

HOME EQUITY Magazine

Volume 1 Issue 1

Lone Star Reverse Mortgage

**Equity Advantage Plus
No Payments in Your Lifetime**

**Reverse Mortgages
Safe From
Mortgage Meltdown**

**Reverse Mortgages
Move Forward**



Why Get a Reverse Mortgage

A reverse mortgage is a loan against your home that requires no repayment as long as your home is your primary residence. Reverse mortgages are non-recourse loans. Even if the amount you owe exceeds the net selling price of your home, your heirs are not required to make-up the difference or shortfall.

With a reverse mortgage you still own and retain title to your home. A reverse mortgage is just a loan. If you sell your home, the loan is repaid and you or your heirs receive the leftover home equity.

If it turns out that the loan balance is greater than your home's net selling price, the lender makes up the difference. This is what "non-recourse" means.

The advances to you from a reverse mortgage are not taxable. They are disbursements of principal, not income.

A reverse mortgage loan is not due on any specific date and there are no payments. You can live in your home as long as you wish without repaying the loan. You still own your home and retain its title and are required to keep insurance and property taxes current.

Reverse mortgages allow you to access the equity in your home without jeopardizing ownership of your home. Utilizing a reverse mortgage gives you control over your home equity making those funds liquid for any purpose you choose.

Consider these benefits:

Maximum equity release increasing your cash reserves

A reverse mortgage allows you to set up a line-of-credit (a "cash account") and draw funds whenever you wish. With a the Cash Account Advantage Plan reverse mortgage, you can rest assured that you have control over and access to your funds.

Accessing your money and making it available now

Reverse mortgages allow you to withdraw cash immediately. You can take any portion or all of the funds available to you as "Upfront Cash". Use the funds however you wish - investments, purchases, enjoying life.

Maintain your lifestyle for you and your family

You have earned and saved your whole life and now your home is a significant part of your nest egg. A reverse mortgage allows you to access the equity in your home without selling it.

Continue to enjoy the lifestyle to which you are accustomed. Use proceeds from your reverse mortgage to invest and increase your financial stature.

Put your grandchildren through college; current tax law allows grandparents to directly fund a college education without incurring federal gift taxes.

Use a reverse mortgage as an estate planning tool

Avoid capital gains taxes on the sale of stock. Use your home equity for regular income now and allow your investments to continue to work for you. Your heirs can receive your stock without the capital gains tax liability.

Many Benefits Provided by a Reverse Mortgage

For many senior Texas homeowners, a reverse mortgage is an effective and smart way to convert home equity into flexible, tax free income. The income received through a reverse mortgage can be used for a variety of purposes to enhance your lifestyle, give you peace of mind, or just make your day to day life better. There are no restrictions on how you use the proceeds from a reverse mortgage. The funds are yours to use as you choose.

- Control your financial situation and maximize the use of the equity you have accumulated in your home.
- Make a wise investment, the money is yours tax free.
- Use for a line of credit now or for future unexpected expenses.
- Buy a new car, take a vacation, or visit family or friends.
- Supplement your retirement income.
- Use the extra money to receive necessary home health care or medical treatment.
- Help your children with their financial needs.
- Maintain your standard of living by receiving extra monthly income.
- Pay off medical bills, utility bills, debts, property taxes, etc.
- Make needed repairs or improvements to your home.
- Continue to live in and own your house, **and** benefit from appreciation in the value of your home.
- Receive tax-free income from the cash advances.
- Enjoy the flexibility of determining how you wish to receive your cash disbursements either by lump sum or fixed monthly payments to you.
- Enjoy piece of mind knowing that you and your heirs have **no personal liability** for the repayment of the loan since it is secured solely by your home.