1st Choice Mortgage Co.

Buying a home using a Reverse Mortgage

HECM FOR PURCHASE

You may have heard about reverse mortgages, buy did you know they can be used to purchase a new home?

If you ever considered purchasing a new home—perhaps even a new construction in an active adult community, a once story home near your kids, or making the move to a warmer climate—then you MUST read this.

HERE IS WHAT YOU NEED TO KNOW

If you are age 62 or older, the Home Equity Conversion Mortgage (HECM) or Reverse Mortgage for purchase, insured by Federal Housing Administration (FHA), enables you to buy a new primary residence while taking out a reverse mortgage on that home in one transaction.

The program is a great alternative to liquidating assets or applying of traditional mortgages that will have to be paid back each month. The general rule of thumb is that the HECM for Purchase loan can help you finance up to 50% of the home's value—but you should speak with a loan specialist for details at 1st Choice Mortgage.

The amount of money you can use towards your new home depends on several factors, including the borrowers' age, the home's value, and the current interest rates.

As with all homeowners, reverse mortgage borrowers are still required to remain current on their property taxes and homeowner's insurance.

COMMON USES OF HECM FOR PURCHASE

There are a couple of common reasons why older adults may choose to use the HECM for Purchase program. If you are in or near retirement, for example you may want to relocate to a warmer climate, less expensive State or move close to your family.

Others decide they want to buy or build a home designed specifically for aging-in-place, whether that means downsizing to a smaller house or building a single-level home equipped with wider doorways, ramps or handrails.

WHAT ARE SOME BENEFITS?

Using a reverse mortgage to buy a new home allows you to skip the need for a "regular" mortgage. Reverse Mortgage don't require monthly mortgage payments, as long as the terms of the loan are met, the loan does not have to be repaid until the last surviving borrower no longer lives in the home as their primary residence. This can be an advantage to people who don't have room in their budgets for monthly payments. Of course, as a home owner you remain responsible for paying property taxes and homeowners insurance.

1ST CHOICE MORTGAGE COMPANY

"Providing superior customer service and the lowest rates for over 19 years"

3023 E. Copper Point Dr., Suite 101, Meridian, ID 83642

Phone: (208) 375-LOAN (5626) WEB: www.375LOAN.com

NMLS # 380736