

REVERSE MORTGAGE CONSIDERATIONS

A reverse mortgage is a loan against the value of your home that does not have to be paid back for as long as you live in the home. Simply put, a reverse mortgage converts some of the equity in your home into income.

In Evaluating a Reverse Mortgage, Consider...

- Typically, a reverse mortgage must be a "first" mortgage, meaning that if you still owe money on your home, you must pay off the existing mortgage before you can get a reverse mortgage (note: an initial lump sum payment from a reverse mortgage can be used to pay off an existing mortgage).
- Keep in mind that, while you don't have to repay a reverse mortgage for as long as you live in the house, the amount that ultimately has to be repaid does grow over time.
- While the amount of debt grows over time, the reverse mortgage repayment cannot exceed the value of your home at the time it is ultimately sold.
- If you take out a reverse mortgage, you continue to own your home. This means that you continue to be responsible for expenses such as property taxes, hazard insurance and home maintenance and repair.
- Reverse mortgage proceeds may affect eligibility for assistance under state and federal programs.
- The upfront costs associated with a reverse mortgage, such as an origination fee, closing costs and mortgage insurance premium, can be significant. This means that a reverse mortgage may be expensive if the loan is repaid within a few years of closing. As a result, if you anticipate moving within a few years, you should explore another alternative, such as a home equity loan.
- Repayment of a reverse mortgage when your home is sold will mean less equity left to pass to your heirs.

Please contact my office if you would like additional information on reverse mortgages.

Brought to you by:



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About our firm:

Thanks to the efforts of Father Michael J. McGivney, assistant pastor of St. Mary's Church in New Haven and some of his parishioners, the Connecticut state legislature on March 29, 1882, officially chartered the Knights of Columbus as a fraternal benefit society. The Order is still true to its founding principles of charity, unity and fraternity. The Knights were formed to render financial aid to members and their families. Mutual aid and assistance are offered to sick, disabled and needy members and their families. The Order has helped families obtain economic security and stability through its life insurance, annuity, Disability Insurance and long-term care programs, and has contributed time and energy worldwide to service in communities

QUOTES

from the Masters...

On Sowing and Reaping

"You will become as small as your controlling desire; or as great as your dominant aspiration."

-- James Allen

"Life is a process of accumulation. We either accumulate the debt or the value, the regret or the equity."

-- Jim Rohn

"You will be more successful indirectly in relationships rather than directly. To have a friend, be a friend. To impress others, be impressed by them."

-- Brian Tracy

On Change/ Choice

"The greatest discovery of any generation is that a human being can alter his life by altering his attitude."

-- William James

"To exist is to change, to change is to mature, to mature is to go on creating oneself endlessly."

-- Henri Bergson

MESSAGES

from the Masters...

SUCCESS IS NOT AN ACCIDENT

by Brian Tracy

Success is not a miracle. Nor is it a matter of luck. Everything happens for a reason, good or bad, positive or negative. When you are absolutely clear about what you want, you only need to copy others who have achieved it before you, and you will eventually get the same results that they have.

This is referred to in the Bible as the Law of Sowing and Reaping which says that, "Whatsoever a man soweth, that also shall he reap."

Sir Isaac Newton called it the third principle of motion. He said, "For every action, there is an equal and opposite reaction."

For you and I, the most important expression of this universal law is that, "Thoughts are causes and conditions are effects."

Put another way, "Thought is creative." Your thoughts are the primary creative forces in your life. You create your entire world by the way you think. All the people and situations of your life have only the meaning you give them by the way you think about them. And when you change your thinking, you change your life, sometimes in seconds!

The most important principle of personal or business success is simply this: You become what you think about most of the time.

It is not what happens to you but how you think about what happens to you that determines how you feel and react. It is not the world outside of you that dictates your circumstances or conditions. It is the world inside you that creates the conditions of your life.

The purpose of this newsletter is to provide information of general interest to our clients, potential clients and other professionals. The information provided is general in nature and should not be considered complete information on any product or concept described.

For more complete information, please contact me (Office: (231) 648-6221).

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