



Financial Flexibility Services

NMLS ID # 1192726

A Home Remodeler's Guide to a suggested financing method for senior home owners with NO MONTHLY MORTGAGE or LOAN PAYMENTS

THE PROBLEM

The scope of the project for both the Remodeler/Improvement Contractor and Home Owners appears to be smaller than hoped for.

Senior home owners, John and Mary, have decided they want to make improvements to their home. However, they have a limited budget disappointing them in their ability to achieve all they would like to do.

In addition, they don't want to use normal Home Loan Financing to pay for their improvements because they don't want to incur any monthly payments, nor do they want to tap into their retirement savings nor use their available spare cash. What choice is left for John and Mary?"

A DREAM SOLUTION – A WIN-WIN FOR ALL

They can use the tax free proceeds of a Home Equity Conversion Mortgage (HECM) to accomplish all of their remodeling and home improvements, and then enjoy their newly remodeled home for the remainder of their life...without tapping into their retirement savings, borrowing or having to having to make monthly payments.

THE NEXT STEP

Talk to your senior home owner customers about a possible way to achieve their dream rather than settling only for the smaller job that their limited budget will allow. Or call me and let me show them how to make their dream become a reality.

Home Equity Conversion Mortgage

Age well, live well, plan well, care well



HOW DOES THEIR MONEY IN THEIR WALLS EQUITY BECOME AVAILABLE AS CASH?

Example (with an existing mortgage)

(**Based on 50% of a Home's Appraised Value)

Appraised Value of a Home	\$400,000
50% of Appraised Value (varies).....	\$200,000
Available HECM Loan Proceeds.....	\$200,000**
Paying Off Existing Mortgage(s).....	(\$75,000)
HECM Loan Closing Costs (varies).....	(\$10,000)
FHA Insurance (2% of Appraisal).....	(\$8,000)
Cash Proceeds Remaining Available for Remodeling.....	\$107,000

Example (without an existing mortgage)

(**Based on 50% of a Home's Appraised Value)

Appraised Value of a Home	\$400,000
50% of Appraised Value (varies).....	\$200,000
Available HECM Loan Proceeds.....	\$200,000**
HECM Loan Closing Costs (varies).....	(\$10,000)
FHA Insurance (2% of Appraisal).....	(\$8,000)
Cash Proceeds Remaining Available for Remodeling.....	\$182,000

Note: All existing mortgage balances (if any) are paid first from the Available HECM Loan, freeing up that cash to meet other needs and dreams.

using

MONEY IN THEIR WALLS

for:

- Appliances
- Back-up generators
- Bathroom upgrade
- Bookcases
- Carpeting & flooring
- Ceiling makeover
- Consulting with a designer/architect
- Electrical/Lighting upgrade
- Enclosing outdoor area
- Entertainment/theater room
- Fencing/gates
- Fireplace facelift
- Flat screen TV plus installation
- Flood/water damage not covered by insurance
- Foundation repair
- Furniture & furnishings
- Garage conversion to living quarters, family room, entertainment, room, hobby room, music room, furnished second floor, etc.)
- Garage door replacement
- Hardy Board installation
- Insect infestation
- Insulation
- Interior home remodeling
- Kitchen upgrade
- Landscaping
- Mosquito fogging systems
- New entry doors
- New heating and air conditioning system
- New roof and gutters
- Outdoor entertainment area with decking and patio
- Painting interior & exterior
- Remodeling for better access and safety (wider door entries, walk in bath tub with seating, safety bars, wheelchair ramps, chair lifts, elevator, etc.)
- Repiping to correct leaking galvanized plumbing
- Resurfacing concrete
- Room conversion for a full time live in aide
- Security systems
- Solar panels
- Sound proofing
- Surround sound installation
- Swimming pool & pool Décor
- Termite extermination
- Vinyl siding installation/repair
- Walk-in closet
- Water heater
- Weather related damage not covered by insurance
- Window replacement
- Other improvements and repairs of your choice