HECM for Purchase is a reverse mortgage specifically designed to help homeowners like you boost their purchase power to buy the home they need – while meeting their financial and retirement goals.

HECM for Purchase at a Glance

Who	Available to homebuyers ages 62 and older
What	An FHA-insured[1] reverse mortgage, designed to give you more flexibility to afford the home you want or need
How	• If you qualify, you can buy a home, FHA-approved condo, or single-unit approval as your principal residence by taking out a HECM reverse mortgage on that property • Using proceeds from the sale of your current home (or cash on hand), you make a down payment • The balance of the purchase is covered by HECM proceeds – you can use any remaining funds as you wish
Why	• Monthly mortgage payments are not required[2] • It can help improve cash flow in retirement • It protects your estate from ever owing more than your home is worth when the loan is repaid • Interested Party Contributions are allowed up to 6% of the sales price[3]

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1. This material has not been reviewed, approved, or issued by HUD, FHA or any government agency. The company is not affiliated with, acting on behalf of, or at the direction of HUD/FHA or any other government agency.
2. Keeping current with property taxes, insurance, and maintenance is required.
3. Interested Party Contributions are not allowed from Mortgagees and Third-Party Originators.
4. This down payment range assumes closing costs will be financed into the loan. The information being displayed is for illustrative purposes only. Actual cash required may vary and is based on age of youngest borrower, interest rate, home value, and other factors. Please contact Longbridge Financial LLC for details about credit costs and terms.
5. For illustrative purposes only. Estimates shown are based on a Colorado property and a 30-Year Fixed-Rate mortgage with 0 Points at a 4.5% fixed rate (4.5% APR). Rates from Bankrate.com as of 12/3/2019.
6. The example shown is for illustrative purposes only. The estimates shown are based on a Colorado property and the HECM Fixed-Rate product as of November 2019. Assumptions include a purchase price of $450,000 and a 64-year-old borrower. The interest rate is 4.43% (5.98% annual percentage rate). In this example, closing costs include an origination fee of $2,900, third-party closing costs of $14,695 depending on purchase price or appraised value, and an up-front FHA Mortgage Insurance Premium of 2% depending on purchase price or appraised value. Interest rates and funds available may change daily without notice.

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Charges such as an origination fee, mortgage insurance premiums, closing costs and/or servicing fees, if applicable, may be assessed and will be added to the loan balance. As long as you comply with the terms of the loan, you retain title until you sell or transfer the property, and, therefore, you are responsible for paying property taxes, insurance and maintenance. Failing to pay these amounts may cause the loan to become immediately due and/or subject the property to a tax lien, other encumbrance or foreclosure. The loan balance grows over time, and interest is added to that balance. Interest on a reverse mortgage is not deductible from your income tax until you repay all or part of the interest on the loan. Although the loan is non-recourse, at the maturity of the loan, the lender will have a claim against your property and you or your heirs may need to sell the property in order to repay the loan, or use other assets to repay the loan in order to retain the property.

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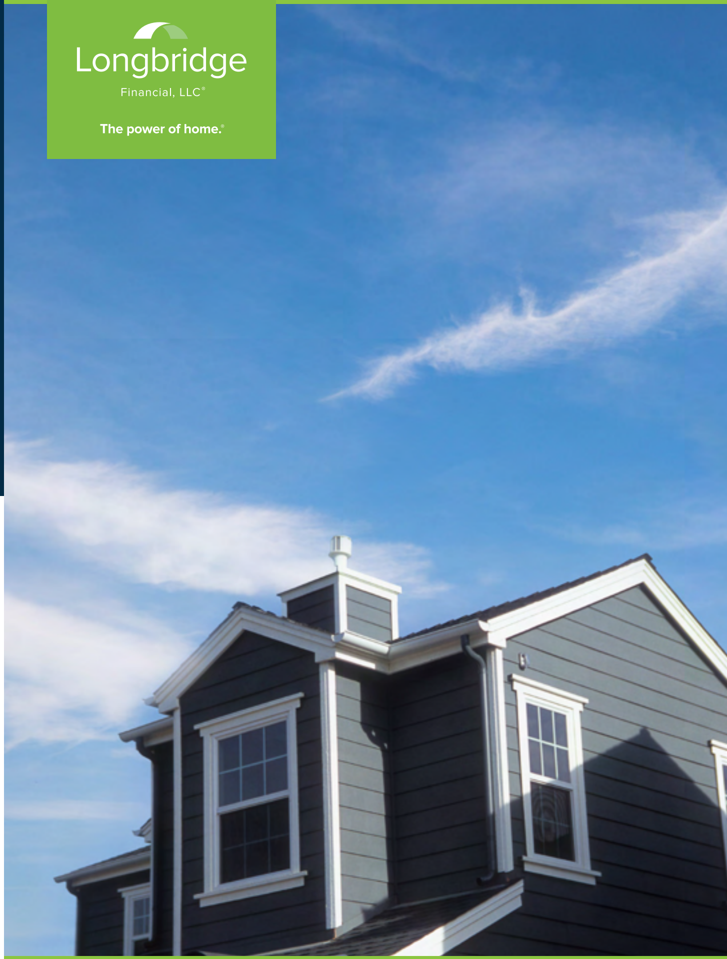

Get the home you want. Avoid the monthly mortgage payments you don't.

Discover the HECM for Purchase program:

Buy a home or condo – no monthly mortgage payments required. You must meet your loan obligations by keeping current with property taxes, insurance, and maintenance.

What is HECM for Purchase?

A Home Equity Conversion Mortgage (HECM) for Purchase is a reverse mortgage designed for senior homebuyers age 62+ to buy a new home with no monthly mortgage payments required.[2]

Streamlined Process

It lets you purchase a home by combining a one-time investment of funds with proceeds from a HECM loan to complete the transaction. The home you're buying secures the loan. Many older adults like this option because it can reduce closing costs, since only a single loan is taken out – which can also streamline the process.

Optional Monthly Mortgage Payments

HECM for Purchase requires no monthly mortgage payments, as long as you keep up with property taxes, insurance, and home maintenance. You can pay as much – or as little – as you'd like each month toward principal and interest.

Eligible Types of Homes

Single-family homes, townhomes, and FHA-approved[1] condos are eligible for the HECM for Purchase program. The home must be your primary residence.

How It Works

It lets you purchase a new home with an upfront investment (down payment), typically 60% to 65% of the purchase price depending on your age.[4] This must come from assets you already own – money from the sale of your current home, other investments, or funds from a checking, savings, CD, or retirement account – not another loan.

How It's Different

With a **traditional mortgage**, the amount invested upfront is limited, and you build equity over the life of the loan. However, monthly payments are required, which can reduce your cash flow and create a financial burden.

With a **HECM for Purchase**, the minimum upfront investment is calculated by taking the value of the home you're buying (sale price or appraised value, whichever is lower); adding any loan or home-purchase closing costs; and then subtracting the available HECM loan proceeds.

For example: meet Carole and David, both age 64. The couple wants to move to a smaller home in a planned community—but doesn't want the burden of a monthly mortgage payment, or to pay all cash up front.

Solution: Use a portion of the cash from the $625,00 sale of their former house, plus the proceeds from a HECM for Purchase to buy their new $450,000 home. This lets them preserve $350,000+ for savings and investments, eliminate monthly mortgage payments,[2] and still get the home they really want.

	All Cash	Traditional Mortgage[5]	HECM for Purchase[6]
Down Payment	$450,000	$135,000 (30% down)	$308,410
Fixed Interest Rate	N/A	6.7% (30 yr.)	6.81%
Monthly Payment (P&I)	N/A	$2,033	Not required[2]
Monthly HOA Fees	$300	$300	$300
Monthly Taxes and Insurance	$650	$650	$650
Total Monthly Payments	$950	$2,983	$950

Another Advantage

A HECM for Purchase is a non-recourse loan – meaning that you or your heirs will NOT be responsible for any portion of the loan balance that exceeds the home's value at the time it's sold or the loan is repaid.

3 Ways to Buy a New Home: A Comparison

	All Cash	Traditional Mortgage	HECM for Purchase
Pros	You own the home free and clear	• Option to make a minimum down payment and limit upfront investment • Builds equity as you pay down the loan	• No monthly mortgage payments required[2] • Boosts buying power • Lets you keep more assets
Cons	Ties up a large portion of your money	Monthly mortgage payments are required, which can diminish cash flow	Larger investment required upfront