

SIGMA MORTGAGE CORPORATION

Your Local Reverse Mortgage Experts

For over 20 years Sigma Mortgage Corporation has been a leader in Colorado lending. We offer a wide variety of Reverse Mortgage financing options to fit your individual needs.

With a very limited amount of information we can create and review with you your Reverse Mortgage Options!

Call Sean Spencer Stanley for a free no obligation quote today.

303-799-4184

Colorado Mortgage Loan Originator
LMB100010702

Nationwide Mortgage Licenser's
System #243291

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SIGMA
MORTGAGE
CORPORATION



EQUAL HOUSING
OPPORTUNITY



FIVE STAR
PROFESSIONAL
2011



BBB
Start With Trust

How Will You Use Your REVERSE MORTGAGE Money?

- Peace of Mind
- Enhance Lifestyle
- Home Improvement
- Debt Consolidation
- New Home Purchase
- Fund Gifts to Heirs
- Purchase a Second Home
- Hedge Against Inflation
- Fund Long-Term Care

DID YOU KNOW?



You can access your home equity without repaying the loan until you no longer live in the home.



The borrower remains the owner of the home. The title is still yours with a reverse mortgage.



You are still responsible for paying your property taxes and homeowner's insurance and maintaining your home.



Your heirs can keep the home if they repay the loan. They can also keep any proceeds after the sale of your home.

Closing costs like origination fees and mortgage insurance premiums are usually paid with proceeds from the reverse mortgage.



* Some no cost options are now available.

How much do you understand about reverse mortgages?



TRUE

The earliest age at which a person who is the sole owner of a home can enter into a reverse mortgage is age 62.

FALSE

If the value of your home has grown since you bought it, entering into a reverse mortgage would result in a taxable gain to the homeowner.

TRUE

Under a reverse mortgage the homeowner generally is not required to repay the loan until he/she stops using the home as the principal residence.

FALSE

You cannot enter into a reverse mortgage unless your home is completely paid off and there is no outstanding mortgage balance.

FALSE

The only currently available form of payment from a reverse mortgage is a single lump sum distribution.

TRUE

The amount of money that you can borrow on a reverse mortgage depends on the age of the youngest borrower, the current interest rate, and the value of the home.

FALSE

Generally, using a reverse mortgage early in retirement to support a retirement plan is better than as a last resort towards the end of retirement.

Myths & Realities of a Reverse Mortgage

Reverse Mortgages are easier, safer, and less expensive than ever!
Here are a number of myths or misconceptions about how the product works.

MYTH NO 1: THE LENDER OWNS THE HOME.

FACT: You will retain the title and ownership during the life of the loan and you can sell your home at anytime. Federal Housing Administration (FHA) requires that the home is your primary residence and that you continue to pay property taxes and homeowners insurance.

MYTH NO 2: THE HOME MUST BE FREE AND CLEAR OF ANY EXISTING MORTGAGES.

FACT: Actually, many borrowers use the reverse mortgage loan to pay off an existing mortgage and eliminate monthly mortgage payments.

MYTH NO 3: ONCE LOAN PROCEEDS ARE RECEIVED, YOU PAY TAXES ON THEM.

FACT: Reverse mortgage loan proceeds are tax-free as it is not considered income. However, it is recommended that you consult your financial advisor and appropriate government agencies for any effect on taxes or government benefits.

MYTH NO 4: UPON THE DEATH OF THE LAST BORROWER YOUR HEIRS HAVE TO SELL THE HOUSE IMMEDIATELY.

FACT: Your heirs get up to a full year to handle the sale of the house and are even able to purchase the home themselves at a reduced rate.

MYTH NO 5: THE BORROWER IS RESTRICTED ON HOW TO USE THE LOAN PROCEEDS.

FACT: Once any existing mortgage or lien has been paid off, the net loan proceeds from your Home Equity Conversion Mortgage (HECM) loan can be used for any reason. Many borrowers use it to supplement their retirement income, defer receiving Social Security benefits, pay off debt, pay for medical expenses, remodel their home, or help their adult children. You worked hard for this asset and deserve to enjoy the proceeds from your reverse mortgage.

MYTH NO 6: ONLY POOR PEOPLE NEED REVERSE MORTGAGES.

FACT: The perception of the reverse mortgage as an assist for the "poor" borrower is changing - many affluent senior borrowers with multi-million dollar homes and healthy retirement assets are using reverse mortgage loans as part of their financial and estate planning, and are working closely in conjunction with financial professionals and estate attorneys to enhance their overall quality and enjoyment of life.

MYTH NO 7: REVERSE MORTGAGES ARE VERY EXPENSIVE.

FACT: The cost of a reverse mortgage will depend on the type of loan that you choose. Recent regulation changes have made them less expensive, and some are even now available at no cost!



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