



Mark Reilly
Reverse Mortgage Specialist

Cardinal Financial Company
444 Jacksonville Rd
Warminster, PA 18974
Phone: (800) 327-0969
Direct: (215) 293-6965
Email:
markreilly@cardinalfinancial.com

Mark began his career in 1981. He built a successful career based on a commitment of honesty and service to his customers. He takes pride in assisting older homeowners who are house rich and cash poor, turning their equity into spendable income through our Reverse Mortgage and Home Equity Conversion Mortgage programs. Through his years of experience, Mark has helped thousands of families purchase and refinance their homes.

REVERSE MORTGAGES (HECM)

A Reverse Mortgage is a financial tool designed to enable homeowners 62 or older the ability to convert a portion of equity in their home into spendable cash to use however you choose without selling your home or making payments. The most common Reverse Mortgage today is known as "The Home Equity Conversion Mortgage (HECM).

What is a HECM

A HECM is a special type of mortgage that enables you, as an older homeowner, to tap the equity you have in your home while giving you the maximum amount of flexibility to address your particular financial needs – whether it is a lump sum to pay an unexpected hospital bill or a stream of regular payments to supplement your monthly income. Unlike traditional home equity loans, no repayment of the HECM loan is required until you no longer occupy the home as your principal residence. At that time, the lender, with permission of the HUD field office, will declare the mortgage due and payable.

Who is eligible for a HECM

You must be at least 62 years of age and either own your home free and clear or have a low outstanding mortgage balance. You also must agree to accept mortgage counseling from a HUD-approved counseling agency. Family members also are strongly encouraged to attend these counseling sessions.

Minimum and maximum amounts that can be borrowed

The maximum amount you can borrow is based on a HUD formula that factors in the age of the youngest borrower, the interest rate and the maximum claim amount. The maximum claim amount is the lesser of the appraised value of your house or the maximum principal amount for a one-family residence that can be insured by FHA in your area

Type of payment plans available with the HECM loan

A borrower with a HECM may choose among the five payment options below:

Term – You may receive equal monthly payments for a fixed period of time selected by you.

Tenure – You may receive equal monthly payments for as long as you occupy the home as your principal residence.

Line of Credit – You may draw up to a maximum amount of cash at times and in amounts of your choosing, as long as you occupy the home as a principal residence.

Modified Term – Allows you to set aside a portion of loan proceeds as a line of credit and receive the rest in the form of equal monthly payments for a fixed period.

Modified Tenure – You may set aside a portion of loan proceeds as a line of credit and receive the rest in the form of equal monthly payments as long as you occupy your home as a principal residence.

If you select either of the term plans, you can remain in your home after the end of the loan term without starting repayment. The same is true if you have withdrawn the maximum amount under a line of credit or tenure payment plan. Repayment of a HECM does not begin until you no longer occupy your home as your principal residence.

As long as you continue to occupy the property as a principal residence, you can not be forced to sell or vacate your home even if the total of the mortgage payments to you exceeds the value of the property or if the fixed term over which you received your payments has expired. No deficiency judgment may result from your HECM loan. FHA insurance covers any further financial obligation to lender.

