

In Reverse

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For homeowners 62+ and their families,
professionals, and senior service providers

Reverse Mortgages Are Helping Retirees Overcome Today's Economic Hardships

Retirees have been especially hard hit by the economic crises. Losses in the stock market and decreased retirement income are forcing retirees to cut back on essentials such as food, gas, and medicine, and some are considering going back to work. Many retirees are finding that a reverse mortgage can help to replace their lost income and can see them through these tough times.

According to Consumer Reports' latest retirement survey, 51% of retired readers have had investment losses of 20% or more in the 12-month period ending November 2008. This is supported by the Congressional Budget Office that reports retirement accounts have lost \$2 trillion during the same one-year period.

Two-thirds of respondents in the Consumer Reports' survey were pessimistic about the prospects of recovery, and said they were worse off financially than they had been a year before.

It is especially difficult, and in some cases impossible, for retirees to recover or offset the losses they have experienced.

A majority of retirees have already taken steps to preserve their cash by eating out less, cutting back on entertainment, and reducing gifts to family members and grandchildren. One-third of retirees have been forced to spend less on groceries, gas, household goods, medicine, and other essentials.

Many retirees are planning to return to the workforce to replace their lost retirement income. In 2008, over 2 million people were laid off from work, and the forecast for layoffs in 2009 is equally as bad. Retirees trying to re-enter the work force are competing with a growing number of unemployed for a shrinking number of available jobs, and without the most current skills.

To offset lost income and provide greater financial security, a record number of retirees are taking advantage of a federally-insured reverse mortgage.

The Department of Housing and Urban Development (HUD) reports a 76% increase in the number of federally-insured reverse mortgages made in December 2008 compared to a year ago.

A reverse mortgage enables homeowners 62 and older to borrow against their home with no repayment for as long as they live in their home. Credit and income are not used in qualifying for the reverse

mortgage, and closing costs are financed, so there is usually no money out of pocket. Plus, a reverse mortgage does not affect Social Security or Medicare Benefits.

Reverse mortgages provide the flexibility to customize the way funds are received to best meet individual needs. This includes a lump sum, a line of credit, monthly payments, or a combination of two or more of these options. This makes it possible to supplement monthly retirement income while using the line of credit for emergencies.

"One of the greatest casualties of the economic crisis has to be retirement security," Robert J. Petrelli, President and Reverse Mortgage Advisor at Mount Vernon Mortgage Corporation said. "We are helping senior clients to overcome lost retirement income and to realize peace of mind knowing they will be able to ride out the economic storm in the comfort of their own home."

The amount of money received from a reverse mortgage is based on age, interest rates, and home value. Consequently, if a home value declines, a reverse mortgage borrower will receive less money.

Although not all areas are experiencing a decline in property values, A. Gary Shilling & Co., a well-known economist, forecasts that property values could drop further in 2009.

To help you learn more about reverse mortgages, and the reverse mortgage purchase program, Mount Vernon Mortgage Corporation provides free educational materials and confidential estimates by calling toll-free at 800-869-5882 or by visiting www.MtVernonMortgage.com/Reverse.

Everyone has different needs and concerns; it is our pleasure to help you learn about Reverse Mortgages so you can decide what's best for you or a loved one.



MOUNT VERNON
Mortgage Corporation

Committed to helping senior homeowners
achieve financial security.

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