

CASE STUDY:

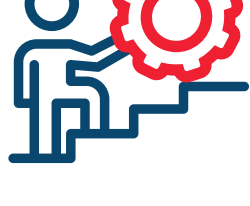
Strategic Use of the Home Equity Conversion Mortgage (HECM) Loan

Home Sweeter Home: How Seniors Can Use a HECM to Pay for Home Improvements and In-Home Care



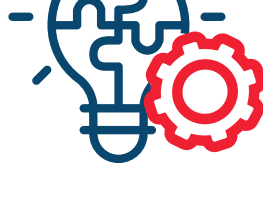
PROBLEM

Patrick, age 63, lives with and serves as the sole caretaker for his disabled mom, Christine, 82, but when Patrick is away at work, Christine struggles alone in a home unsafe and unfit for aging in place.



CHALLENGE

Find a financial solution to pay for Christine's much-needed in-home care and several urgent home safety upgrades to reduce the risk of a home-related injury.



SOLUTION

Obtain a Home Equity Conversion Mortgage Line (HECM) line of credit, using the home's untapped equity to meet both short- and long-term financial needs.



RESULT

Peace of mind for Christine and Patrick, knowing Christine is receiving the care she needs in a safe home she loves.

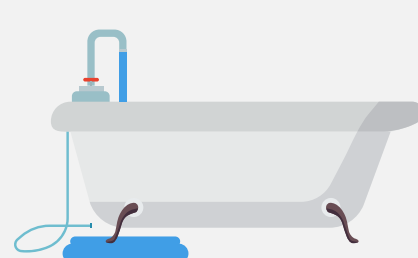
PROBLEM

Every day, Christine and Patrick are rolling the dice with their lives.



Christine, 82 and disabled, requires daily in-home care, while her son Patrick, 63, who lives with her and is her sole caregiver, is away at work.

Compounding the problem are several hazardous conditions inside the home — an accident waiting to happen — placing Christine's life in further peril.



WHAT IS THEIR CHALLENGE?

Christine and Patrick need to find an immediate and sustainable source of funds to reverse what has become an unlivable and untenable situation.

Although Christine doesn't require around-the-clock care, the in-home care she does require during the day will swamp Christine and Patrick's current financial resources.

Furthermore, the estimates Christine and Patrick have received to make their home safer and more livable far exceed their current budget.



SOLUTION

Obtain a government-insured Home Equity Reverse Mortgage (HECM) line of credit, which can pay for home modifications and Christine's in-home care and serve as an emergency fund.



RESULT

Christine and Patrick are breathing easier on several fronts, knowing Christine is now receiving the proper care she needs in a home where she now feels safe and secure and can maintain her sense of independence.

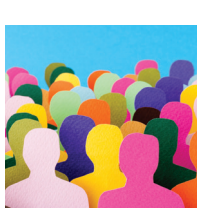
Give your clients more solutions!



Money for urgently needed home improvements



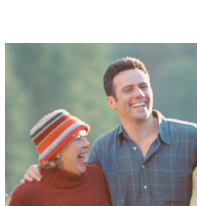
Sustained funding for Christine's in-home care



Greater human interaction, lifting Christine's spirits and mental outlook



Higher work productivity with Patrick 100% focused on work again



Greater peace of mind for Christine and Patrick, knowing Patrick can remain in the home if Christine passes and even refinance into a new reverse mortgage of his own to draw additional funds

THE FULL STORY: Fixing an Age-Old Problem with One Life-Changing Decision

Patrick, 63, was worried sick. He lived with his disabled mom, Christine, 82, and as her sole caretaker, he feared she might fall and break her hip, or worse, while he was at work. He had heard the statistics often enough — that falls are the leading cause of injury-related death among adults age 65 and older¹ — to know their home, with its wavy floors, worn shag carpeting, unsafe bathtub, and dimly lit hallway, was a ticking time bomb.

Although not alone in his challenge — more than 1 in 6 American workers are also caregivers² — Patrick knew that he and his mom needed a source of extra cash to both make the home safer and pay for her home care when he was away. The big question was, where would the money come from? Selling the home, which Christine owned free and clear, was a non-starter. She loved the home too much to ever give it up. And besides, where would the two of them go?

Patrick shared his challenge with a friend at work who suggested he consider a reverse mortgage, a solution his parents had used to pay off some large bills and fix up their home. Intrigued, Patrick and Christine started researching how reverse mortgages worked, and the more they learned, the more they liked, especially the option to access funds as a growing line of credit. This way, he and his mom could cover the cost of home improvements and pay for a local homecare provider, while the untapped portion of the line continued to grow. After speaking with a reverse mortgage professional, they decided to move forward with Home Equity Conversion Mortgage (HECM) line of credit.

Their decision has been life-changing. Patrick is more focused and productive at work. Meanwhile, Christine is not only receiving the physical assistance she needs, but she is no longer living alone for long hours of the day, which has greatly lifted her spirits. As for the home itself, remodeled flooring has replaced the bumpy shag carpeting, the main hallway is now wider and brighter, and the bathtub now features grab bars and non-slip surfaces.

And there's one more big plus. Patrick has the peace of mind knowing that should Christine pass away, he, as a signer on the loan (62+ minimum age requirement), can remain in the home for as long he likes, provided he continues to honor the loan agreement, which includes maintaining the home and paying property taxes and homeowners insurance. Later, he could also refinance into a new reverse mortgage to draw more funds.

¹ <https://www.cdc.gov/homeandrecreationsafety/falls/data/deaths-from-falls.html>

² <https://news.gallup.com/poll/148640/one-six-american-workers-act-caregivers.aspx>

Give more solutions!