

What are people saying about Reverse Mortgages?

"The income helps me live without having to sacrifice or sell my home."

Mrs. W. Best, Marion, Ohio

"I was going to sell my home before I looked into a reverse mortgage... now I can stay in my home for the rest of my life."

Mrs. A. Moore, Centreville, Virginia

"A reverse mortgage was a Godsend for my parents."

Mrs. K. Washington, Laurel, Maryland

"We couldn't afford our monthly prescription drugs without the reverse mortgage."

M/M W. Peterson, Stanton, Virginia

"I was able to build my dream retirement home in Rehoboth Beach with the proceeds of the Jumbo reverse mortgage you got for me on my McLean home."

Mr. J. Carney, McLean, Virginia

"Thanks to the staff of [Vanguard Mortgage], I was able to avoid foreclosure and have additional monies available for repairs and other expenses through their reverse mortgage program."

T. Olds, Sr., Washington, DC

How can I learn more?

Call Vanguard Mortgage and ask for a free, no-obligation package of information on reverse mortgages.

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See our website at:

<http://www.vanguardmortgage.com>

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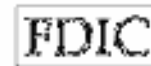
email: rcullom@clis.com



Reverse Mortgages



Make Your Home Pay You!



"You worked hard to pay for your home – now let your home pay you!"

What is a Reverse Mortgage?

A reverse mortgage is a special kind of mortgage available only to homeowners aged 62 or older. It is a safe and easy way to turn your home equity into cash. Over 3,500 reverse mortgages are closed in the United States every month!

Unlike a bank's home equity loan, you **never** have to make monthly payments. The reverse mortgage pays you! More importantly, you do not have to repay the loan as long as you continue to live in your home. It's a great way to keep your home and get money from it at the same time.

How do I qualify?

It's simple. You (and your spouse or partner) must be at least 62 years old. You must own your own home free and clear, or have an existing mortgage small enough that the reverse mortgage can pay it off.

Any existing mortgage, home equity loan, or lien against your home must be paid off with the reverse mortgage proceeds. Best of all, there is **no** income verification or credit worthiness test to satisfy.

However we do run credit checks to determine the existence of any liens, tax liens, or Federal debts that must be paid off.

When must I repay the loan?

You must repay the loan if you die, you sell your home, or you no longer live there – defined as absent for more than 12 consecutive months. In the event you die, your heirs can choose to repay the loan and keep the house, or sell the house and repay the reverse mortgage keeping the rest of the equity for them.

How much can I borrow?

The amount you can borrow is based on the value of your home, your age, and the interest rate. Check the following charts to see how much you **might** be able to receive.

Maximum Cash or Line of Credit ^(a)

If Your Home's Appraised Value Is:

	(a)	(b)	(b)	(c)
Age	<u>\$125,000</u>	<u>\$250,000</u>	<u>\$400,000</u>	<u>\$2,000,000</u>
65	\$61,000	\$129,000	\$163,100	\$264,600
70	\$67,200	\$141,200	\$178,300	\$364,800
80	\$80,700	\$167,400	\$210,900	\$608,300
90	\$94,000	\$193,000	\$243,000	\$946,400

Maximum Lifetime Monthly Income ^(a)

If Your Home's Appraised Value Is:

	(a)	(b)	(b)	(c)
Age	<u>\$125,000</u>	<u>\$250,000</u>	<u>\$400,000</u>	<u>\$2,000,000</u>
65	\$366	\$775	\$980	(c)
70	\$422	\$887	\$1,121	(c)
80	\$598	\$1,241	\$1,564	(c)
90	\$1,065	\$2,180	\$2,745	(c)

(a) These two tables are based on the highest **net** amount available for a couple living in the DC Metropolitan area, **after paying** all reasonable and required fees out of the loan proceeds, and assuming there are no existing mortgages. This table assumes an Expected Interest Rate of 6.00%. This Expected Rate is **not** the amount charged to the Borrowers, but it is the rate used to calculate the amount that Borrowers can receive. A reverse mortgage is not a depository product and it is not FDIC insured.

(b) Borrowers outside the DC Metro area **will receive less** than the amounts shown due to the lower FHA loan limits outside DC, Northern Virginia & Suburban Maryland.

(c) This column is based on proceeds of the Cash Account jumbo reverse mortgage for a couple (singles receive more). There is no monthly income option with the jumbo product.

How can I receive my money?

You can receive your money in:

- Equal monthly payments for as long as you live in your home;
- A lump sum cash payment;
- A line of credit that you can draw upon as you need money; and/or
- A combination of the above.

What loan types are available?

There are three main types:

1. HUD/FHA Home Equity Conversion Mortgage (HECM) – usually the most flexible, with the lowest interest rate, lowest overall cost, and maximum net money to you;
2. FannieMae Home Keeper – the one with the lowest closing costs, but a higher interest rate;
3. Cash Account – the private “jumbo” one you use if your home is worth over \$700,000.

Vanguard Mortgage & Title offers all three types!

What about interest rates and fees?

All reverse mortgages carry an adjustable interest rate – which means the interest rate changes periodically over the entire life of the loan. The changing rate does **not** affect the amount of money that you receive once the loan starts. The interest is paid only when the loan is terminated and repaid. You also incur fees and other closing costs when you obtain a reverse mortgage, just as you do with any other regular mortgage. However, **all** of these fees and costs can be included in the loan amount, so you don't have to pay any cash for them.

You will be required to continue to pay real estate taxes, homeowners insurance, and condo/PUD fees (if any).

Are Reverse Mortgages safe?

HUD/FHA & FannieMae reverse mortgages are very safe! With HECM loans in the event the mortgage lender ceases mortgage operations, FHA assures payments will be made to you. With Home Keeper loans, FannieMae assures continual payments to you by a mortgage servicer. The HUD/FHA and FannieMae programs also provide that you may stay in your home as long as you like.