



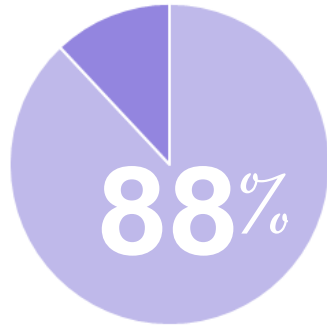
Loan Officer guide to understanding the GMFS Reverse Purchase Product

Here are some helpful stats and program highlights:

88% of U.S. seniors say it's important to remain in their homes as they age. But what if your current home isn't the one you want – or need – in retirement?

Would they prefer a home with no stairs, better safety features, or fewer bedrooms? One that's closer to family or friends? How about a low-maintenance property, a warmer climate, or a community with more amenities and social opportunities?

Anyone over the age of 62 can buy a home that better fits their needs – without the financial burden of a traditional mortgage or an all-cash purchase.



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The GMFS Reverse Purchase program is a Home Equity Conversion Mortgage (HECM) for Purchase:

Allows Borrowers to Right-size their home without downsizing their cash flow.

Teaching Real Estate Agents how to look for opportunities is the key. Any potential buyer that is considering an all-cash purchase or that has a substantial down payment of around 50% should be aware of this product.

It's a powerful financial tool designed to help homeowners age in place by accessing their home equity. It lets Americans age 62 and older buy a new home or condo by combining a one-time investment of funds (a down payment) with HECM loan proceeds to complete the purchase.

Best of all, unlike a traditional mortgage, monthly mortgage payments are optional – as long as you meet the terms of the loan, the loan doesn't come due until the home is sold or is no longer your primary residence. As with any mortgage, you have to meet your loan obligations: keep up with property tax and insurance payments, and home maintenance.

Who can get a GMFS Reverse Purchase?

The federally-insured HECM for Purchase program was created in 2009, designed to streamline home-buying transactions for older Americans who want to take advantage of a traditional HECM reverse mortgage.

It combines two transactions—buying a new home and financing part of the purchase with a reverse mortgage—into one. Typically, a down payment of 48% to 67% of the purchase price (depending on your age) is combined with HECM for Purchase funds to complete the transaction.

What are the program requirements?

- You must be age 62 or older
- The home you're purchasing must be your new primary residence
- Eligible properties include: single-family homes, FHA-approved condominiums, townhouses or Planned Unit Developments (PUDs), and manufactured homes meeting HUD guidelines
- Your down payment cannot be borrowed funds—it must come from savings, the sale of your current house, or a gift from a family member
- Loan counseling by an independent, FHA-approved counselor is required to ensure that borrowers fully understand the reverse mortgage process, the program's details, and the individual terms of the loan
- There are no debt ratio requirements, but income and asset verification is needed to meet the residual income requirement.



Not too good to be true – but perhaps too good to pass up.

Most agents simply don't know that you can purchase a new home with a reverse mortgage, so it's natural to be skeptical. That's why it's important to network with them and to teach them the truth about this helpful and strategic home financing tool.

A Simple way to sell it:

The HECM for Purchase program was designed to help older Americans buy a more suitable home in retirement, while still conserving cash and assets for future expenses.

Does a HECM for Purchase take longer to close?

Not if you partner with GMFS Reverse. We love the product and can expedite the process as fast as a traditional loan closing. We will also work directly with the Agent's title and closing company to ensure they can execute the closing on time and without issues.

Does the product require any contract stipulations?

The only requirement is that seller concessions that exceed the normal market seller costs are not allowed. For example, a contract that allowed a flat \$5,000 seller concession for closing costs would not be allowed. Typical FHA rules also apply.

What about new construction?

We frequently close new construction transactions and most contracts that provide builder credits are acceptable. We have seen loan officers be very successful marketing this product to agents in new construction 55+ communities.

How much LO compensation can you make?

The adjustable rate line of credit loans fall outside of LO comp rules. This allows a broker to make charge both front end origination and back in Broker premiums. Check with your Account Executive for the most current pricing.

Compare these home-buying options.

All Cash	Traditional Mortgage	HECM for Purchase
<ul style="list-style-type: none">Client owns the home free and clear	<ul style="list-style-type: none">Option to make a minimum down payment and limit upfront investmentBuilds equity as you pay down the loan	<ul style="list-style-type: none">Monthly mortgage payments optional¹Boosts buying power, helps you get the home you really wantLets you keep more assets, and can increase cash flow

What is the minimum credit score and DTI?

Another great feature of this product. NO MINIMUM CREDIT SCORES and NO DTI ratios. We will consider borrowers with any credit score provided they have sufficient income to meet FHA's low minimum disposable income requirements.

What else should I know about the product?

- You can close our loan the same day the borrower sells their home.
- We need the Certificate of Occupancy for all new construction properties.
- Borrowers must attend a counseling session with an approved HUD counseling agency prior to pulling the FHA case number.
- We accept most AMC agencies for appraisals, or we can use our Appraisal Independent compliant software called Pro-Tek.

Let's look at some case studies:



Case 1: Meet Cynthia, age 71.

Due to a recent illness, she now needs to use a wheelchair, making her current two-story house unsuitable. She'd like to purchase a new ranch-style home, but with her limited savings and long-term healthcare needs, she can't afford a monthly mortgage payment.

Her solution: With a GMFS Reverse Purchase, Cynthia can buy a more practical house while only using a portion of the cash she received from the sale of her former home. This lets her add more funds to her savings and be better prepared for future healthcare costs.



Case 2: Meet Carole and David, both age 64.

Since their kids left home, the couple has considered moving out of their large, four-bedroom house to a smaller home in a planned community. But they don't want the burden of a monthly mortgage payment, or to pay all cash up front.

Their solution: Use just a portion of the cash from the sale of their former house, which sold for \$625,000, and use the proceeds from a HECM for Purchase to buy their new \$450,000 home. This allows them to preserve more than \$350,000 for savings and investments, eliminate monthly mortgage payments, and still have the ability to get the home they really want.

	All Cash	Traditional Mortgage	HECM for Purchase
Down Payment	\$450,000	\$135,000 (30% down)	\$310,989
Fixed Interest Rate	N/A	6.7% (30 yr.)	6.81%
Monthly Payment (P&I)	N/A	\$2,033	Not required ¹
Monthly HOA Fees	\$300	\$300	\$300
Monthly Taxes and Insurance	\$150	\$150	\$150
Total Monthly Payments	\$450	\$2,133	\$450



Simple Reverse powered by GMFS provides all the tools you need to get started!

1 Proposal

- Our Account Executive can run a loan proposal for the borrower in your name **BEFORE YOU ARE APPROVED WITH US!**
- Once the borrower is ready for application, we can review the broker package and approve your company within 24 hours.

2 Application

We will guide you through the LOS, called Quantum Reverse, to execute an E-sign application. We have dedicated trainers in the QR LOS that can help.

3 Closing

We will be happy to speak to the title and closing agent well in advance of closing to ensure they understand the closing documents.

Now that you have some idea of how it works, let's talk strategy!

Contact Bob Garczewski today at 765-760-8931 or bobg@gmfslending.com.
He will provide everything needed to successfully market the GMFS Reverse Purchase.



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