

## **Closing Funds Requirements Source and Seasoning Proof**

In order to close a Reverse Mortgage that requires that the borrower bring funds to the closing the following guidelines will usually apply:

1. The borrower must provide 90 days of documented proof that the funds have been available. This would require bank or savings statements covering up to 3 prior months statements, plus a short statement through the date the funds are drawn into suitable payment form. There is a form available for the depository institution to sign as well, the Verification of Funds / Verification of Deposits form.
  
2. In the event borrower is going to obtain funds from another source (relative, friend, etc) they must use a gift letter (available on the website) executed by the donor and the donor must attach to the gift letter the same documented proof as in number 1 above, showing that the donor had the funds available for the prior 90 days.
  
3. Funds must be made out to the closing title company and must be in the form of a cashier's check or certified funds. In instances of gift funds, donor may have the cashiers check made directly to the title company (easiest). If the donor gives the money to the borrower, then the borrower must provide the same proof of funds on hand as in number 1 above, except it only needs to be a statement showing the deposit of funds from the gift. Some lenders will waive source and seasoning requirements and some title companies will allow a personal check if the amount is less than \$500.00, but it varies by company.

The lender and the title company will advise if there are any variances to these policies.