

The Reverse Mortgage Chronicles: A Tale of Financial Freedom in Retirement

Here is the story of one of my readers. Ethel reached out to me recently, to discuss the sale of her home. Widowed five years ago, she is smart, sassy, remarkably fit, and highly active at 87 years old. She loves the home that she and her husband purchased many years ago when relocating to Colorado. While she has no mortgage on the home, her utility expenses, property taxes and homeowners' insurance expenses have doubled since her husband's passing. Her income consists of Social Security and small distributions that she is taking from her retirement funds.

The steep decline in her retirement portfolio at the beginning of the year, matched with rising property expenses, was causing her to feel anxious about her financial picture. As the conversation unfolded, it was clear to me that she is thriving in her 55+ community and really did not wish to sell her home.

There are approximately 10,000 individuals turning 62 every day, and many, like Ethel, have the bulk of their retirement "nest egg" tied up in home equity.

Her property was valued at approximately \$900,000 and she had no outstanding mortgage. A reverse mortgage (a Home Equity Conversion Mortgage or HECM) was a perfect solution for her. I suggested that she contact **Jaxzann Riggs**, a seasoned, Certified Reverse Mortgage Specialist and owner of **The Mortgage Network**, to explore options that would allow her to remain in her home but that would ease her financial anxiety.



Jaxzann first sent her a copy of the book "Understanding Reverse." The book is a comprehensive educational tool filled with easy to understand but granular information about the history of HECM, its pros and cons.

After an initial discussion, Jaxzann hand delivered a HECM pre-counseling package. That package contains a list of approved HECM counselors, a loan comparison of various product options, the Total Annual Loan Cost (TALC) rate disclosure, an amortization schedule, and the HUD Booklet, "Use Your Home to Stay at Home."

The next step is always for the borrower to attend a counseling session with a HUD-approved counselor. This is to ensure that the borrower fully understands all aspects of the loan. Family members and their heirs are encouraged to attend as well.

Then Jaxzann gathered basic financial information from Ethel and ordered an FHA appraisal, the loan was submitted to underwriting. Within five days of receiving the appraisal, the application had been approved, and Ethel was ready to close the Reverse Mortgage for her home. Here's the important part. Because she has lived 10 years in that house, she will receive a "Tenure" payment of \$3,372 per month as supplemental income. Tenure payments can best be thought of as a monthly draw against the homeowners' equity.

Ethel will receive that tenure amount each month so long as she occupies the home. The knowledge that the line of credit attached to the mortgage (starting at \$10,000) will grow each year provided extra comfort to Ethel and her nephew. This additional way to access her home's equity means that she will be able to afford medical equipment or in-home care if needed in the future.

This is just one of the many ways that retirees are utilizing reverse mortgages to age in place. It is important to note that while Ethel's loan was a refinance, a HECM (reverse mortgage) can be used to purchase a home as well.

If you are curious about reverse mortgages and would like more information about your eligibility, or that of a family member, call Jaxzann at (303) 990-2992.

Coming Soon: Home in Golden's Beverly Heights

Beverly Heights is that quiet residential community on the other side of Highway 6 from the Colorado School of Mines, which is why so many CSM staff and their families live there. Indeed, the husband of the couple selling this home at **1945 Sage Drive** is himself a retired professor of geochemistry. Tucked at the foot of Mt. Zion with its iconic "M" on the mountainside, this community is so loved that homes like this come on the market rarely and get snapped up quickly. A lovely pocket park is nearby, and this home is on a 1/4-acre fenced and landscaped lot with a garden and RV parking, and it has several features that home buyers like. It has hot water baseboard heat provided by a newer high-efficiency boiler. The seller-owned solar PV system keeps the monthly utility bill low, too. The sellers added a cozy sunroom with skylights and a flagstone floor. A classic wood cook stove is the centerpiece of their big kitchen, and the wrap-around tree-shaded deck is a peaceful retreat most of the year. View a narrated video tour of this home I posted on its website, which you can get to at www.GRElistings.com, then come to the open house next Saturday, June 26, 11 am to 1 pm.



3-BR Westminster Ranch Listed by Kathy Jonke



Welcome to this charming 3-bedroom, 1-bath ranch-style home at **7185 Vrain Street**. Step inside to a light and bright interior with gleaming hardwood floors and a kitchen with lots of character that includes additional laundry hookups. This home offers a freshly painted exterior, an updated bathroom, and a newer water heater. The home has been fully wrapped with additional blown-in insulation, making it warmer in the winter and cooler during the summer months, along with lower utility bills year-round. Outside, the expansive fenced backyard with two sheds and a raised

bed garden is ideal for entertaining, gardening or relaxing under a large apple tree. Both front and back yards feature a sprinkler system and garden drip lines. Enjoy peaceful walks along Dry Creek Trail, proximity to restaurants and shopping, and easy access via Hwy 36 to both Denver and Boulder. Find additional info and pix at www.GRElistings.com. Or call listing agent Kathy Jonke at 303-990-7428. She'll be holding it open next Saturday, July 26th, 11 am to 1 pm.

Thinking of Going Green? The Time to Act is NOW!

Unless you've been living under a rock, you're aware that President Trump's tax bill has eliminated the numerous tax credits created during the Biden administration to subsidize the greening of American homes and transportation.

These cuts take effect with at the end of September or the end of the year, so if you have had any thoughts about making your home more energy efficient or buying an EV, now is the time to act.

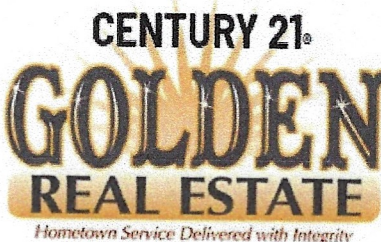
At home, you can save big on everything from improved insulation and air-

tightness, to replacing your gas water heater and furnace with heat pumps, to installing solar panels to power those appliances. Email me (address below) if you'd like suggestions of trusted vendors for any of those three tasks, but hurry because they are probably being flooded with customers looking to take advantage of those programs before they expire.

This is also your last chance to invest in an electric vehicle before those incentives go away. I can give you advice there, too, or visit www.JimSmithColumns.com.

Open House Today, 11-1, at Morningside Condo

Rarely does one find a condo complex that is so well managed and provides so many amenities for the monthly dues. Heat and hot water are included. This unit at **3460 S. Poplar St. #307** in the Morningside complex has been nicely updated except for the kitchen, with new flooring and an enclosed balcony. The building's laundry room serves only as backup, since you have a spacious laundry room in the unit. When visiting, there's a keycard so you can visit the community center across the street at 7100 S Poplar. You'll be so impressed at the condition of the indoor and outdoor swimming pools, the separate spas for men & women, each including a steam room, sauna and fitness equipment. Included is one reserved space in the secure garden-level garage. A storage cage is also included. Take my narrated video tour of both the condo and the fitness center at www.GRElistings.com, then come to today's open house or call me at 303-525-1851 to arrange a private showing.



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