



INDUSTRY FACT SHEET: Home Equity Conversion Mortgage (HECM)	
<b>Maximum Claim Amount</b>	<ul style="list-style-type: none"> <li>The lesser of Appraised Value, Sales Price, or National Mortgage Limit</li> </ul>
<b>Initial Premium</b>	<ul style="list-style-type: none"> <li>HECM Standard: 2% of the maximum claim amount. Note Only ARM interest rate options are available with the HECM Standard.</li> <li>HECM Saver: 0.01% of maximum claim amount. Note Both ARM <u>and</u> Fixed interest rate options are available with the HECM Saver.</li> <li>No refunds</li> </ul>
<b>Premium</b>	<ul style="list-style-type: none"> <li>Annual: 1.25 percent</li> <li>Monthly: Annual Premium x 1/12 x outstanding loan balance</li> </ul>
<b>Disclosures</b>	<ul style="list-style-type: none"> <li>GFE or TILA</li> <li>Right of Rescission to Cancel</li> <li>Anti-Churning (Refinance Transactions Only)</li> <li>Total Annual Loan Costs</li> </ul>
<b>Transaction Types</b>	<ul style="list-style-type: none"> <li>Traditional (Equity in current property used to obtain a new HECM loan)</li> <li>Purchase (HECM loan proceeds used to purchase a principal residence)</li> <li>Refinance (Refinance of an existing HECM loan with a new HECM loan)</li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>62 years of age or older</li> <li>Property used as collateral must be primary residence</li> <li>No delinquencies on any federal debt, CAIVRS, LDP/GSA</li> <li>Completion of HECM Counseling</li> </ul>
<b>Property Eligibility</b>	<ul style="list-style-type: none"> <li>1 Unit (Single Family Residence)</li> <li>2-4 Unit with one unit occupied by the borrower</li> <li>HUD-approved Condominium Project</li> <li>Manufactured home built after June 15, 1976</li> </ul>
<b>Fees (100% Financing of all Fees)</b>	<p><b>Origination Fee:</b> \$2,500 Floor - \$6,000 Ceiling</p> <p><b>Third Party Fees</b></p> <ul style="list-style-type: none"> <li>Appraisal</li> <li>Title search and Insurance</li> <li>Surveys, Inspection</li> <li>Recording Fees</li> <li>Mortgage Taxes, Credit Checks, etc.</li> </ul> <p><b>Servicing Fees</b></p> <ul style="list-style-type: none"> <li>Fixed NTE \$30.00</li> <li>Annual ARM NTE \$30.00</li> <li>Monthly ARM NTE \$35.00</li> </ul>
<b>Eligible Payment Plans</b>	<ul style="list-style-type: none"> <li>Tenure (Equal monthly payments)</li> <li>Term (Equal monthly payments for a fixed period of months)</li> <li>Line of Credit (Unscheduled payments or installments up to the line of credit)</li> <li>Modified Tenure (Line of credit plus monthly payments)</li> <li>Modified Term (Line of credit plus monthly payments for a fixed period of months)</li> </ul>
<b>Repayment</b>	<ul style="list-style-type: none"> <li>Due and payable when:               <ul style="list-style-type: none"> <li>Death of last surviving mortgagor</li> <li>Conveyance of title and property (property no longer serves as principal residence)</li> <li>Failure to pay property charges and failure to perform mortgage obligations.</li> </ul> </li> <li>Payment of claim when outstanding balance exceeds the appraised value (subject to claim amount)</li> </ul>