

Fair Lending Project

Our mission is to create equal opportunity in lending for all persons through education, investigation, and enforcement.

CLSMF provides a full range of fair lending services in Orange, Osceola, Brevard, Citrus, Sumter, Volusia, Hernando, Putnam, Seminole, Flagler and Lake Counties.

- Community education presentations which explain the rights and responsibilities of renters and home buyers under fair lending laws
- Investigations into discriminatory lending practices
- Assistance with processing fair lending complaints
- Referrals of discrimination cases to attorneys for legal representation.

This brochure is a publication of CLSMF's Fair Lending/Mortgage Rescue Scam Prevention project, made possible by a Fair Housing Initiative Program grant from the US Department of Housing and Urban Development. The information in this brochure is for general education only, and is not intended to be used to solve individual problems nor should it replace the advice of an attorney. The law which supports conclusions contained herein is subject to change.

CLSMF's mission is to provide access to justice through high quality legal assistance to low-income people.

***BREVARD:** 1-866-469-7444

CITRUS & SUMTER

106 N. Osceola Avenue, Inverness, FL 34450

CITRUS: (352) 726-6592

SUMTER: 1-800-984-2918

FLAGLER: 1-800-405-1417

HERNANDO: 1-866-801-5566

LAKE: (352) 343-6351

226 West Main Street, Tavares, FL 32778

MARION: (352) 629-6257

1610 SE 36th Avenue, Ocala, FL 34471

***ORANGE** (407) 841-7777

122 E. Colonial Drive, Suite 200, Orlando, FL 32801

OSCEOLA: (407) 933-1791

800 North Main Street, Kissimmee, FL 34744

PUTNAM: (386) 385-0928

216 S. 6th Street, Palatka, FL 32177

***SEMINOLE:** (407) 322-6673

315 Magnolia Avenue, Sanford, FL 32771

VOLUSIA : (386) 258-5600

128 Orange Avenue, Daytona Beach, FL 32114

Client toll-free number: 1-800-363-2357

ADMINISTRATIVE OFFICE: (386)523-9181

**Certain legal services not offered*

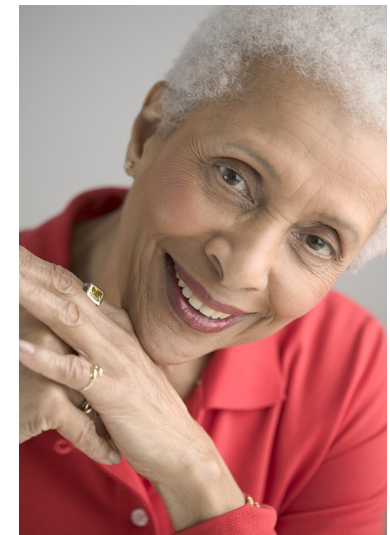
info@clsmf.org

Apply for help online at:

www.clsmf.org

FAIR LENDING PROJECT

Considering a Reverse Mortgage?



Here's what you should know...



What is a Reverse Mortgage?

A **Home Equity Conversion Mortgage (HECM)**, sometimes called a Reverse Mortgage, is a special type of home loan from the Federal Housing Administration (FHA) which allows you to withdraw some of the equity paid into your home.

An FHA HECM is a safe mortgage product that can help seniors access funds for medical expenses or supplemental income. Unlike a traditional mortgage, borrowers do not have to repay it until they no longer own the home or no longer use the home as a primary residence.

Generally, the proceeds are paid in equal monthly payments to the homeowner but homeowners can also opt to receive payments as a line of credit. Many seniors use the funds for unexpected medical expenses, to supplement Social Security, or to make home improvements.

This brochure contains some frequently asked questions about HECM loans to help you determine if an HECM is right for you.



What are the requirements to qualify for the FHA HECM Program?

- Be 62 years of age or older
- Be the owner of the property or have a considerable amount of equity
- Occupy the property as the principal residence
- Not be delinquent on any federal debt
- Participate in a consumer information session with a HUD-approved HECM counselor.

What kinds of properties are eligible for the FHA HECM program?

- Single Family homes
- 2-4 unit homes that are owner occupied
- HUD Approved condominium project
- Manufactured homes that meet FHA requirements.

What if my mortgage is not an FHA loan?

You can apply for a HECM regardless of whether or not you purchased your home with an FHA-insured mortgage.

How much money can I get from my home?

The amount you may borrow depends on:

- Age of the youngest borrower
- Current interest rates
- Lesser of the appraised value or the HECM FHA mortgage limit of \$625,000
- Initial Mortgage Insurance Premium

Will there be an estate to leave to my heirs?

All proceeds beyond the HECM finance charges, interest, and cash will be passed along to your spouse or estate. In other words, remaining equity can be transferred to heirs.

Should I use an estate planning service to find a reverse mortgage lender?

It is not recommended that consumers use a service that charges a fee to assist with these services. FHA and HUD have provided free counseling services for seniors considering an FHA HECM loan.

I still have questions. Who can I contact for more information?

Community Legal Services of Mid-Florida

407-841-7777 x 2116
Website: www.clsmf.org

Federal Housing Administration (FHA)

1-800-CALL-FHA
Website: www.fha.gov

U.S. Department of Housing & Urban Development (HUD)

1-800-569-4287
Website: www.hud.gov

The National Council on Aging

1-800-510-0301
Website: www.ncoa.org