

# *Senior Freedom Inc.*

Conference Call Tuesday, May 10, 2016 at 10am

Call in number **712-832-8310** Code **122150**

1. 1) NBC nightly news had a positive feature about RM
  - a) <http://www.nbcnews.com/nightly-news/video/could-getting-a-reverse-mortgage-help-you-save-money-672035907762>
  - b) I suggest keeping this link and sending it to potential clients, business affiliates, etc.
- 2) Videos
  - a) YouTube
    - I) You can make your own home videos discussing RM, and various aspects of them
      - aa) I suggest keeping the segments short, but have a variety of topics in different videos
    - II) You can advertise your videos, send links via email, or phone
    - III) You can advertise your videos through mail, as well, when you send info to clients
  - b) Internet videos
    - I) You can have yourself recorded and put the videos on a website
  - c) You can have phone videos which you send via text
- 3) Line of Credit only HECM's and accessing funds after closing
  - a) It takes 2 to 4 weeks after closing and funding before the client receives LOC access instructions
  - b) Suggest to your client that they take any anticipated funds needed within 6 weeks at closing, if they do not need them, they can reapply them to the HECM principal and offset any interest.
- 4) Getting past source and seasoning requirements for borrowed lien payoffs just before loan application
  - a) Doesn't happen very often, but if it does, both RMS & FAR have provided a way around the issue
  - b) Neither lender would put detailed instructions in writing (hint: they know it skirts FHA guidelines)
    - I) The paid off lien must not appear on title
    - II) The lien that was paid off must show a \$0.00 balance on the credit report. If it appears with a balance on the initial credit report, a second report must be pulled at least 30-45 days after the first. If it shows a balance on the second report, the borrower will need to contact the lender and request that they update their credit reporting, because we cannot submit it as a credit supplement, only as a clean credit report
    - III) The loan for the payoff should appear on credit and be counted in FA calculations. If it shows as a credit inquiry, it needs to be submitted with an LOE as nothing more than a personal loan with a copy of the loan/finance agreement. The LOE should not say "used to pay off lien"!
    - IV) What happens if it the lien balance is still on the credit report and the loan is submitted? Underwriting will assume it is a lien on a second property and will request the required REO information on that property. At that point, you have no choice but to reveal that it is on the subject property and face the consequences. At that point, submitting the loan to a second lender will probably require a new loan application which will require a new appraisal, so getting it right the first time is important.
- 5) SFI is now approved directly with Reverse Mortgage Solutions (RMS). Lawrence and I have a long standing relationship with the AE. RMS is who our other lenders sell their HECM's to.
- 6) HOI coverage requirements. The amount of coverage required is determined by subtracting the site value from the appraisal value. Most clients have already had more coverage than their home was worth, but occasionally they will need to increase their coverage. In such instances, you will need to notify your client as soon as you receive the appraisal so they can ask their agent for the increase. We will send out the coverage increase requirement to the agent and they are required by law to get approval from the borrower, so how long it takes to get the updated binder partially rests with the borrower.