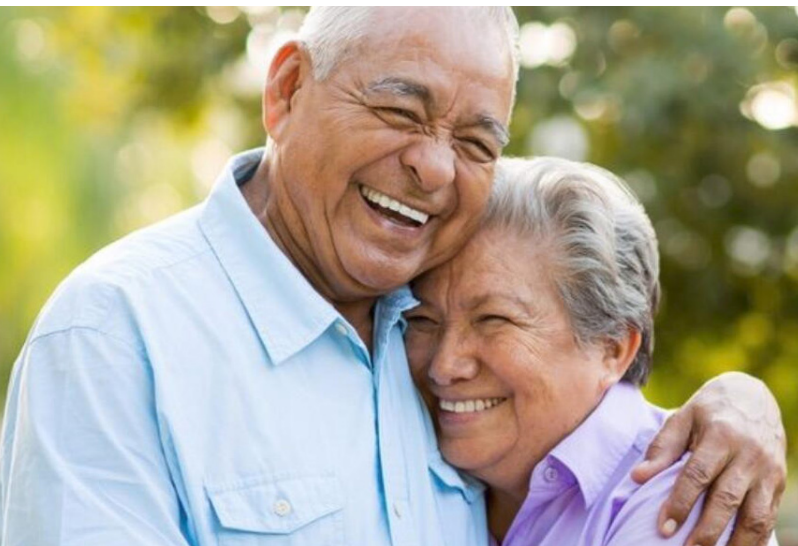
A No, similar to a traditional mortgage, HECM loan proceeds will not impact your eligibility for Social Security retirement benefits.

*This is not tax advice; consult your tax advisor.

“

My mother and I had the most wonderful experience with Austin. He helped Mom every step of the way and ensured she knew what was happening and when. We would definitely use him again. Thank you.

- VEE C.



These are testimonials from real borrowers. However, these images are not of our actual borrowers.

Sari was supportive of my limited technology education and walked me through things step by step...I wish all of the business world was as professional, pleasant, and helpful as she is.

”

- LINDA M.



This is a testimonial from a real borrower. However, the image is not of our actual borrowers.



They really answered all my questions before I could even ask, which made me feel at ease from the beginning. The process was made much easier knowing that they were being fair and transparent.

- GRACE I.

WHY WORK WITH SOUTH RIVER MORTGAGE?

At South River Mortgage, we believe retirement should be enjoyable. This time of your life is called your “golden years,” after all.

Our licensed loan officers specialize in reverse mortgages. They will provide you with the knowledge and support you need to secure the retirement you deserve. South River Mortgage offers personalized solutions for your specific situation to help take back control of your finances.

What to expect when you work with South River Mortgage:

- Free Financial Assessment
- 5-Star Customer Service
- Uncomplicated and Efficient Loan Process

Call to speak with one of our dedicated, licensed loan officers today.

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As it relates to testimonials, not all results are typical, and not all borrowers will experience the same savings and benefits.

****This is not tax advice; consult your tax advisor.**

For qualified borrowers only. HECM applicant(s) must be at least 62 years of age. All loans subject to lender guidelines and approval. Rates, terms, fees, products, programs, and equity requirements are subject to change without notice. Any current mortgage information stated herein is available through public record, which may not reflect the most current information. Not all products and options are available in all states. Certain conditions and fees apply. This is not a loan approval or commitment.

*Reverse mortgage loan terms require the borrower(s) to occupy the home as your primary residence, pay for the maintenance and upkeep of the home, pay property taxes and homeowners insurance, and comply with the terms within the loan documents; otherwise, the loan becomes due and payable and may result in the loss of the home. Although property costs may be substantial, the lender does not establish an escrow account for certain recurring property charge payments, such as taxes and insurance. However, a set-aside account can be set up for those charges, and in some cases may be required based on a financial assessment. Not all interest on a reverse mortgage is tax-deductible, and to the extent that it is, such deduction is not available until the loan is partially or fully repaid.

Certain charges will be assessed with the loan, including a counseling fee (if required by HUD/FHA and/or lender guidelines) prior to application, an appraisal fee prior to loan approval, an origination fee, mortgage insurance premium (if required by HUD/FHA requirements), and other third-party closing costs at the loan's closing, and servicing fees after the loan closes. Closing and servicing fees will be added to the loan balance. Over the life of the loan, interest is charged on the loan balance, which grows over time. At the conclusion of the reverse mortgage when the last borrower or eligible non-borrowing spouse dies, sells the home, permanently moves out, or fails to comply with the loan terms, the loan becomes due and payable (and the property may become subject to a tax lien, encumbrance, or foreclosure). When the loan becomes due and payable, some or all of the equity in the property that is subject to the reverse mortgage no longer belongs to the borrower(s), who may need to sell the home or otherwise repay the loan balance with interest from other proceeds.