



# HECM FAQ

## MID AMERICA MORTGAGE'S LIST OF COMMON QUESTIONS ABOUT HECM REVERSE MORTGAGE LOANS

### 1. WHAT IS A HECM? (HEK-UM)?

A Home Equity Conversion Mortgage, also called a reverse mortgage, allows borrowers to convert some of their home equity into usable cash,

### 2. WHAT KIND OF INTEREST RATE CAN I GET?

Mid America Mortgage (MAM) provides both fixed and variable rate HECM loans.

### 3. HOW CAN I TAKE THE MONEY?

MAM offers different plans for your loan disbursement:

- A lump sum at closing or after
- Tenure payments, which continue as long as you live in the home
- Term payments for a set period of time
- A line of credit to draw on as needed or any combination of these, plus the ability to change your payment plan as needed.

### 4. ARE THERE RESTRICTIONS ON WHAT I CAN USE THE MONEY FOR?

You can use your reverse mortgage loan proceeds for anything you choose: supplement monthly living expenses, home repairs or renovations, medical costs, or consolidating credit card debt. If you have an existing mortgage loan, we must have enough proceeds from the new HECM mortgage to pay off an existing mortgage.

### 5. ARE THERE ANY PRE-PAYMENT PENALTIES?

**NO!!**



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## 6. HOW DOES IT GET PAID BACK?

Repayment is required when the last surviving borrower no longer resides at the property or taxes and insurance on property are not kept current. The property must also be kept in good repair.

## 7. WHO “OWNS” MY HOME?

You always continue to own your own home!

## 8. MY CREDIT IS NOT GREAT, CAN I STILL QUALIFY?

While there are no credit score requirements, we still need to assess your income and credit for the purposes of qualifying for this loan.

## 9. ARE THE PROCEEDS CONSIDERED INCOME?

Proceeds from a reverse mortgage are not considered income. HECM proceeds do not affect Social Security or Medicare benefits. Consult your tax advisor for more details.

## 10. CAN I BUY A HOME USING HECM?

Yes! A HECM mortgage loan can help you downsize by allowing you to use this product to purchase a new home better suited for your needs.

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WANT TO KNOW MORE?

CONTACT **MID AMERICA MORTGAGE'S**  
**SimpleReverse** TEAM TODAY!

**Call: (833)765-LOAN**

**Email: [Simple.Reverse@MidAmericaMortgage.com](mailto:Simple.Reverse@MidAmericaMortgage.com)**

This is an FHA-insured loan. Homeowners must be 62 years of age or older and live in the home as their primary residence. Subject to credit approval. Homes must meet FHA/HUD minimum property standards. Borrowers must maintain hazard and flood insurance premiums, property taxes, utilities and make any property repairs. Although there are no mandatory monthly principal and interest mortgage payments, interest accrues on the portion of the loan amount disbursed if no payments are made. Reverse mortgages can use up all or some of the equity in your home and the amount you owe can increase over time. Loan must meet underwriting requirements. Program rates, fees, terms and conditions are not available in all states and subject to change. All products and services offered through Mid America Mortgage, Inc. NMLS# 150009. This document is advertising by Mid America Mortgage, Inc. and is not from FHA/HUD. This document is not approved by any government agency. A reverse mortgage is a loan.



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