

REVERSE MORTGAGE TO PURCHASE A HOME

Homebuyers over age 62 can use a reverse mortgage in the purchase of a home. They can borrow around 60% of the sales price (depending on their age) from the proceeds from the reverse mortgage, make a down payment of around 40% and never have a mortgage payment as long as they live in the house they purchase. A great example is for a couple to use the proceeds from the sale of their present home as home payment for their new home.

The advantages of a reverse mortgage are the same as a refinance. You continue to own your home and the equity in it. There are no prepayment penalties. You can sell, pay off the mortgage and move at any time.

To qualify for a reverse mortgage, you have to be at least 62 years old and agree that the home will be your primary residence. There are currently no credit score, income or employment requirements.

I recently worked with a customer who had \$200,000 cash from the sale of his home. He wanted to purchase a \$300,000 home and have some cash in reserve. He obtained a reverse mortgage for \$180,000 and kept \$20,000 in the bank. He did not have a mortgage payment and was able to purchase a more expensive home than he could have if he had paid cash.

For more information, please contact me.

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