

Reverse Mortgages: Home Keeper[®] for Home Purchase

For Informational and Educational Purposes Only

The Home Keeper for Home Purchase reverse mortgage offers seniors the ability to retain their personal and financial independence by allowing them to purchase a home, keep more of their cash, and eliminate monthly mortgage payments.

Home Keeper for Home Purchase is an innovative reverse mortgage that provides senior borrowers with flexibilities not available through standard first mortgage financing. If you are age 62 or older, and would like to purchase a home that better fits your lifestyle, this mortgage may be for you. By using the Home Keeper for Home Purchase reverse mortgage, you can reduce the amount of personal savings needed for a home purchase.

For example, say you have decided to purchase a \$150,000 home to live near your grandchildren. The amount available through your Home Keeper for Home Purchase mortgage is based on your age, the number of borrowers, and the value of the home you want to buy, up to the conforming loan limit. Any balance not covered by the reverse mortgage is paid from your personal funds. You decide what combination of personal and reverse mortgage funds will be used to purchase the home in good condition.

You do not have to repay the loan as long as you occupy the home as your principal residence, pay your real estate taxes and homeowners' insurance on a timely basis, and maintain your home. When you move, transfer ownership in the property, or upon your death, the loan must be repaid.

Loan Features

- You, and any of your co-borrowers, must be at least 62 years old.
- Counseling is required before your application can be processed.
- The maximum amount you can borrow ("principal limit") is based on three factors:
 - the number of borrowers,
 - their ages, and
 - the adjusted property value (which is the lesser of the appraised value of your home or the conforming loan limit).

Considerations

- Reduce your down payment and keep more of your cash by choosing to use all or part of the Home Keeper loan proceeds toward your home purchase.
- No repayment is required until your home is no longer your principal residence.

Home Keeper is a registered trademark of Fannie Mae.

Provided courtesy of:

<http://www.downpaymentsolutions.com>

Other sections of interest:

http://www.downpaymentsolutions.com/home_buyer_education/documents.shtml

<http://www.downpaymentsolutions.com/links/links.shtml>

<http://www.downpaymentsolutions.com/articles/articles.shtml>

<http://www.downpaymentsolutions.com/states.shtml>