Ultimate Payment Flexibility for Self-Employed Homeowners (and Buyers)

When you hear the term Reverse Mortgage, most people think of seniors who are looking at improving their quality of life in their golden years. However, there is another extremely advantageous way that these products can be utilized.

Many people (*including most of us in the real estate industry*) work in professions where their income can fluctuate significantly.

For homeowners and buyers who are self-employed or commission compensated and are over the age of 55, this may be the best product ever designed. It provides payment flexibility far beyond what any other program has ever allowed. They can make regular principal and interest payments every month just like a standard mortgage; they can also make extra principal reduction payments any time they want just like a standard mortgage; they can pay interest only; they can skip as many payments as they want without any negative credit implications; they can make large lump sum payments any time they want; and they can even take lump sum distributions tax free whenever they want.

Another significant advantage for these products is that they allow minimal income documentation. In many cases, no income documentation is required at all.

Freedom and Flexibility Payment Options

Payment Option	*Explanation*	*Reverse Mortgage Advantage*
Amortizing Payments	Standard (forward) mortgages are repaid over a term that is set when the loan is initially secured. The technical term for this repayment is called "amortizing". On an amortizing loan the monthly payments include interest on the loan and a	Because payments are optional on our Reverse Mortgage products and there are no prepayment penalties, the loan ***can*** be repaid like a standard amortizing loan. However, a Reverse Mortgage allows a

	portion of the principal balance. The most common amortization terms are 15 or 30 years.	borrower to amortize over whatever term they choose and to adjust that decision every single month.
Interest Only Payments	Interest Only loans allow a borrower to make payments that only cover the interest on the balance. This reduces the amount of the monthly payments required, but it doesn't pay off the mortgage over the term of the loan. Standard Interest-Only loans either require the loan balance to be paid in full at some point or start requiring amortization on an accelerated term resulting in a significant increase in the required monthly payment.	If a borrower elects to make interest only payments on a Reverse Mortgage there is ***not*** a trigger point where the loan starts to amortize at accelerated rate. Also, they can pay interest only for as long as the loan is in effect.
Lump Sum Payments	Most standard mortgages allow the borrower to make a large payment towards the principal if they receive a large commission check or a cash windfall from some other source. However, they generally cannot easily re-access those funds if they end up needing them in the future.	Since the payments are optional on our Reverse Mortgage products, a borrower *can* make lump sum payments whenever it is strategic for them. However, we have Reverse Mortgage options that allow a borrower to easily re-access the funds if they end up needing them again in the future.
Defer some Payments	Since the monthly payments are optional, the borrower has the ability to make no monthly payment at all in months where their cash flow may be a little slower.	They can make up these payments when they receive a large commission if that is what they would like to do.

Defer all Payments	Since monthly payments are not required on these Reverse Mortgage products, the borrower has the ability to defer all payments until they move out, sell the house, or pass away.	If a borrower is still working at the time they do the Reverse Mortgage, they may elect to make payments until the point at which they retire and then start deferring all payments from that point on.
Access Additional Funds	Unlike a standard forward mortgage, many of our Reverse Mortgage options allow borrowers to use the loan like an equity line.	They can pay down and re-access funds whenever they desire. This can result in substantial interest savings as it eliminates the need to keep significant cash on hand for unexpected expenses. They can pay the loan balance down, reducing the interest they're being charged and then just draw the money back out in the event they need it.