Transcript – Is a Reverse Mortgage Right for Me?

0:00 [MUSIC]

0:11 VOICE: Your house has always been more than just an investment, it's a home. A place where great things got started. A place where memories are made and a place where you feel comfortable and secure and you have seen a lot of coming and going, but it's your little corner of the world.

0:30 VOICE: If these walls could talk, they'd agree. You've built more than equity here. You have built a life. In your retirement years, you've got dreams you wanna keep pursuing.

0:42 VOICE: Now, your home can be the place that funds those dreams. That home equity you've built can be the key to having the life you want for yourself in retirement. For as much as you've given to your home, they can give back to you.

0:57 VOICE: Let M&T show you how a reverse mortgage can help you use your home equity to generate extra money for your retirement without having to leave the place you love.

1:07 VOICE: What is a reverse mortgage? A reverse mortgage allows home owners age 62 and older to access a portion of the equity in their home for a variety of reasons without having to sell the home or make loan payments for as long as they live in their home.

1:23 VOICE: What enables you to tap the equity you've build over the years to gain financial peace of mind while you to continue to enjoy the comforts of your home.

1:32 VOICE: A reverse mortgage is designed, especially for seniors. It's been available since about 1988 when it was signed into law by President Ronald Reagan and it can be a smart part of your retirement strategy.

1:45 VOICE: A reverse mortgage is a loan and like any loan, the principal and accrued interest are paid back in the future. But with a reverse mortgage, you are not required to make monthly loan payments. Instead, the loan is repaid either when you home is sold, when it's no longer your primary residence or upon settlement of your estate. You must continue to occupy your home as your primary residence, keep it in good repair with all taxes and insurance premiums up to date.

2:15 VOICE: Think of the reverse mortgage as another way to manage your assets and retirement. You can use it in a variety of ways to enhance your quality of life or just to provide peace of mind should you need an extra source of money in the future. So, how does a reverse mortgage work? You can use the proceeds of your reverse mortgage for practically anything you want.

2:36 VOICE: So, think about some of those dreams or plans you have for your retirement. Maybe it's time for buying that vacation home, perhaps you're thinking about staying home and remodeling. Buying a new car or helping grandchildren fund their education. You may simply be interested in a way to supplement your retirement funds to consolidate debt or to plan for long term care needs.

2:59 VOICE: This is where your home equity can help. A reverse mortgage converts the equity you've built up in your home in to cash you can use. Generally, tax free with no monthly loan payment required.

3:13 VOICE: Here's how it works. Set up a complimentary meeting with an M&T reverse mortgage specialist. We'll meet you at a time and place convenient for you. Be sure to bring your spouse, other family members or a trusted friend if you like. Learn about the advantages. Discuss your personal situation and decide if you want to learn more about a reverse mortgage. To make an appointment, stop by any M&T branch or call 1-866-265-6828.
3:42 **VOICE:** When you're ready, you'll submit an application. Your reverse mortgage specialist will be happy to help you every step of the way. You'll find out how much equity you have available to use. The amount of equity available to you is based on the age of the youngest home owner, the market value of the home and the expected interest rate.

4:03 **VOICE:** You settle any primary liens on the home. If you have an outstanding first mortgage or other liens on the property, such as a home equity loan, tax lien or grant, you can still obtain a reverse mortgage, but the proceeds of the reverse mortgage must first be used to pay off these debts. The remaining balance is the money you'll have available to finance your plans and dreams.

4:26 **VOICE:** You'll receive your reverse mortgage loan funds. Following the loan closing, which can happen in the comfort of your own home, you choose to receive your funds in a variety of ways as a regular fixed monthly payment, as a line of credit to draw upon as you need it, as lump sum payment or any combination of these choices. If you opt for a line of credit, you'll discover one of the best kept secrets of the reverse mortgage. As your equity grows, the amount of funds available in the line of credit grows over time providing you with access to an even larger line of credit when or if needed down the road.

5:04 **VOICE:** You enjoy the proceeds from your reverse mortgage tax free. Reverse mortgage payments are generally tax free and should not affect Medicare or social security benefits. Additionally, reverse mortgage payments typically should not affect supplemental security income benefits or eligibility as long as any reverse mortgage advances are spent within the month they are received.

5:29 **VOICE:** If you decide to sell your house or if it is no longer your primary residence or upon settlement of your estate, the balance of the loan including any interest must be repaid. You could even use a reverse mortgage to purchase a new primary residence without having to qualify for a traditional mortgage or worry about making monthly mortgage payments.

5:50 **VOICE:** If you have cash on hand to pay the difference between the reverse mortgage loan amount and the sales price plus closing costs for the property you're purchasing, a reverse mortgage can help you make the move.

6:03 **VOICE:** Keep in mind, no matter what your circumstances or how you choose to use the proceeds from a reverse mortgage, there are four things to remember.

6:12 **VOICE:** You will continue to own your home. The bank does not assume ownership of the home at closing. You retain the title and ownership. The bank is simply extending a loan to you, secured by your home and property.

6:27 **VOICE:** You cannot be forced to leave your home. You'll retain ownership and control of the home as long as property tax and homeowner's insurance payments are made. The property is kept in good repair and you occupy the home as your primary residence.

6:43 **VOICE:** You retain the right to sell your home at any time. Should you decide to do this, the current loan balance must be repaid from the proceeds of the sale of the property. If the home should no longer be classified as your primary residence for whatever reason or upon settlement of the homeowner's estate, the loan balance must be repaid at that time.

7:05 **VOICE:** You and your heirs will never owe the bank more than the home's market value. When the home is sold, if proceeds of the home's sale are not enough to repay the balance of the reverse mortgage loan, you are not responsible to pay the remaining balance. If the home should sell for less than the current loan balance which will include any funds advanced plus interest accrued, the loan is repaid through the proceeds of the sale of the home or a estate.
How do I qualify for a reverse mortgage? Qualifying is easy as long as you and any co-owners are 62 and over, you may be eligible for a reverse mortgage. Even if you have an outstanding first mortgage or other liens on the property, you may still qualify for a reverse mortgage. The proceeds of the reverse mortgage must first be used to payoff these debts. The amount of equity you can receive through a reverse mortgage is based upon the market value of your home, the age of the youngest home owner and the interest rate you can expect to receive.

What's the next step? Come talk to us at M&T Bank. Just stop by your local M&T branch to speak with a reverse mortgage specialist or call us at 1-866-265-6828 to learn more. For more than 15 years, M&T Bank’s reverse mortgage specialists have been helping senior home owners like you use the equity you've built in your home to find comfort and peace of mind in retirement.

We do it, because we understand what's important. When you choose M&T, you choose to work with people as committed to your community as you are not some far away call setter or lender you don't know. For more than 155 years, M&T Bank has been serving our customers, our neighbors and our businesses large and small with the financial products and services that make their lives easier.

We look forward to helping you when you're ready to take the next step. Our reverse mortgage specialists will work with you at your local branch or even in your own home from the application process through the loan settlement. You'll have someone you know and trust working with you to make sure you can continue making memories, and building your life in the place you've come to call home.

We hope we have given you some helpful insights into M&T's reverse mortgage. M&T is here to answer any questions you may have as you begin considering a reverse mortgage as part of your financial plan and retirement. We hope you'll stop by any M&T branch and ask to speak with an M&T reverse mortgage specialist or call us today, 1-866-265-6828 for more information.

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