January-February 2019
Volume 12, No. 1

Reverse Mortgage

The official magazine of the National Reverse Mortgage Lenders Association

Wearing Many Hats

Is Diversification Our Future?

NRMLA®

INSIDE:

Working with Daily Money Managers P.23

Who Are the HMBS Investors? P. 25

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Source: RMF Customer Satisfaction Survey 2017

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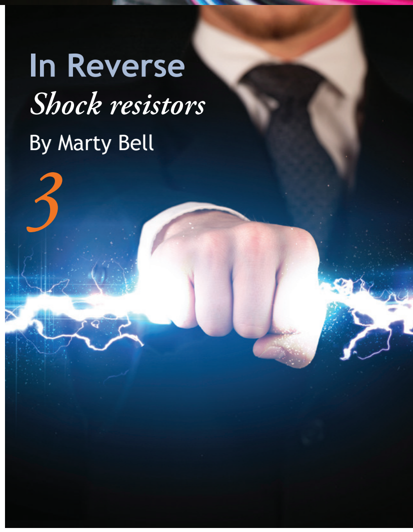

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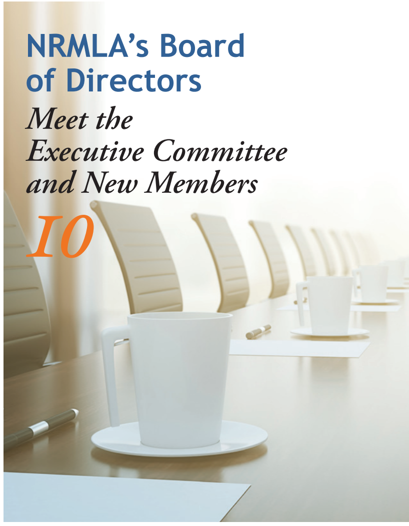

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Meet This Month's Contributors

Marty Bell (*In Reverse*, p. 3 and *Medicare Advantage's Many Advantages*, p. 20) is the editor of *Reverse Mortgage* and *Tax Credit Advisor* magazines, the senior vice president, Communications & Marketing at NRMLA and the executive director of the National Aging in Place Council.

Peter Bell (*Balanced Viewpoint*, p. 5) has a 42-year background as a housing policy analyst and advocate in Washington, DC. Bell founded and serves as president & CEO of the National Reverse Mortgage Lenders Association. In addition to NRMLA, Bell also serves as the CEO of two other national trade associations, National Aging in Place Council and the National Housing & Rehabilitation Association.

Mark Fogarty (*Who Are the HMBS Investors?*, p. 25) has covered housing and mortgages for more than 30 years. A former editor of *National Mortgage News*, he has written extensively about tax credits. He has also had pieces published in the *Chicago Tribune* and *Miami Herald*, among others.

Darryl Hicks (*Talking Heads*, p. 12) is the vice president, Communications for National Reverse Mortgage Lenders Association, where he writes our *Weekly Report* and administers our CRMP program. He roots for the Steelers and the Phillies and reads mysteries as he rides the Metro to work each morning.

Jessica Hoefer (*Borrower Chronicles*, p. 27) is the communications coordinator for Dworbell, Inc. where she is also the member services coordinator for National Aging in Place Council and assists with the publication of *Reverse Mortgage* and *Tax Credit Advisor* magazines. She came to NRMLA from the National Geographic Society. She is an avid reader, a theatre junkie and loves to travel.

Mark Olshaker (*Wearing Many Hats*, p. 16 and *Daily Money Managers*, p. 23), our staff writer, is a best-selling author of fiction and non-fiction and an accomplished researcher in the areas of crime and medicine. Olshaker has written 15 books, including the *New York Times* Number 1 bestseller *Mindhunter*—inspiration for the Netflix series of the same name—and *Law & Disorder*, both with former FBI Agent John Douglas. His latest book is *Deadliest Enemy: Our War Against Killer Germs*, with Dr. Michael Osterholm. RM

Shock Resistors

SOMETIMES IT TAKES A SHOCK TO SET YOU OFF IN A good new direction. The reverse industry shock was the program changes implemented by HUD unexpectedly in October of 2017. To some industry voices, the shock was not simply the adjustments to PLFs and MIPs; it was the fact that when you have a product dependent upon government policy, it can change whenever there is an election. It's tough to build a consistent business based on voter mood changes.

The response to the shock has been efforts to bring a diversity of products and services into our industry. The most obvious addition, and the most widespread thus far, has been the emergence of an extended selection of proprietary reverse mortgages. But, we have to wonder, is that really enough?

So in this issue, we do a little musing on product diversification: Where can the reverse mortgage industry head? Is it enough to deliver variations on lending against home equity? Or, is there a more expansive menu of retirement solutions you can offer to the older adults sitting across the kitchen table from you?

The two leading lenders—AAG and FAR—have been fastest out of the box in the innovation race. Staff writer Mark Olshaker speaks with their leadership on the direction they are heading and future possibilities in addition to brainstorming with other key industry figures on ideas for expanding each member's market. (*Wearing Many Hats*, p. 16)

As resources for members' conversations with potential borrowers, we have run a series of articles over the past few years on home modifications, long-term care insurance and other needs that come with aging and require payments outside anticipated regular monthly expenses. Recently, there has been a vast surge in purchase of private health insurance, Medicare Advantage, as opposed to depending on regular Medicare, largely due to an expansion of its permitted uses. So we thought it would be of value to you to cover this trend, the program, its services and its costs. (*Medicare Advantage's Many Advantages*, p. 20)

We have also devoted a series of articles to other related businesses that can be partners with reverse mortgage originators in helping older adults through retirement, such as financial planners, realtors and geriatric care managers. This month we look for the first time at a service that we do not hear a lot of conversation about but, as you will read, is catching on – Daily Money Managers. (p. 23)

We have also frequently covered Ginnie Mae's HMBS program, but what we have not covered before is just who the investors are who support these programs and thus sustain the stream of funding for lending. (*Who Are the HMBS Investors?*, p. 25)

All together, a diverse series of stories on diversification. And we hope a good and encouraging read.

Marty Bell, *Editor*


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New Year, New Approaches

By Peter Bell, President & CEO of NRMLA

I REMEMBER MANY YEARS AGO, IN ANOTHER TRADE association in which we were both involved, Celink Founder and then-CEO John LaRose remarked that if we continue to do the things we always do, we will have the same results we've always had. That wise thought has lingered in my mind.

As reverse mortgage lenders struggle to build up origination volume from the trough we find ourselves in, perhaps we should re-examine what we do to engage with our communities and build consumer trust. After all, a dearth of trust, whether valid or not, has been a major obstacle to broader consumer acceptance. Few people choose an option that they are advised to fear, unless they have absolutely no other alternatives, hence relegating reverse mortgages to be the option of last resort.

In a recent brainstorming conversation with the CEO of one of NRMLA's lender members, he acknowledged that, at present, their company has some employees who just don't have enough work to fill their time due to lower loan production volumes. This creates a burden – but it also provides an opportunity. The burden of idle staff time can be easily turned into an investment for the future.

Some companies I've worked with deploy a policy of providing all employees with time—anywhere from a half-day to two days a month—to do volunteer work with non-profits, community organizations and social service providers. The thought behind this is that it gives the individual employee a sense of purpose and fulfillment and, from the company's perspective, creates good will while building relationships that might prove to be valuable.

When I suggested encouraging volunteerism and institutionalizing it on a companywide basis, this CEO immediately recognized how this might be valuable and promised to explore implementing this type of policy within his company.

Peter Bell

For the reverse mortgage industry to finally find its stride and gain serious consideration by the millions of households who might benefit from our product, we must overcome the fear factor that deters so many from thoughtfully evaluating whether a reverse mortgage might be helpful to them.

Social interaction with prospective borrowers, influencers and other professionals in a community-focused setting can help build familiarity and trust on an individual basis that might ultimately help us overcome our struggle with fear and distrust. Having people get to know you as a concerned citizen and committed volunteer rather than as "that reverse mortgage salesperson," can help knock down those barriers to wider spread acceptance.

This issue of *Reverse Mortgage* magazine is focused on diversification; in particular, the strategies some NRMLA member companies are pursuing to broaden the products and services they offer as a move to assure a prosperous future. It is an interesting time to be doing this as we witness a growing recognition of the importance of deploying home equity to fund aging in place and the introduction of different types of financial instruments to facilitate doing so.

Reverse mortgage professionals may all benefit from becoming fully knowledgeable about all of the new products entering the marketplace—both needs-based products and methods of finance—because those with questions about them will need somewhere to turn. By developing expertise that is broader than typical basic reverse mortgage knowledge, and at the same time, establishing rapport

***Balanced Viewpoint** continued on page 19*

The Biz

EVERYTHING NEW YOU NEED TO KNOW

People are talking about...

Government Shutdown Limits FHA Services

Due to the federal government shutdown, the Federal Housing Administration cannot insure new Home Equity Conversion Mortgages; however, existing HECM borrowers whose loans are being serviced by FHA will continue to receive payments, according to FHA Info #18-52.

FHA will accept new assignment claims filings and property conveyances but because it will be operating with limited staff, FHA emphasized in FHA Info #18-52 that wait times for assistance will be longer than usual.

Mortgagees can also access FHA Connection and obtain new case numbers, although with limited capability for actions that require FHA staff intervention. Other available technology systems include the Loan Review System (LRS); Credit Alert Verification Reporting System (although FHA says it may not be able to ensure that the information contained in the system is up-to-date); Electronic Appraisal Delivery (EAD) portal (available for existing lender users only); and Home Equity Reverse Mortgage Information Technology (HERMIT).

NRMLA staff will continue to monitor the situation in Washington, DC and alert members of any important changes as they occur. Questions can be submitted to Darryl Hicks, vice president, Communications, at dhicks@dworbell.com.

Oregon's Auto-IRA Program Off to Promising Start

Only half of America's private-sector workers are covered by employer sponsored retirement savings plans, which means that roughly one-third of all retired households rely solely on Social Security for income. In the absence of federal action to close the coverage gap, several states have implemented auto-IRAs, which require employers who do not offer a retirement plan to automatically enroll their workers in an IRA-based saving program sponsored by the state.

A recent analysis of Oregon's auto-IRA program conducted by the Center for Retirement Research at Boston College concluded that while delays have occurred getting payroll deductions up and running, on balance, the OregonSaves program is off to a promising start with nearly 22,000 previously uncovered workers beginning to accumulate assets.

The most immediate challenge has been helping employers unfamiliar with OregonSaves provide timely and accurate data, process payroll deductions and stay on top of changes to employees and payroll deductions. According to researchers at the Center for Retirement Research, speeding up this process should result in a larger participant pool and ensure that affected employees —who tend to be more mobile than the average worker—have a chance to save before they leave any given employer.

Senior Home Equity Reaches $6.97 Trillion in Q3 2018

Homeowners 62 and older saw their housing wealth grow by 1.4 percent, or $97 billion in the third quarter to $6.97 trillion from Q2 2018, according to the latest quarterly release of the NRMLA/RiskSpan Reverse Mortgage Market Index.

The RMMI rose in Q3 2018 to 251.57, another all-time high since the index was first published in 2000. The increase in senior homeowner's wealth was mainly driven by an estimated 1.3 percent, or $115 billion increase in senior home values, and offset by a 1.1 percent or $17.4 billion increase of senior-held mortgage debt.

"At a time when we're seeing stock market volatility and the potential for a mild recession in the near future, it's the perfect time for families to gather and take stock of their retirement resources and make necessary adjustments to ensure continued financial security," says Peter Bell, president and CEO of NRMLA. "Housing wealth should be considered with other financial assets."

Quarter	Sr. home Value ($T)	Senior Mortgage Debt ($T)	Sr. home Equity ($T)	RMMI	Quarterly Change
2016-Q2	7.38	1.54	5.84	210.72	1.64%
2016-Q3	7.51	1.56	5.95	215.00	2.03%
2016-Q4	7.66	1.57	6.09	219.95	2.30%
2017-Q1	7.79	1.58	6.21	224.26	1.96%
2017-Q2	7.93	1.60	6.33	228.63	1.95%
2017-Q3	8.07	1.61	6.46	233.12	1.96%
2017-Q4	8.23	1.63	6.60	238.31	2.22%
2018-Q1	8.38	1.64	6.75	243.70	2.26%
2018-Q2	8.52	1.65	6.87	248.06	1.79%
2018-Q3	8.63	1.67	6.97	251.57	1.41%

Prepared by RiskSpan, Inc.
Data sources: American Community Survey, Census, FHFA, Federal Reserve

FHA Increases HECM Lending Limit to $726,525

For the period January 1, 2019 through December 31, 2019, the national lending limit for Home Equity Conversion Mortgages increased to $726,525 from $679,650. Details were announced in Mortgagee Letter 2018-12. This new loan limit is also applicable to Freddie Mac's special exception areas: Alaska, Hawaii, Guam and the Virgin Islands.

HECM Second Appraisal Protocols Become Automated

The protocols that were in place on an interim basis for the HECM second appraisal requirement became fully automated on November 30, 2018, the Federal Housing Administration announced in FHA Info #18-47.

FHA published FHA Info #18-47 as a reminder for appraisal logging guidance, along with the effective date for the automation of the HECM second appraisal protocols. For additional information, refer to the Fully-Automated Protocols outlined on page five of Mortgagee Letter 18-06.

Transamerica: 46 Percent of Retirees Say They Are Financially Prepared

Fewer than half of retirees (46 percent) agree that they have built a large enough retirement nest egg, with only 16 percent "strongly" agreeing and 30 percent "somewhat" agreeing, according to a new online survey of 2,043 retired or semi-retired Americans conducted last July by the Transamerica Center for Retirement Studies.

Titled "A Precarious Existence: How Today's Retirees Are Financially Faring in Retirement," the survey finds that retirees are getting by financially for the time-being but they are potentially vulnerable:

- Sixty-six percent of retirees indicate that Social Security will be their primary source of income over the course of their retirement. Those who are currently receiving benefits started at age 62 (median), which is the earliest age that most workers can claim benefits, albeit at a permanently reduced amount.
- Retirees have an annual household income of $32,000 (estimated median). Twenty-five percent have a household income of less than $25,000, while only 15 percent have an income of $100,000 or more.
- Many are still paying off household debt:
  - Among the 45 percent of retirees who have non-mortgage debt (i.e., credit card debt, car loans, student loans, medical debt, etc.), the estimated median is $4,000; and
  - Among the 28 percent of retirees who have mortgage debt (including any equity loans or lines of credit), the estimated median is $52,000.

LET US KNOW WHAT YOU'RE TALKING ABOUT.

This new forum is the place for readers to share their opinions with fellow colleagues about the direction of the reverse mortgage business and other retirement trends. Submissions should be limited to 100 words or less and submitted to Associate Editor Darryl Hicks, at dhicks@dworbell.com.

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The Biz continued from page 7

The Press is talking about...

Senior Homeowners Give Reverse Jumbo Mortgages New Life

https://www.wsj.com/articles/senior-homeowners-give-reverse-jumbo-mortgages-new-life-11544632274

Wall Street Journal

Reporter Robyn Friedman examines the pros and cons of jumbo reverse mortgages. While retirees can unlock their home equity by selling or getting home equity loans or lines of credit, “for older Americans who want to stay in their home or supplement their income without assuming additional debt, a better option might be the jumbo reverse mortgage,” writes Friedman. She profiled Peter Detrick, 74, and his wife, Kathleen, 73, who closed on an $840,000 jumbo reverse mortgage on their $2 million home in Belmont, CA last September. They have no children and considered downsizing but couldn’t find a home they liked. So, they decided to age in place. “A jumbo reverse mortgage was perfect for us,” Mr. Detrick says. “It liquefied our assets, yet we could continue to live in and enjoy our house.”

HECM Reverse Mortgages Can Reduce Retirement Income Instability

https://www.forbes.com/sites/jackguttentag/2018/12/11/hecms-can-reduce-instability-in-the-availability-of-funds-to-retirees/#a93284267e6f

Forbes.com

Jack Guttentag, professor of Finance Emeritus at the Wharton School of the University of Pennsylvania, illustrates how a HECM monthly term payment or HECM line of credit can reduce retirement income instability. Guttentag uses an example of a 64-year-old woman, living in a $400,000 home, with a $1 million portfolio of financial assets, half in common stock and half in government securities, who wants her retirement plan to last 40 years. While the median rate of return over 40 years on this kind of portfolio is estimated at 7.8 percent, if it underperforms the proceeds from a reverse mortgage can offset any losses. “An even better way to deal with a rate of return on assets that falls below the rate assumed in calculating monthly draw amounts is to use a HECM credit line,” says Guttentag. “With a credit line, the amount drawn can be adjusted each year to the exact amount needed to offset a reduced rate of return on financial assets.”

In Washington they’re talking about...

Key Resignations at HUD

Pamela Patenaude

Deputy Secretary of Housing and Urban Development Pamela Patenaude, who played a crucial role leading the Department’s disaster recovery efforts in Puerto Rico and in other areas hit by hurricanes and fires, announced her resignation right before Christmas after only 15 months on the job.

Patenaude did not provide a reason for her departure. FHA Commissioner Brian Montgomery took over as Acting Deputy HUD Secretary and for the time being is serving in both roles.

Less than a month later, Ginnie Mae Executive Vice President and Chief Operations Officer Michael Bright announced he was leaving effective January 16 to become the next president and CEO of The Structured Finance Industry Group, Inc., a Washington, DC-based trade group focused on improving and strengthening the broader structured finance and securitization markets.

Ginnie Mae EVP Maren Kasper assumed the role of acting president following Bright’s departure.

Although Bright was confirmed by the Senate Banking Committee last August to be the next Ginnie Mae president, he was never confirmed by the full Senate.

Important Message for HMDA Reporters

The Bureau of Consumer Financial Protection has asked NRMLA to remind our members who submit Home Mortgage Disclosure Act (HMDA) data that they must obtain a Legal Entity Identifier (LEI) beginning January 1, 2019, as described in 12 CFR 1003.5(a)(3).

The Bureau has concluded that many financial institutions are not aware that they must have a LEI or, if they do, have not set one up. Requiring use of the LEI will improve the BCFP’s ability to identify the legal entity that is reporting data and to link it to its corporate family.

The LEI is a unique, 20-digit alphanumeric identifier issued by a utility endorsed by the LEI Regulatory Oversight Committee or endorsed or otherwise governed by the Global LEI Foundation or a successor organization. A financial institution can go to the Global

LEI Foundation website, or any other approved LEI creation entity to obtain an LEI.

If you have further questions, please go to HMDA Help, at https://www.consumerfinance.gov/data-research/hmda/for-filers.

Senate Confirms Kathleen Kraninger As BCFP Director

By a vote of 50 to 49, the Senate confirmed Kathleen Kraninger as the next director of the Bureau of Consumer Financial Protection.

Kathleen Kraninger

Kraninger replaced Mick Mulvaney, who simultaneously served as director of the Office of Management and Budget and the BCFP's acting chief since November 2017.

Kraninger was associate director of General Government at the Office of Management and Budget. She also worked at the Department of Homeland Security and on Capitol Hill from 2011 to 2017 as a staff person for the Appropriations Committees in both the Senate and the House of Representatives.

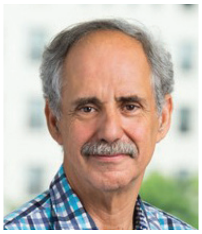
Urban Institute Encourages FHA to Release Loan Level HECM Data

The Federal Housing Administration should release more loan-level data so that researchers can better understand the risk factors that lead to losses in the Home Equity Conversion Mortgage (HECM) program. That's according to a recent blog post—"Four trends to watch at the Federal Housing Administration in 2019"—published by Urban Institute researchers Laurie Goodman and Edward Golding.

Laurie Goodman

HECM policy changes implemented in 2013 and 2015 have had a positive impact in reducing insurance claims the researchers noted, but FHA predicts it will still lose $14 billion on the HECM program in 2019.

Goodman, who serves as vice president of housing policy and Golding, who serves as a nonresident fellow and was FHA Commissioner during the final months of the Obama Administration, downplayed recent actions taken by the FHA to reduce appraisal bias "given that seniors can tap only about half the equity in their house through the program."



Edward Golding

Therefore, "we would encourage the FHA to release more loan-level data on the reverse program so that researchers can better understand the drivers of risk in this program —one that appears to be hemorrhaging even in an environment with seven percent home price appreciation."

And now you're up to date.

NRMLA Elects Executive Committee and

NRMLA is governed by a Board of Directors and an Executive Committee, which comprises the Board officers. While the membership elects its Board of Directors each year in conjunction with the Annual Business Meeting that's held at the Annual Meeting & Expo, the Executive Committee is elected after the Annual Meeting by the new Board.

Following are brief profiles of the Executive Committee members and newly elected members of the Board of Directors.

Executive Committee

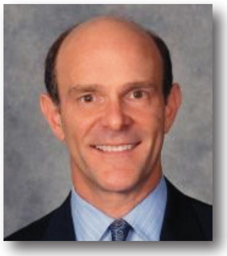
Reza Jahangiri, CO-CHAIRMAN
President & CEO
American Advisors Group
Orange, CA
14 years in the reverse mortgage business

Scott Norman, CO-CHAIRMAN
Vice President of Field Retail & Government Relations
Finance of America Reverse LLC
Austin, TX
20 years in the reverse mortgage business

Jim Cory, CRMP, VICE CHAIRMAN
Senior Vice President of Operations
Live Well Financial
San Diego, CA
22 years in the reverse mortgage business

Jason McNamara, VICE CHAIRMAN
Chief Executive Officer
Celink
Lansing, MI
5 years in the reverse mortgage business

Mike Kent, SECRETARY
President
Liberty Home Equity Solutions, Inc.
Rancho Cordova, CA
9 years in the reverse mortgage business



Michael McCully, TREASURER
Partner
New View Advisors
Naples, FL
20 years in the reverse mortgage business

Joe DeMarkey, CHAIRMAN, EXECUTIVE COMMITTEE
Strategic Business Development Leader
Reverse Mortgage Funding LLC
Bloomfield, NJ
21 years in the reverse mortgage business

Kristen Sieffert
President
Finance of America Reverse
Tulsa, OK
14 years in the reverse mortgage business

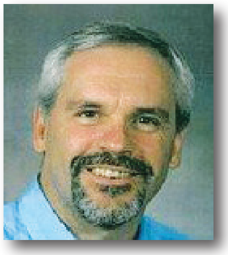
Chris Mayer
CEO
Longbridge Financial
Mahwah, NJ
7 years in the reverse mortgage business

Peter Bell
President and CEO
NRMLA
Washington, DC
21 years in the reverse mortgage business

Steve Irwin
Executive Vice President
NRMLA
Washington, DC
Over 20 years in the reverse mortgage business

Welcomes New Board Members

New Board Members



Harlan Accola, CRMP
Branch Manager and
Reverse Mortgage Trainer
Fairway Independent Mortgage Corp.
Marshfield, WI
15 years in the reverse mortgage business

Terry Connealy
President
Mutual of Omaha Bank
Omaha, NE
New to reverse mortgages

Scott Harmes, CRMP
National Manager
C2 Reverse Mortgage
San Diego, CA
8 years in the reverse mortgage business

Elly Johnson
Chief Operating Officer
United Northern Mortgage Bankers Ltd.
Levittown, NY
27 years in the reverse mortgage business

Jim Miller
Senior Vice President,
Mortgage Servicing Operations
Champion Mortgage
Irving, TX
New to reverse mortgages

Elly Johnson

COO, United Northern Mortgage Bankers Ltd.

By Darryl Hicks

NRMLA PRESIDENT AND CEO PETER BELL ONCE quipped to me that he learned more about reverse mortgages from Elly Johnson than from any other person.

For almost three decades, Johnson has managed operations at several of the largest and most successful reverse mortgage companies beginning with early pioneers Unity Mortgage and Financial Freedom Senior Funding Corporation all the way to her current assignment as COO at United Northern Mortgage Bankers Ltd., based in Levittown, NY.

She has also been a valuable resource for NRMLA's advocacy efforts. As co-chair of the HUD Issues Committee, Johnson has been one of the association's leaders on considering many pressing issues, ranging from HECM for Purchase underwriting, to the development and implementation of Financial Assessment, and, most recently, monitoring FHA's Collateral Risk Assessment policies.

In recognition of her achievements and thought leadership, Johnson was elected to NRMLA's Board of Directors during the association's annual business meeting held in conjunction with the 2018 Annual Meeting & Expo in San Diego this past October.

Reverse Mortgage magazine sat down with Johnson to talk about her work on the HUD Issues Committee and her priorities for 2019.

Reverse Mortgage: ***Congratulations on your recent appointment to the Board of Directors. What priorities would like you like to see the Board focus on in 2019?***

Elly Johnson

Elly Johnson: I am very excited about the opportunities ahead, not only for the NRMLA board, but for our industry as well. I think the confirmation of Brian Montgomery as FHA Commissioner was a huge win for our industry. His history working with various administrations, as well as his depth of knowledge of the HECM product, I believe, will be a turning point for our industry. I would like to see the board work to forge new relationships with the current administration, to allow us the opportunity to share our expertise and first-hand knowledge of the product to better identify enhancements that will not only serve our current senior population but assure that the product will be a sustainable solution for many years to come.

RM: ***Are there any specific product enhancements that you would like to see implemented?***

EJ: I'd like to see HECM for Purchase continue to evolve. The HUD Issues Committee has already done a lot of work with H4P and I think it will be near the top of the list in 2019. As more forward mortgage companies enter our space, we should examine the major differences between HECMs and forward mortgages and identify areas where we can marry the two products and improve efficiencies on the origination side.

RM: ***What advice would you give to someone who would like to serve on the Board of Directors one day but doesn't know where to begin?***

EJ: I heard someone say recently, 'don't call yourself an expert,' and I agree with that statement. Being an expert is hard to prove and you don't need to be an expert in your field. Be knowledgeable, learn everything that you can about your field, don't be afraid to ask questions, be open-minded and become a resource. Everyone has opinions, but when presenting information, be prepared to back it up. Volunteer your services on one of NRMLA's committees or as a speaker at one of NRMLA's conferences. You will get noticed by your peers, board leadership and NRMLA staff. They will see how you think and conduct yourself. And be a passionate advocate and spokesperson for the reverse mortgage product. I've co-chaired the HUD Issues Committee for several years and spoken several times at NRMLA events. I firmly believe these were important factors that led to my nomination to serve on the Board.

RM: ***As co-chair of the HUD Issues Committee, you have played an active role monitoring FHA's Collateral Risk Assessment policy changes. What have you learned thus far about the impact these changes are having on the industry?***

EJ: First and foremost, the changes are not as daunting as everyone originally anticipated. I think I mentioned during a recent panel discussion at our NRMLA Annual Meeting in San Diego, the interim process for obtaining the Collateral Risk Assessment (CRA) went very smoothly and we saw turn times averaging 24 hours or less. The automated process is in place now and as reported the response time is immediate for lenders receiving their responses from FHA. As for the impact it has made, the biggest concerns that we hear about are how this affects our borrowers not only due to the costs involved in obtaining a second appraisal but the inherent delays.

Talking Heads continued on page 14

Talking Heads continued from page 13

***RM:** How have you advised your sales team at United Northern Mortgage Bankers to prepare their clients?*

EJ: It's important that we educate our clients upfront, even during the initial consultations prior to application. Make sure they understand that this is a new process that's required and could result in a second appraisal that leads to delays and added costs. There should be no surprises.

***RM:** How is the HUD Issues Committee monitoring the impact of the Collateral Risk Assessment policies?*

EJ: The HUD Issues Committee is tracking information on those appraisals submitted for the CRA process. FHA has indicated they will review the process at six and nine months to evaluate the affect it is having on the program. It is the committee's hope to have sufficient usable data to provide to FHA when they review the current process. We are collecting data on property location; whether it's a single-family property, condo, two- to four-unit or manufactured home; and transaction type, such as HECM for Purchase, HECM to HECM refinance, or a traditional HECM. We are also tracking whether a second appraisal was required and the second appraisal amount. None of this data includes personal borrower information. We want to have as much information as possible and would welcome any lender to participate in providing data.

***RM:** I am sure you have spoken with people who remain skeptical that these policies were needed. How do you respond to these people?*

EJ: I usually remind them there is more to the product than just originating the loan. I encourage them to learn more about all aspects of the process, including the servicing piece. Gain a better understanding of the pitfalls, if you will, that can occur on the backend, possibly due to choices made on the front end, at origination, and how they can impact the overall outcome of the product. I also remind them of one very important piece of the Financial Assessment that sometimes gets overlooked – Is the HECM a sustainable solution for the borrower? Someone once said to me, in business, you should always ask yourself three questions. If the answer to all three questions isn't yes, then you shouldn't do it: First, is it right for the customer? Second, is it right for the company? And finally, is it right for you?

***RM:** Besides appraisals, what other areas will the HUD Issues Committee be focused on in 2019?*

EJ: The H4P is a hot topic and I think will continue to be into 2019. With more "traditional" forward mortgage lenders entering the HECM space, the H4P will likely be an area of focus. Working with FHA to provide more HECM-specific training opportunities and brainstorming with those in our industry on ways to improve the HECM product to make it more sustainable will be part of this effort.

***RM:** Let's talk about your career. How has your job as a senior level executive in the reverse mortgage business evolved over the past 27 years?*

EJ: I started my career almost 40 years ago on the "forward" side of the business. I entered the reverse space and never looked back. This product has been a passion of mine from the day I first learned about it and the opportunities for our senior population. Let's face it, we all have parents, grandparents or know someone who could benefit from extra income in their "golden years." The ability to provide this security for that segment of our population, well that's the reward. I have been fortunate enough to work for some of the largest reverse mortgage lenders over the years and have seen the product evolve from a pilot program to the mainstream product it is today. Originally, FHA underwrote each HECM loan but now we have the direct endorsement process. The financed origination fee increased from $1,800 to $6,000. Marketing times for closing a HECM were as long as 12 months. We had no fixed-rate product and only one investor. You can see the list goes on and on. We've come a long way and I believe with our continuing efforts as an industry and an organization, we will assure the longevity of the HECM product.

***RM:** Clearly, the HECM product has evolved. I am curious whether your role as operations manager has changed. Is it harder to run a reverse mortgage operation today versus 30 years ago? What advice would you give to your counterpart at a forward mortgage company who is looking at getting into the reverse space?*

EJ: I would not say it is harder; however, it requires a more detailed and methodical approach. Yes, it certainly has evolved and this evolution has brought with it internal challenges and opportunities. One thing that is still evident today is that the product is unique in its design and requirements. Operationally, it has worked well over the years to have individuals specialized in the HECM product performing your internal functions, such as processing, underwriting, closing, funding and insuring. The process for each is different enough that having individuals designated for HECMs specifically tends to make things run smoother. The HECM product has its own software requirements, underwriting guidelines (Financial Assessment) and reporting systems (FHA Connection HECM Insurance Application Screens, HERMIT system for reporting MIP and servicing activity). The bottom line is, while it is an FHA product and has similarities as it relates to the appraisal process, most other internal processes and requirements are significantly different than the traditional forward mortgage. My recommendation to anyone interested would be to do their homework and fully understand the differences and make an educated decision how to best incorporate HECM into their organization. There are many companies, like United Northern, who offer broker relationships that will allow a forward lender to enter the HECM market, utilizing a HECM lender as their sponsor. This option allows them to get their feet wet, if you will, train with an experienced HECM lender and gives them an opportunity to see how this product fits into their line of business.

RM: ***You've worked for several companies over the years. What attracts you to a new company? What differentiates United Northern Mortgage Bankers from its competitors?***

EJ: They have to believe in the product and in doing right by our customers. United Northern will be celebrating its 40th year very soon, which is a major accomplishment in the mortgage industry. The passion that has sustained them was the driving force for me. Management believes in diversity, celebrating their employees and also giving back to the community. This resonates throughout the organization and for me sets them apart from other competitors.

RM: ***You still have a few more years left before you retire. When that day finally arrives, how do you want to be remembered?***

EJ: I certainly hope so. You know Darryl, Scott Norman (vice president of Field Retail & Government Relations Finance of America Reverse LLC) said something recently, 'Elly Johnson is a better human being than she is a reverse mortgage person.' If I am remembered that way…well that's good enough for me. RM

Wearing Many Hats

Is diversification our future? By Mark Olshaker

"It's not about what you are selling. It's how you will be involved in an aging person's well-being."

—Marianna Blagburn, former executive director, Northwest Neighbor's Village, Washington, DC

SINCE ITS ORIGINS IN THE REAGAN ADMINISTRATION, the reverse mortgage industry primarily has been based on a single, government-backed product: The Home Equity Conversion Mortgage. Yet as HUD's ground rules for HECMs keep changing and with new policies every time there is a change in presidential leadership, and as the needs of a burgeoning population of often ill-prepared retirees increases (41 percent of Baby Boomers aged 55 to 64 have no retirement savings), the question inevitably arises: Can the reverse mortgage industry survive in its traditional mode?

"Over the last few years, the HECM market has seen significant drops in volume right after major regulatory changes. This has caused some soul searching in the industry," says Jamie Hopkins, formerly a professor at the American College of Financial Services and now director of retirement research at Carson Group, which serves financial advisors and investors. "Companies are realizing that they just cannot exist in a business environment with just one product that is so highly regulated and subject to changes without almost any notice."

Jamie Hopkins

But what does diversification actually mean and, to mix metaphors, how does the industry move beyond the one-trick pony stage without throwing out the proverbial baby with the bathwater?

A Broader Conversation

Finance of America Reverse LLC, headquartered in Tulsa, OK, is one of the largest reverse mortgage originators and industry leaders. Its president, Kristen Sieffert, explains, "About two years ago, FAR invested in a pretty sizable research study. We found that most people had heard of reverse mortgages, but a very small percentage understood the details. And most of them were not prepared for retirement. We realized that the competition was not other lenders in our space, it was the fact that seniors had so many misconceptions and didn't want to take a step that was going to put them at risk. We realized that what we needed was a broader conversation surrounding home equity in retirement – what options existed."

Kristen Sieffert

As a result, FAR both expanded its product suite and launched a new Borrower Engagement Team, an outreach effort to seniors about planning for retirement. This included educating them that they did have choices but needed to be proactive in a timely manner.

"We introduced HomeSafe in 2014 and vastly improved the product terms by the end of 2017," says Sieffert. HomeSafe is a proprietary reverse mortgage for high-value homes up to $10 million with loan limits up to $4 million, significantly higher than what is currently available through the HECM, with no mortgage insurance premiums and no real estate tax and homeowner insurance set-asides. HomeSafe Select was introduced in fall 2018 and offers an initial 25 percent draw and an open-ended line of credit with a five percent internal rate of growth. And HomeSafe Second, introduced around the same time, allows senior homeowners who want to keep a low-rate forward mortgage in place, to take out a second-lien reverse mortgage, but still continue to build equity. "A lot of people want to use home equity but not just with a negatively-amortizing loan. For them, HomeSafe Second is a test of what it's like to use home equity in retirement. No one else is currently offering a second-lean reverse mortgage. We want to be a

leader and stay a couple of steps ahead of the competition. Forward mortgage originators, financial advisors and others are starting to understand our products and are talking to their clients, as well."

Among the most innovative of FAR's moves to transition into a complete retirement solutions provider is its late-2018 partnership with Silvernest, an online home-sharing service whose slogan is: "Homeowners stay in the house they love. Housemates find a lovely new home."

"We were looking for other options for people," Sieffert says. "We looked at the stats around loneliness and how devastating it can be. With the Silvernest, seniors are able to increase both companionship and cashflow. It's been a great partnership for us, and we're looking to add a handful of new ones in 2019."

Looking into 2019 and beyond, Sieffert states, "We're seeing that slow tide shift that everyone has been waiting for, for ten years. The government is not reliable, and we want to move quicker through the process. Proprietary products allow us to streamline the process and improve the borrower experience. There are a lot of opportunities that can't be ignored anymore."

The Power of Proprietary

"Most of what I saw in 2018 was a focus on designing proprietary mortgage products that can serve additional retirees outside of the HECM," Hopkins says, "supplementary to the HECM and not trying to compete against it."


Scott Harmes

Scott Harmes is the national reverse mortgage manager for C2 Financial Corporation, the largest mortgage broker in the western United States. "Well over 50 percent of our clients are prospects for the jumbo proprietary," he notes, "which you certainly wouldn't say in certain other parts of the country. From our California market perspective, though, the proprietary and jumbo products offer more to our clients than what was lost with the principal limit factor and flow rate in the HUD changes. In many cases, the home value is appreciating faster than the cost of carrying a reverse mortgage. The amortization schedule in our market is one of our most powerful tools."

At C2, Harmes has each of his loan officers go through a training and certification program before they can offer reverse mortgages, because, "Our key is the consultative approach. Everything in our philosophy is oriented toward ethical service and what best suits our clients' needs. We can call on many different lenders and there are many ways to figure out what is a good and appropriate solution with real-estate collateralized resources, and what is the best program and product for the borrower. We want to get trusted advisors—adult children, sisters and brothers or financial advisors—involved early in the process."

In going through that process and trying to achieve "sustainable values," it became clear, "We were too dependent on the HECM to our senior homeowners' disadvantage. With a 50 percent increase in home values over the last eight years, and with each new regulation that came out, the FHA HECM often didn't make much sense. We were faced with what I called the 'no option value window.' The HomeSafe jumbo didn't work for less than $1.5 million, but with a HECM, equity beyond around $650,000 to $700,000 was untappable. That gap has disappeared because we now have a continuum from HECM up through the proprietaries. We now have low-cost options for proprietary products and can close for a very reasonable fee."

"Retire Better"


Reza Jahangiri

In July 2018, American Advisors Group (AAG) of Orange, CA, the nation's largest reverse mortgage lender and longtime industry leader, announced that it was rebranding as a general home equity solutions provider, with a marketing campaign centered around the concept, "Retire Better." Founder and CEO Reza Jahangiri commented that the company would be "solutions-based," and would offer conventional mortgages, FHA refinance loans and other real estate and home equity-based financial services in addition to HECMs and proprietary reverse mortgages. The company expanded its proprietary capability through a partnership with FAR to market its jumbo HomeSafe products through its wholesale channel and as AAG Advantage in its retail pipeline.

Diversification *continued on page 18*

Diversification continued from page 17

The motive force behind AAG's rebranding was twofold: more business flexibility and being able to offer seniors whatever product or service best met their individual retirement needs and goals. The diverse product offering also helps with credibility, eliminating the perception that a salesman is pushing a particular product because that is all he or she has to offer.

We are looking at deploying more non-mortgage tools. And I'm pretty confident that in three or four years we're going to see a wide diversity of retirement solutions.

"This idea came out in late 2015," Jahangiri says. "One hundred percent reverse mortgages wasn't moving the needle in terms of widespread adoption. We wanted to change how we were approaching the model, not being dependent on the one government-backed product and give ourselves other levers to pull. We know that seniors like to have options, and with choices, they are more open to home equity utilization. We started sketching the framework in 2016 and by 2018 we had transferred into a product-agnostic company." He says AAG was well-positioned to diversify based on its market research and customer demand.

As large companies have been phasing out pensions and lawmakers continue debating entitlement reform of Social Security, Medicare and Medicaid and other government-provided benefits, Jahangiri believes the acceptance of tapping into home equity as an integral piece of the financial model for retirement will be increasingly embraced by a large segment of the population.

"The bottom line was that over half of seniors' quality of life goes down in retirement. With the trajectory of entitlements all coming to a head, we have to pay the piper. And that means other solutions to retirement than just Social Security. So, any home equity extraction, we're going to be agnostic to, though we still believe HECM is the most elegant solution." He says it is still the only loan specifically designed for seniors and feels that if HUD addresses the back-end servicing management issues that have negatively impacted the Mutual Mortgage Insurance Fund, there will be sustainable growth in that market, especially for lower home-value borrowers where it is difficult for proprietary products to compete.

With more than half of older veterans owning their homes without a mortgage, according to a report AAG cited from the Housing Assistance Council, VA loans were an obvious business segment to pursue. They offer veterans the opportunity to purchase new homes, and for cash-out refinance for home modifications, care or supplementary retirement income. AAG claims to be the only financial services company with a VA loan aimed exclusively at older veterans.

AAG opened a forward-lending office in the Sacramento area, with a force of 70 to 80 loan officers. In fall 2017, it rolled out a real estate brokerage division to take advantage of hundreds of thousands of leads it receives each year that aren't suitable for reverse mortgages.

"Not just proprietary or HECM are a total solution," Jahangiri cautions. "The reverse mortgage industry is dealing with forced evolution. We are looking at deploying more non-mortgage tools. And I'm pretty confident that in three or four years we're going to see a wide diversity of retirement solutions."

Changing the Definition

Where might this diversity come from?

Dan Hultquist

Dan Hultquist, Atlanta-based vice president of education for Richmond, VA's Live Well Financial, literally wrote the book on reverse mortgages, entitled *Understanding Reverse – 2019: Answers to Common Questions – Simplifying the New Reverse Mortgage.* "I'm a HECM purist, he says. "I love the HECM and it's still the dominant product. But we have to be able to service more homeowners, and that means literally changing the definition of the reverse mortgage from the HECM, proprietary and single-purpose products.

"Traditionally, a reverse mortgage was a lien against your home, where payment is deferred to a later date. But now, there are so many other options—sell and stay, sell and lease back, for instance—that we have to think in

terms of various equity-release loans like they have in other countries in which you don't always retain home ownership." (See *International Home Equity Use* in the November-December 2018 *Reverse Mortgage*.)

"For instance," Hultquist continues, "there used to be a market for shared equity. Now it's coming back. To utilize home equity, you used to have to sell your home or get a line of credit or a reverse mortgage. Now home equity can be leveraged as a form of debt, but equity release can open up new possibilities with no debt, just by selling off a part of your house and still benefit from shared appreciation.

"If you think of your house as an asset class, it's just like drawing on any other nest egg. With a 401(k) there are costs that you don't think about, like taxes, and when the money is withdrawn, it's gone – a depreciated asset." And Hultquist echoes others when he says, "When only three percent of eligible seniors are taking advantage of reverse mortgages, we're not competing with each other; we're fighting perception."

The Condo Market

Among those opportunities is the condo market. An increasing number of seniors are living and aging in place in condominiums, but there has been a commensurate increase in the difficulty of obtaining a HECM for a condo unit since FHA did away with spot approvals in 2009. According to a January 7, 2019 article by Jessica Guerin in *HousingWire*, "With the Department of Housing and Urban Development dragging its feet for the past two years on finalizing rules that would bring back spot approval of FHA loans, things might not change anytime soon.

'When I'm talking to a potential borrower and I find out that they've got a condo, I say a little prayer and hope to God that they're approved, but usually they're not,'" the article goes on to quote Philip Lipp of Allwest Mortgage in Valley Village, CA. Many condo associations are unwilling to seek FHA approval for the entire complex, either due to the hassle or a perception of a negative stigma associated with HECMs and property values.

Lately, however, several companies are offering proprietary products much better suited to condominium owners. Significant among them is Reverse Mortgage Funding's (RMF) Equity Elite program, available to those 60 and over, and, like FAR's HomeSafe, with no insurance premium and borrowing limits up to $4 million. Most important for condo owners, individual units can be part of an overall FHA-approved development, Fannie Mae-approved or simply qualified by RMF.

The New Approach

"Companies are indicating that development of additional offerings is going to be a focus in 2019," Hopkins observes. "In the end, retirement planning is very much unique to each person, so it should not be a surprise that the solutions and tools offered should also be flexible. There is no one-size-fits-all approach and I think there is a growing recognition in the industry that offerings need to adapt to better serve the client."

That new and more expansive approach is perhaps best summed up by FAR's Sieffert when she says, "Our ultimate goal is to have people live a better retirement. We think we can help people get more excited about the possibilities in retirement rather than a sense of dread that many now have and make the journey a lot easier for them." RM

Balanced Viewpoint (cont.)

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with prospective users of equity release products through involvement in community and civic organizations, reverse mortgage professionals might find that they can become appreciated for their widespread knowledge and the information they can provide. We are working in a complicated market, an aging maze. People want guidance.

As John LaRose taught me before NRMLA began, there's little sense in continuing to do the same things we've been doing for years and expecting a different outcome. We must have the flexibility to continually re-invent ourselves as retirement finance professionals, develop broad-based knowledge on not only all aspects of reverse mortgages, but also the other equity release products coming to market that can support the issues and costs of aging, while, at the same time, reaching out to build new relationships through getting involved in community and civic organizations. It's never a bad time to try something new.

What do you plan to do differently in 2019? Please share your ideas with us. RM

Wearing Many Hats

RETIREMENT PREP:

Medicare Advantage's Many Advantages

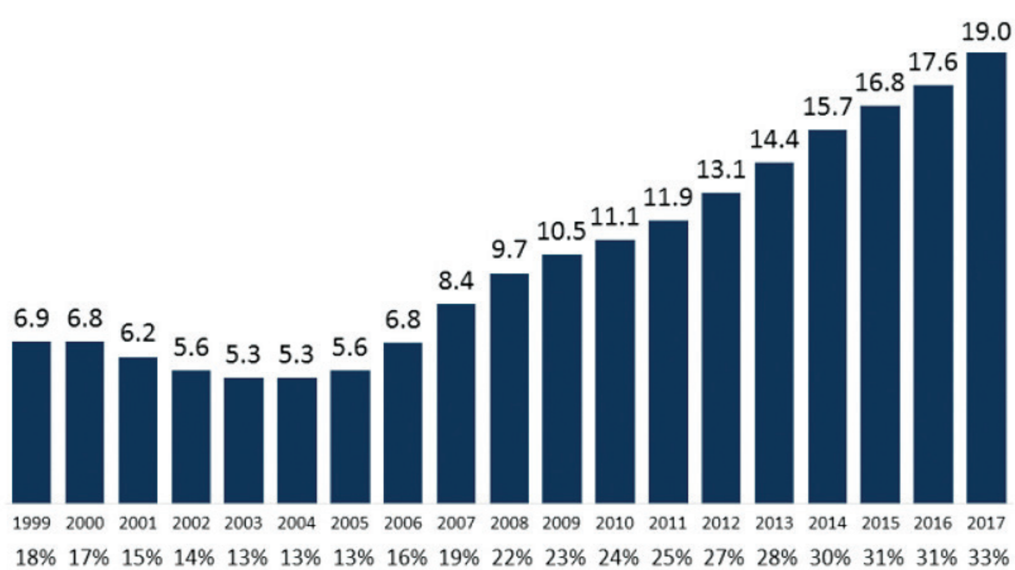
Private health insurance for seniors expanding rapidly By Marty Bell

SOMETIMES CONTROVERSY CAN BOOST SALES. A controversy that shows up repeatedly on your television and in your emails almost daily may irk you, but at the same time it pushes the issue front and center in all of our very crowded minds.

Though there may be differing opinions on the effectiveness of the now nine-year old Affordable Care Act, there is not a lot of complaining coming from the health insurance companies that offer Medicare Advantage plans. For 2019, there are 3,700 plans on the market, a growth of 600, or 16 percent, in the past year alone. The larger providers—United Healthcare, Aetna, Anthem and Humana, who together claim over 50 percent of the market—are all vastly expanding the areas they serve. And competitors, large and small, are racing to get into (or back into) the space. Mutual of Omaha, for instance (which last year entered the reverse mortgage space via its purchase of Synergy One), is also now re-entering the Medicare Advantage space after a two-decade absence. Little known local companies are popping up in markets, urban and rural, throughout the country.

The attraction? This is a market that grows by 10,000 new Medicare qualifiers per day. There are now 22 million adults over 65 who have Medicare Advantage plans, that is 33 percent of the Medicare market – and up from 25 percent in 2010, when the ACA was implemented. Historically, African Americans and Hispanic Americans have not utilized this program, but that is changing significantly. Like your utility and television cable or streaming providers, these health insurance providers maintain a steady and steadily growing stream of monthly revenue. It sure seems appealing to sell a product that you sell once and that then collects a premium month after month for years. Since evidence proves Americans are either creatures of habit or unusually loyal (or both), once they climb in bed with and cozy up to your product, they tend to remain there.

Total Medicare Private Health Plan Enrollment, 1999-2017



% of Medicare Beneficiaries

Source: Henry J. Kaiser Family Foundation

As the reverse mortgage business expands its vision and services into a more diversified retirement services industry, it would seem of value for industry professionals to have a grip on Medicare Advantage. Medicare Advantage does usually come at a cost (anywhere from $0 to about $300 per month) and for those clients struggling to keep monthly expenses minimal, a reverse mortgage line of credit may be a helpful source of payments. And, since very much like the reverse mortgage industry, Medicare Advantage is offered both directly by the larger health insurance companies, as well as by independent sales representatives, in a market of proprietary products where there are not government restrictions on cross-selling, it may even be a welcome addition to your company's product line.

Why Medicare Advantage?

The Affordable Care Act aimed to refocus healthcare away from overhead-heavy large health facilities, like hospitals with necessary up-to-the-minute equipment and large around the clock staffs, to on-site, in-home care. It also advocated an approach called "patient-centered care," in which each individual's situation and the response is treated as something unique as opposed to just another case on the health assembly line addressed with standard and too often unnecessary procedures.

Medicare Advantage was created as a demonstration program in the Balanced Budget Act of 1997. Medicare Advantage, or Part C, is provided by private insurance companies and in addition to including Part A (hospitalization) and Part B (physician and surgical services), it provides additional benefits from a menu that has expanded recently and become more flexible. Each plan makes its own rules and chooses the benefits it offers, but most plans include dental and some vision services and now many also include reimbursement for adult day care services, meal delivery, transportation to doctors and home modifications, such as bathroom grab bars and ramps. There is also a recent emphasis on reimbursement for telehealth—doctor's appointments via technology—which is currently all the rage and particularly helps to fill the care-gap in rural areas.

Perhaps, most significantly, many Medicare Advantage plans can now, when the provider chooses to offer it, cover the expenses of health-related in-home care or caregiving by non-medical professionals. Assistance with what are referred to as Activities of Daily Living (ADLs)—dressing, bathing, cooking, shopping, etc.—has become increasingly necessary as the mounting wave of longevity continues to extend more lives and paying for it is a burden that has triggered widespread discussion among aging services professionals. Long-term care insurance is one available solution, but its costs and limitations have made it a difficult sell and the response has been scarce. The CLASS Act was a proposed innovation by the Obama Administration early in its term, a national opt-out insurance program that would have been paid for with additions to Social Security and Medicare payments, but was quickly pulled from the contentious debate surrounding the Affordable Care Act. Eight-hour a day, weekday-only caregiving will cost about $3,200 per month and 24-hours a day, seven days a week caregiving will cost over $150,000 per year, so any relief from this is welcome.

Is Medicare Advantage right for you?

Because Medicare Advantage plans vary in benefits and costs, they require taking the time to study them individually. There are an average of ten plans available to residents in each area of the country.

Your assessment needs to include the cost of monthly premiums, co-pay requirements and deductibles measured against the anticipated cost of your healthcare and the expected cost of your pharmaceuticals. The plans also have maximum out-of-pocket amounts. Many restrict you to a network of specific doctors, hospitals and pharmacies. So you need to compare regular Medicare to the Advantage plans and then the Advantage plans against each other.

The cost is usually what you must pay for Medicare Part B as determined annually by the government Centers for Medicare and Medicaid Services (CMS)—$135.50 per month in 2019—plus the insurance provider's Medicare Advantage premium, which can run anywhere from zero to about $200 per month. Out-of-pocket limits, the most you will ever have to shell out without reimbursement no matter how complex your healthcare, runs from about $2,000 to $8,000. The costs and services of the many plans I have reviewed are detailed and transparent. But if you feel that you need assistance, you might be better off going to an insurance broker than doing your own research.

Medicare Advantage continued on page 22

Wearing Many Hats

Medicare Advantage continued from page 21

There is a Medicare Advantage enrollment period each year – January 1 to March 31 in 2019. This is your opportunity to switch from regular Medicare to Advantage. Once signed, you will have a three-month trial period during which you can switch back or switch to another Advantage plan. There is also an annual disenrollment period during which you can switch back to regular Medicare.

Does this make any business sense?

The following are all true:

- Some Medicare Advantage plans charge premiums of $0.
- Medicare Advantage plans offer expanded benefits compared to basic Medicare.
- Average premiums are estimated to decline 6.1 percent for 2019.
- For-profit Medicare Advantage insurers saw a profit margin in 2018 of five percent, twice the profit of other health insurance.

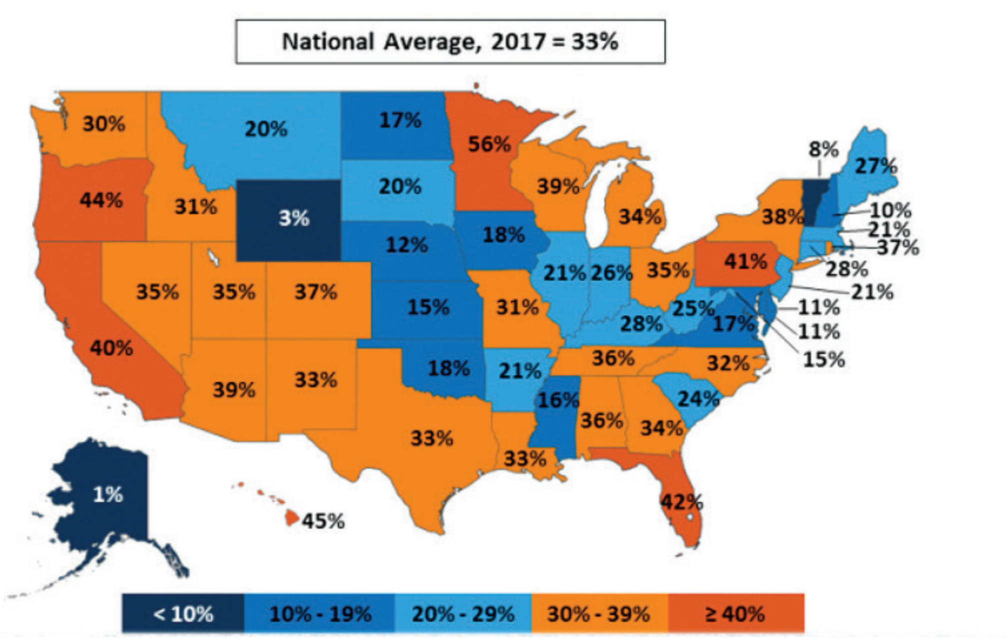
How can this be?

Well, the government pays the private plans to provide coverage. Supporting the option of private insurers in the market has proven to be less expensive to government than being the sole Medicare provider. There was concern when the change in administrations occurred in 2017 that government support would diminish. And yet political tailwinds appear behind Medicare Advantage – this administration boosted payments by 3.4 percent for 2019, demonstrating its commitment to the program.

Payments are now based on a pay for success model, adapted as part of the new approach to healthcare laid out in the ACA. Plans can receive bonuses from the Medicare Payment Advisory Committee if they achieve four or more notches on a five-notch scale that measures quality of care and customer satisfaction. There are also risk adjustment payments to the plans when additional health risks and illnesses are identified and addressed.

Modern medicine is overwhelming. When you spend time in today's hospitals, you witness that even the most common, routine procedures involve extensive staff and expensive technology. You want the best treatment, but the costs can scare the heck out of you. Many Americans still avoid needed care due to fear of the costs. Now just over 20 years old, Medicare Advantage is an innovative private/public experiment to address our national wellness. Its expansion in both services and availability is welcome. Receiving the statement from your Medicare Advantage provider that details your recent healthcare costs but also indicates that you owe zero makes you feel good. RM

Share of Medicare Beneficiaries Enrolled in Medicare Private Plans, by State, 2017



Source: Henry J. Kaiser Family Foundation

Wearing Many Hats

Working with Daily Money Managers

A potential resource we don't often hear about By Mark Olshaker

FOR SEVERAL YEARS NOW, WE HAVE BEEN HEARING more and more about how the reverse mortgage industry has been making a concerted effort to establish connections with the financial planning field to get its professional advisors to include HECMs in their catalogue of recommendations of retirement solutions for their clients. But there is another group of financial professionals that is taking on an increasing presence in the lives of many seniors, and these people are also in a position to appreciate, recommend and facilitate reverse mortgages and other retirement funding vehicles. They are called daily money managers.

According to AADMM—the American Association of Daily Money Managers—"Daily Money Managers (DMMs) deliver essential financial services to seniors and older adults, people with disabilities, busy professionals, high net worth individuals, small businesses and others." Like National Reverse Mortgage Lenders Association, AADMM is an industry organization providing information and education to its members and the public and has established a code of ethics and set of standards to guide the industry.

Christopher "Chris" Baker is a prominent daily money manager in Atlanta, GA, a CPA who formed Baker DMM, LLC in 2012. As he explains it, "Financial planners are looking at the higher level; the big picture, the long-range financial prospects for their clients. We're much more day-to-day, keeping track of cash flow and budgeting. We do work with financial planners and advisors, and we reach out to them if a client uses one."

As to his industry's attitude toward reverse mortgages, Baker states, "If it makes sense, we recommend it."

What is now known as daily money management used to be known as a family office. "It was for people of high net worth," says Baker. "But technology has made it more workable for people in the middle-income sector. And our fee structure is designed to make our services affordable. Generally, the longer we work with a client, there is a downward sliding scale of fees as we reach the point where we're mainly doing financial maintenance." The average age of his clients ranges from the 60s to 80s, "And we have some very busy professional clients, too." Managed client assets range from around $25,000 to more than $1 million. "Lower-income groups can get help from the government and the wealthy have a lot of advisors at their disposal, so we concentrate on the group in the middle."

Chris Baker

Focus on seniors and their families

One of the benefits AADMM expounds is its members' ability to take care of the needs of aging seniors in ways that both help them and give peace of mind to adult children who may not live nearby and therefore cannot keep close track of their parents' monthly issues. As one example, going through an elderly couple's mail each month, professional daily money manager Jaquelyn Bell of Bloomfield, NY, noticed that they were being billed for automobile insurance even though she knew that neither of her clients still drove. It turned out that their license plates had never been turned in to the local department of motor vehicles. She obtained a lost plate report from the sheriff's office and took the report to the DMV, from whom she obtained a receipt so she could cancel the car insurance. Having secured her clients' permission, Bell communicates regularly with their daughter who holds their legal power of attorney and participated in conference calls with the couple's investment advisor.

This kind of day-to-day involvement and advocacy is what gives daily money managers the perspective to know

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Wearing Many Hats

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how and when a financial product, like a reverse mortgage, can aid their clients.

Core services

Though Baker is a CPA, "We're not charging like CPAs, by the hour. We tell potential clients the scope of services at the beginning with a proposal. Then we'll enter into a contract and a confidentiality agreement. We have business and professional insurance, and every month, we provide a financial report."

He outlines six core services his firm delivers, which are representative of what the industry offers:

- Personal bookkeeping and bank deposits;
- Financial monitoring, including protection from fraud and other potential abuses;
- Financial advice on what clients should do with their money, including any decision relating to cash-in or cash out;
- Bill paying;
- Vendor management, including working directly with people who serve their clients; and
- Power of attorney services.

AADMM also specifically lists organizing tax documents and other paperwork; negotiating with creditors; and providing referrals to, and working with, legal, tax and investment professionals, all of which Baker and other DMMs perform.

"If the financial advice involves something that's highly specialized—getting a hip replacement, for example—we will tell them where to go to get that part of the help," he notes.

On the other hand, Baker says, "Reverse mortgage clients could greatly benefit from having a daily money manager helping them keep track of the [loan proceeds] and using them wisely. In other words, as in any other financial matter, after the transaction, make sure you don't lose it!"

The DMM's mission

It is this type of interaction that led Baker into the DMM field in the first place. "I went to college and got my accounting degree and worked for two fine public accounting firms. Everything was wonderful, but I really wasn't relating to the work and found myself professionally unfulfilled. I used to talk about ideas for new businesses with my boss. And in 2008, my mom died. That kind of event really refocuses you. It took four years, but in 2012, I read an article in the *Journal of Accountancy* entitled, 'Daily Money Management – What CPAs Should Know.' The seed was planted. I thought to myself, 'Wow, I can use my education and CPA certification to help a group of people who are very vulnerable.'"

That, Baker realized, was where his passion lay. He cites the example of, "One of our longest-served clients. They were in their late 70s and the [2008] recession had hurt them badly. Working in conjunction with their financial planner, we recommended a reverse mortgage to optimize their assets and make their day-to-day lives easier."

All strategies are aimed at the individual situation of each client and, as such, he takes a broader view of reverse mortgages than simply as a retirement planning vehicle or a counterbalance to having to sell off securities at the wrong time. "Maybe some people didn't save enough along the way, maybe they lost a lot of money in the stock market, or maybe they were victims of theft or fraud. There are a number of situations where we would think a reverse mortgage makes sense."

And as far as working directly with DMMs he says, "There are huge opportunities for crossover partnerships."

A list of certified daily money managers by name, state or zip code is available on the AADMM website: secure.**aadmm.com**.

Six years on, Baker looks back and observes, "It's been very rewarding, personally and professionally, and I've learned more than I could ever imagine."

One of the first items one sees on the Baker DMM website, **bakerdmm.com**, is the large headline proclaiming, "CREATING FINANCIAL PEACE OF MIND FOR SENIORS & THEIR LOVED ONES ONE DAY AT A TIME." The motto for his company is "Live in the Moment. Think Forward." And that is how he helps his clients organize and get the most out of their lives. RM

Who Are the HMBS Investors?

HECM investments should have worldwide appeal By Mark Fogarty

DESPITE A RECENT DROPOFF IN HOME EQUITY Conversion Mortgage (HECM) originations, the potential investor class in securities made from HECMs remains wide. Worldwide, in fact.

That's what Michael McCully thinks. HECM Mortgage-Backed Securities (HMBS) should be a global product," says McCully, partner at New View Advisors, Naples, FL, and an expert on reverse mortgages. "There's no reason this (security) can't be distributed around the world any less than forward Ginnie Mae securities."

That's because any investor in Ginnie Mae securities is also a potential investor in HMBS, which have Federal Housing Administration collateral like Ginnie Maes do. And Ginnie Mae holdings by investors passed $2 trillion in unpaid principal balance last year.

"We don't give specific names," says McCully of HMBS investors. But, "it would be no surprise to see a list of investors in HMBS securities include very well-known money managers, banks, federal agencies and other institutional investors that require short-term guaranteed liquidity.

"Some may not purchase because of the quirkiness of the reverse mortgage product but in general that's who's buying."

McCully did not speculate on places in the world which might have a lot of potential HMBS investors. But if they follow world interest in Ginnie Maes, the big three for the HECM-based securities may be Taiwan, Japan and China.

According to Ginnie Mae's 2018 annual report, the agency estimates that as of June 2018, investors in Ginnie Maes held $72 billion in the product in Taiwan, $70 billion in Japan and $51 billion in China.

"We've called it 'the Holy Grail' of fixed-income securities," as McCully sums up the Ginnie Mae product. "HMBS is a great investment because it is a mortgage-backed bond that has a good spread but much less prepayment risk than other mortgage bonds. As a Ginnie Mae, it has the implicit guarantee of the government and it's doubly insured if you include the HECM FHA insurance.

"HMBS have positive convexity, that is, duration and yields do not move hand in hand for this product." Adding more liquidity to the product is that most HMBS, at least 75 percent, get re-securitized into Real Estate Mortgage Investment Conduits (HREMICs).

"There can be a slight arbitrage by tailoring cash flow and bond performance to investor needs," McCully notes of the additional security. The HREMIC creates an interest only (IO) security and a par floating-rate security. Broker-

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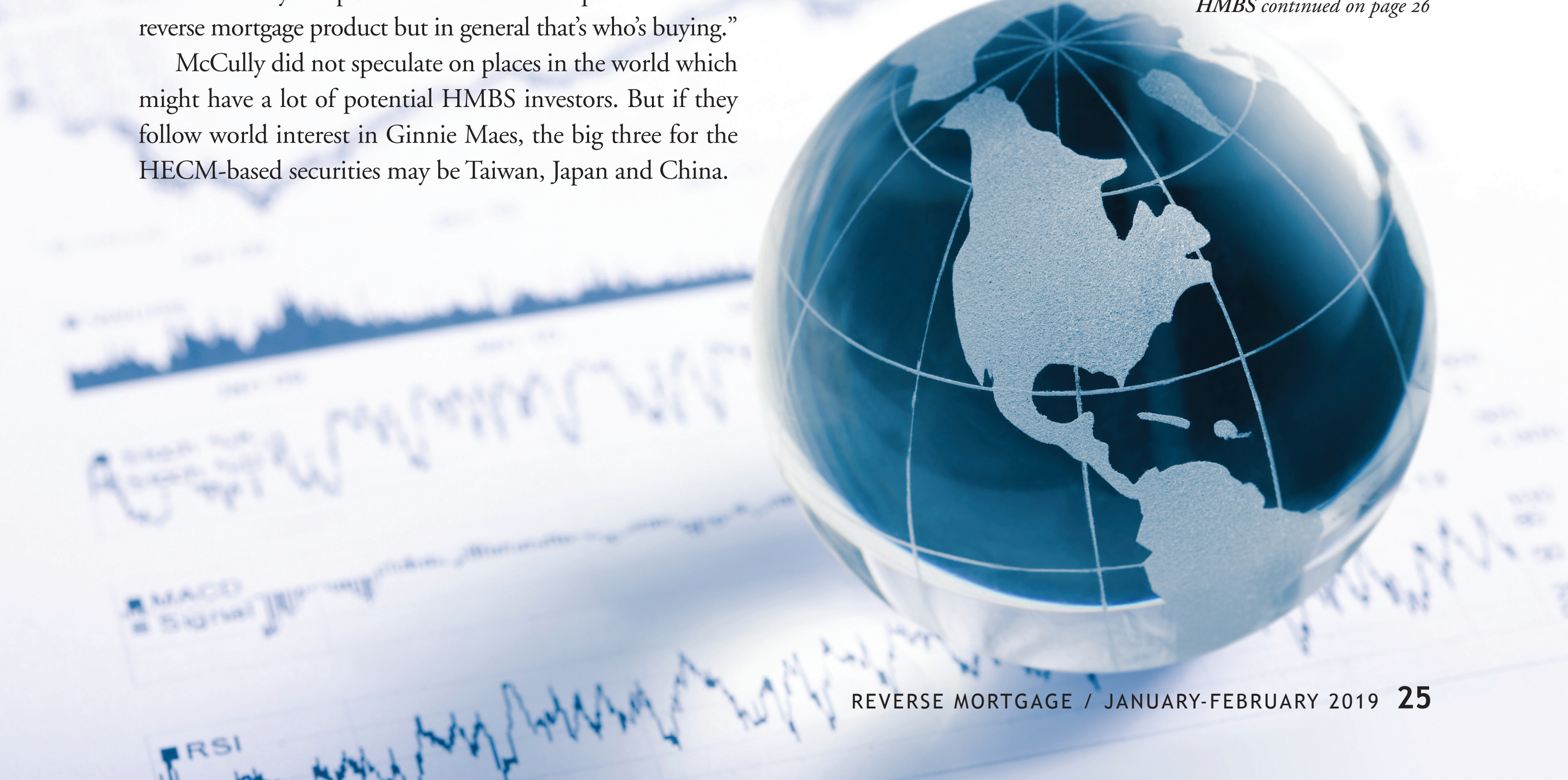

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dealers make incremental money by segmenting cash flows and investors receive securities that better fit their investment requirements.

"The par floaters, essentially floating rate Ginnie Mae securities issued at par to further reduce prepayment exposure, are sold to investors that don't want to take premium risk. When the arb is there, HMBS go into these securities. When the arb is not there, HREMIC issuance volume falls," he says.

"Demand from the investment community is quite deep. The industry is dealing with a supply issue. New originations have not been able to break out of the approximate 50,000 units per year range for quite some time. Recent changes to the program have continued to put downward pressure on volume. We as an industry have not been able to figure out how to appeal to a broader swath of borrowers."

2018 Results

Last year saw a dropoff to $9.6 billion in issuance from $10.5 billion in 2017, a nine percent decline. Overall issuance of Ginnie Maes trended lower as well. HMBS volume (it is counted in with Ginnie Mae IIs) was off substantially year to year in November 2018, down to $522 million from $989 million a year earlier.

This year isn't showing much hope for an uptick from 2018, according to McCully. Last year's HMBS volume benefited from a good supply of highly seasoned HECMs, which may or may not again happen this year. The federal shutdown doesn't help anything either.

Those highly seasoned loans were originated years ago and held as whole loans, likely by Fannie Mae. "While issuance of highly-seasoned HMBS helps with liquidity and the aggregate volume, it's not a reflection of current production. And it's not guaranteed that type of supplemental volume will always be there," he says.

McCully thinks all in all 2019 will look very similar to 2018. Tail issuance (securitization of subsequent drawdowns after the original drawdown of the loan) remains a significant part of the market. Last year, $2.7 billion, or 28 percent of all HMBS, was issued from tails.

One of the impediments to new volume is ongoing program changes every few years by the Department of Housing and Urban Development. Because the annual actuarial report to Congress projects future losses to the program, HUD is forced to retool the product. HECM losses are not allowed to be subsidized by taxpayer money.

"The industry takes several months to adapt to program changes and the volume starts to increase again," McCully says. "This has been a repeating pattern since 2010. However, the industry has had so many changes since then it's hard to get a prolonged stretch without further change to the program. HUD continues to modify the program and that keeps volume down."

The most recent and significant of these changes happened in the fall of 2017. "The industry is still adapting to lower PLFs (principal limit factors) and lower than expected minimum rates that went into effect from the mortgagee letter that came out in October 2017," he says.

Enter Proprietary Investors

What can the industry do to boost volume?

One thing might be to expand the lower age limit for HECMs from FHA's current 62. Reverse Mortgage Funding (RMF) has introduced a proprietary (non-FHA) product that drops the age limit to 60 and increases the upper limit of the loan to $4 million from FHA's $726,575.

RMF's Equity Edge Reverse Mortgage was rolled out in June in California, Florida, New Jersey, Oregon and Virginia through RMF's retail channels.

The product would also expand the market to non-FHA condominiums and would lift the restriction on proceeds for the first 12 months. RMF touts that it requires no mortgage insurance premiums and can eliminate almost all lender closing costs.

David Peskin, president of RMF, thinks non-QM investors are another potential market class for reverse mortgages – but not necessarily for the HECM. (A QM—Qualified Mortgage—is a category of loans that have certain, more stable features that help make it more likely the borrower will be able to afford the loan. Non-QM loans do not require these features.)

"Non-QM bond buyers would be very interested in private label reverse mortgage securitizations," he said. "The non-QM was designed to fill some of the void the QM loan took away from certain customers. It's a thriving business. The reverse mortgage space should look exactly the same."

According to Peskin, with proprietary loans the reverse world starts to look like the forward mortgage world, with less money made on each loan but a higher total volume.
"There's no reason the reverse mortgage world can't look much more like the forward mortgage world," he says. RM

The Adventures of a Lifetime—Thanks to H4P

By Jessica Hoefer

WHEN RUTH AND RALPH LOFTIN MET IN THEIR hometown of Cleveland, OH, they were 13 and 15, respectively. "Ruthie's father was an explorer and a boy scout leader, and I joined his troop, and she was, well, she was additional," muses Ralph, now 72. "I wasn't allowed to date until I was 16, but the explorer group held dances and outings, so we had chaperones, mostly my parents," adds Ruth, now 69. Ralph recalls fondly that Ruth's mother didn't care much for having him around, but after a while she finally threw up her hands and accepted the fact that he was going to be around for a very long time.

Fifty-six years later, and after 52 years of marriage, Ruth and Ralph remain as devoted to each other as they were as kids, raising three kids of their own—two daughters and one son—spending time with their ten grandkids and living all across the U.S., from Ohio to Boston to Florida, Illinois and finally settling in Mesa, AZ.

While living in Florida, Ralph worked 17 years for the electric company, while Ruth worked with State Farm. After the kids had all graduated from high school, Ruth got Ralph a job with State Farm, which resulted in them moving to Bloomington, IL. Their youngest, son Brad, who also works for State Farm, likewise resided in the Bloomington area.

In July of 2018, when Brad was transferred to Mesa, AZ for work, he asked his parents to move too. With their oldest daughter, Janice, and her family in Grand Rapids, MI and their middle daughter, Dawn, whose husband is in the military, moving all over the world, Brad felt that as his parents aged, they would be better off being close to some family. Ruth and Ralph agreed that it would be a sensible move, seeing as how their closest family was now five hours away from them. And as Ruth jokingly puts it, "They have winter in Michigan, lots of snow. The climate in Arizona is much better for us. Though we never thought we'd be this far west, it's an adventure."

Both Ruth and Ralph retired from State Farm in June 2012, cashed in their unused vacation days and took a

Ruth and Ralph Loftin at home in Mesa, AZ

12-day trip to Hawaii, Ruth's dream trip, and then another week-long trip to Alaska in 2017, Ralph's dream trip. Unfortunately, they are not able to travel much anymore, as Ralph struggles with health issues.

While Ruth and Ralph's home in Illinois was a two-story condo, they decided that upon their move to Mesa, they would downsize to one-story with a housing association that oversees the upkeep for them. Neither Ralph nor Brad wanted a home where they would have to maintain the grounds, and Ruth wanted something that was manageable for her on the inside. They ended up downsizing from 2,000 square feet to roughly 1,100 square feet with two bedrooms and two bathrooms.

As they began looking for a new home in Mesa, Ruth and Ralph didn't want a reverse mortgage and initially planned on selling their Illinois home and getting a VA loan to cover the cost of the new condo. They set their price range at $200,000, but their Realtor was having trouble finding something in their preferred area that fulfilled all of their requirements and was within their price range. So, the Loftin's asked their Realtor if she knew anyone in the area who could assist them with a mortgage. Fortunately for

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them, their Realtor happened to be related to Brian Belluomini, CRMP, of Acrobat Financial Group LLC, and he was able to help the Loftin's out. Belluomini knew that the Loftin's did not want a mortgage payment on their new home—the Illinois residence had no mortgage payment—so he suggested the HECM for Purchase. Initially they were hesitant to even consider it. Ralph explains, "It was hard for us to believe we could live in a home and not pay a mortgage, there had to be a catch. We were also concerned about passing away and leaving our children with the burden of paying for it." But once they were educated on the power of the H4P, the shrewder option clearly became the one with no additional payment, no burden to their children and that allowed them to afford a nicer home in a nicer neighborhood. Thanks to the H4P, Ruth and Ralph don't have a monthly payment—other than paying taxes and property charges—and were able to retain over $30,000 in their pockets from the Illinois sale.

Ruth says that while the VA loan would have been helpful, the application was online and even though they were able to speak with someone to ask questions, they prefer the one-on-one approach that Belluomini was able to provide. Additionally, with the H4P they were able to increase their price range another $50,000, allowing them to find a lovely condo in The Village at Apache Wells—a 55+ Community with a range of amenities, in a nice and safe neighborhood—which is only three miles from their son's home.

Both Ralph and his son, Brad, were appreciative of Belluomini's constant support and how he included Brad in all conversations, made sure they both had copies of all the paperwork and took his time explaining everything in detail to them. For Ralph it is all about trust. Because they trusted their Realtor, and she in turn trusted Belluomini, the Loftin's felt they could trust him as well. Ralph says, "It's about being loyal. I would recommend Brian and Jennifer (the Realtor) to anyone moving to the area, they were great."

The Loftin's new condo in Mesa is small, yet, cozy with stucco walls and what Ruth calls, "weird trees," all around. They have stone and cacti and palm trees in their front yard, a far cry from the lush landscapes they were accustomed

to in Illinois. And while it is clear from Ruth's tone that she misses the topography and vistas she grew up with, it is also apparent that she has settled in comfortably in Arizona. Their new home has a patio out back, and while it is strange not having a front door—using garage doors or placing the main entrance on the side of the house is more common in the area—Ruth is grateful that their home has a washer/dryer inside instead of in the garage, especially in anticipation of the heat of summer. And even though they have sufficient storage space, such as an attic over the garage, Ruth is adamant about not using the space for fear of the scorpions that are notorious in Arizona.

The Loftin's favorite pastimes are spending time together, going out to dinner and visiting with their kids and grandkids. To celebrate their first Christmas in their new home, the Loftin's daughter, Janice, and her family traveled from Michigan to spend the holidays. And, of course, Brad and his family were in attendance as well. Ruth was able to show off the new condo, it's open concept design with beautiful wood flooring, remodeled kitchen, lots of closet space (a good thing, since they aren't planning to utilize the attic), a two-car garage and enviable plantation shutters. And conveniently, the master bathroom has a walk-in shower with a seat inside, should they ever require it.

To the Loftin's pleasant surprise, the whole relocation and reverse mortgage process was relatively seamless, from the move to obtaining the H4P to settling in. Even the housing association fees and taxes are less expensive in Arizona. And outside of feeling completely at home, the most surprising thing for Ruth was the fact that the H4P not only allowed them to increase their price, but it left them without a monthly payment on a traditional mortgage—one they feared they'd be paying for the rest of their lives—and meant they were able to purchase a home that exactly meets their needs.

Well, almost. As Ralph affectionately kids, "Like so many women, the newly remodeled kitchen doesn't exactly meet Ruthie's specifications." But thanks to the H4P, the residual funds from the sale of their Illinois home will be spent on renovating the kitchen to those desired specifications. The design hasn't stopped Ruth from baking some of their favorite pastries though. The house constantly smells of mouth-watering scents from nut rolls, kolaches, nut horns, cinnamon rolls and cookies.

While the home itself is a bit smaller than they are used to, the Loftin's are acclimating, enjoying the warmer weather and have embraced a saying from one of their grandsons, "It's ok, it's alright." They optimistically look at every new circumstance as simply another adventure. An exciting adventure that they have been on since they were kids. RM

Who's Who in Reverse Mortgages

Member News

RMF Acquires HMBS Portfolio

In a commentary published by New View Advisors, Reverse Mortgage Funding LLC acquired Live Well Financial's HECM Mortgage-Backed Securities portfolio, totaling just over $4 billion. That gives RMF an outstanding portfolio of almost $12.7 billion, surpassing Nationstar Mortgage as the top issuer portfolio. Live Well said it will continue to actively aggregate, securitize, trade and service reverse and forward mortgage volume. "Our 2019 strategy is about expanding our wholesale and field retail footprints in both reverse and forward," says Live Well Executive Vice President Bruce Barnes. "Our expansion into forward is something that we have been working towards and expanding rapidly."

AAG Named Top Workplace Sixth Consecutive Year

American Advisors Group, Orange, CA, has been named a 2018 Orange County Top Workplace for the sixth consecutive year by the *Orange County Register*, a three-time Pulitzer prize-winning newspaper. AAG's Top Workplace recognition is based on employee surveys conducted by third-party research firm, Energage. The annual program celebrates Orange County companies, organizations and nonprofits that "embrace an inclusive workplace culture that elevates each employee." Based on the survey results, AAG was ranked in the top ten in the large company category.

Congratulations John Thompson

NRMLA congratulates John Thompson of C2 Financial Corporation, Pasadena, CA, for earning the Certified Reverse Mortgage Professional (CRMP) designation.

Thompson has originated reverse mortgages for 3.5 years and he will be celebrating 30 years in the mortgage industry in 2019.

"I like to refer to myself as a Generational Lending Expert because since 1991 I have been advising families on their first home, their next home and even their final home," says Thompson "The rush that comes from helping a first-time buyer get that American Dream to the life changing impact of helping a client right size or age in place with a HECM/reverse mortgage is what gets me going each and every day."

AAG Hires New SVP of Operations

American Advisors Group announced the hiring of Joseph "Joe" Stephenson, a former Morgan Stanley, Bank of America and Wells Fargo executive, as its new senior vice president of operations. Among his duties will be the oversight of all operational facets for AAG's sales channels, including the national field sales division, retail call center and wholesale division. He will report jointly to Paul Fiore, AAG chief retail sales and operations officer and Jesse Allen, AAG EVP of alternative distribution. RM

Profiles of Member Companies

American Advisors Group (AAG)

American Advisors Group (AAG) is the nation's leader in reverse mortgage lending, licensed in 49 states. The company, founded in 2004 by CEO Reza Jahangiri, is headquartered in Orange, CA. We are dedicated to helping American homeowners leverage their home equity as an asset to help fund retirement.

AAG is accredited by the Better Business Bureau, has a 97 percent customer satisfaction rating and is a proud member of the National Reverse Mortgage Lenders Association (NRMLA). Jahangiri serves as the association's co-chairman and co-chairs NRMLA's Policy Committee.

Fraser Tod, ftod@aag.com
866-964-1109 • Please visit AAG.com/Wholesale

Celink

People – We are a team of committed and ethical reverse mortgage servicing professionals and subject matter experts.

Platform – ReverseServ™ is Celink's proprietary reverse mortgage servicing platform.

Process – Celink manages thousands of line of credit requests, files hundreds of claims to HUD, and may process between two to 5,000 monthly prepayments, foreclosures, due & payables, and T&I defaults.

Partners – Celink has long-term and mutually profitable relationships with very reputable names in the reverse mortgage industry.

Passion – Celink is dedicated to its clients, their borrowers, and the reverse mortgage industry-at-large.

Contact: Katie Rizzo, Director of Client Relations
517-703-1857 • www.celink.com

Finance of America Reverse LLC

FAR is the nation's #1 Wholesale Reverse Mortgage Lender and one of the largest issuers of GNMA securities. FAR's commitment to customer service is more than "just business." We strive to foster a personal rapport as our staff treats you and your customers as one of the family.

From our exclusive HomeSafe® jumbo to HECM products, you'll receive the tools and exceptional service to help you grow your business.

Join the FAR family where you can expect best-in-class training, competitive pricing and a variety of lending platforms.

Jonathan Scarpati, VP
516-445-9465 • jscarpati@fareverse.com
www.farwholesale.com

HighTechLending

HighTechLending, dba American-Senior, is a FHA, Full Eagle Mortgage Bank, holding GNMA and FNMA approvals and specializing in retail, reverse and wholesale platforms. Based in Irvine, CA, we have over 50 branches and are licensed in 19 states nationwide. Since its founding by Don Currie and Erika Macias-White in 2007, HighTechLending has become a Top 10 HECM lender nationwide, and the second largest in California. With over 35 years in the mortgage industry, Don Currie's vision is continuing to expand its national reverse footprint with confidence and integrity and always maintaining the perfect branch platform thanks to its exceptional staff, efficient operations and commitment to seniors.

Contact: Adrian Prieto, VP Wholesale and Branching
888-369-1573 • www.HTLWholesale.com

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Liberty Home Equity Solutions

For over a decade, Liberty Home Equity Solutions, Inc. (Liberty) has been committed to helping seniors gain financial independence and security through Home Equity Conversion Mortgage (HECM) loans. Based in Sacramento, CA, Liberty is one of the nation's largest and most experienced lenders, focusing exclusively on providing HECM loans to senior clients and wholesale business partners. We have helped change the lives of over 51,500 clients, and have provided education and lending solutions to over 1,000 business partners across the U.S.

www.libertyhomeequity.com
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When you partner with Longbridge, your firm will be part of an exclusive group of high-quality lenders that do business with us. Our approach to the business is different; our Gold Program includes an industry-leading pricing plan that pays for both the drawn and the undrawn portions of the HECM ARM loan. This allows you to originate low-draw loans that might otherwise be uneconomical, expanding your market and better serving the needs of your customers.

Peter Sciandra, 214-701-0973
www.longbridge-financial.com

LRES

LRES is a national provider of property valuation and REO asset management services for the real estate, capital market and finance industries. At LRES, we specialize in helping our clients effectively manage compliance and financial risks associated with valuation matters. We are the preeminent valuations provider for the Reverse Mortgage industry and deliver peerless service as we strive to be your business partner of choice. LRES has experienced significant growth, regardless of market conditions, thanks to an experienced staff, advanced technology, solid business planning, efficient operations, and the support of every client we serve.

Aaron Roaf, 714-872-5862
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Contact: Margie Schagen, mschagen@nfroline.com
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PRC

Premier Reverse Closings (PRC) is a national, full-service, reverse mortgage title and settlement company that has closed more than 175,000 reverse mortgage transactions. PRC is experienced in all facets of the reverse business, ranging from teaching CRMP courses to closing and notary initiatives. PRC is a well-respected industry partner committed to our clients, our industry and senior borrowers.

Angel Booth, Toll-free: 800-542-4113
abooth@prclosings.com

Reverse Mortgage Funding LLC (RMF)

Reverse Mortgage Funding LLC (RMF) is an independent, reverse-only company. We don't have competing corporate priorities or distracting lines of business. Everything we do is focused on making reverse mortgages better, in a proactive and nimble way that benefits everyone. Known for product innovation, exceptional service and unparalleled secondary market expertise, RMF delivers a wide array of products and superior pricing. Whether you are new to reverse or a seasoned originator, RMF has a variety of platforms that help our partners succeed. Partner with us today, and together we'll create opportunities for a brighter future.

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