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SIGNS OF AN IMPROVING LOCAL ECONOMY CONTINUE: HUD INCREASES LOAN AMOUNTS AVAILABLE TO SENIOR HOMEOWNERS

VANCOUVER, Washington—Effective September 11, 2004, the Department of Housing and Urban Development (HUD) has recognized the recent rise in local real estate value by increasing the lending limits (loan amounts) available to senior homeowners through the reverse mortgage program. Reverse Mortgages are government insured loans created exclusively for senior citizens, who can benefit from tapping into the equity in their home without sacrificing any ownership. The previous limit of $202,350 has increased to $213,750 for Clark and Skamania Counties in Washington as well as Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in Oregon. This is the third increase issued by HUD since January of this year.

The possibilities for the reverse mortgage funds are endless. Senior homeowners can make needed home repairs, pay off credit card debt or even pay off their existing mortgage. Unlike a traditional forward mortgage, which requires a monthly repayment from the borrower, the reverse mortgage works exactly the opposite, hence the word “reverse”.
The reverse mortgage pays the borrower either on a lump sum basis, monthly payments, a line of credit or a combination of all three. It is a loan that is based upon the age of the youngest borrower, the value of the home and current interest rates. The older the borrower, the more they will be eligible to receive. Plus the loan does not require repayment of any kind until the home is sold or the homeowner(s) permanently leave their primary residence. There are no income or credit requirements and the proceeds are treated as tax-free income.

However, some seniors still question how safe reverse mortgages really are. “The reverse mortgage program is a very safe and secure product”, explains Janet Kaul, Vice President for Senior Life Solutions. “Not only are they sponsored by the U.S. Government, these loans are

designed exclusively for the benefit of our senior homeowner's. With a Reverse Mortgage, the homeowner remains on title to their home, and the reverse mortgage is a non-recourse loan".

Non-recourse simply means that the lender can only derive repayment of the loan from the proceeds of the sale of the property. The borrower (or his or her estate) will never owe more than the loan balance or the value of the property, whichever is less; and no assets other than the home will be used to repay the debt.

In response to the tremendous growth in popularity of reverse mortgages, Fannie Mae has issued a publication entitled ***Your Reverse Mortgage: Five Steps for Safety***. The booklet provides potential reverse mortgage borrowers with guidelines to ensure that they "play it safe" when researching and obtaining a reverse mortgage.

Anyone interested in receiving a free copy of the Fannie Mae publication: ***Your Reverse Mortgage: Five Steps for Safety*** or attending a free seminar on the benefits and costs associated with the program, should contact Senior Life Solutions at (360) 944-9004 Vancouver or (503) 248-0009 Portland.

Senior Life Solutions is a locally owned and operated business specializing in helping Senior Citizens through the Reverse Mortgage program.

Senior Life Solutions
Your Reverse Mortgage Specialists!™