

January-February 2018  
Volume 11, No. 1

Annual  
Meeting  
Reports

# Reverse Mortgage

The official magazine of the National Reverse Mortgage Lenders Association



## INSIDE:

Plain Language

P.10

Facebook Advertising Guide

P.24

Marketing to Older Adults

P.30

[www.nrmlaonline.org](http://www.nrmlaonline.org)

PRSR1 STD  
US Postage  
PAID  
Merrifield, VA  
Permit #1253

# UNLOCK THE POWER OF THE NATION'S **NUMBER ONE WHOLESALE LENDER\***

When you're looking for the winning combination to grow your reverse mortgage business, bank on Finance of America Reverse LLC (FAR).

FAR continues to consistently serve your needs by setting new standards in an ever-changing industry.

Welcome to FAR's Improved  
**HomeSafe® Jumbo**

- » Higher LTV's
- » Lower Rate
- » Flexible Options

Choose FAR as your partner and you'll have the resources and support of the industry's constantly evolving, **number one** wholesale lender.

**(877) 658-7226**  
**www.FARwholesale.com**



**FINANCE of AMERICA**  
- R E V E R S E -

\*Since December 2011, formerly known as Urban Financial of America, LLC. Based on trailing 12 months' endorsement volume. Source: Reverse Market Insight.  
For business and professional use only. Not for consumer distribution. This material is not from HUD or FHA and has not been approved by HUD or any government agency.  
HomeSafe is currently available in AZ, CA, CO, CT, DC, FL, HI, IL, LA, NJ, OR, PA, RI, SC, TX, VA, and WA.

©2017 Finance of America Reverse LLC is licensed in 49 states and D.C. not available in AK | Equal Housing Opportunity | NMLS ID # 2285 | www.nmls.consumeraccess.org | 8023 East 63rd Place, Suite 700 Tulsa, OK 7413 | Not all products and options are available in all states | Terms subject to change without notice | AZ Mortgage Banker License #0921300 | Licensed by the Department of Business Oversight under the California Residential Mortgage Lending Act | Georgia Residential Mortgage Licensee | Illinois Residential Mortgage Licensee | Kansas Licensed Mortgage Company | Licensed by the Mississippi Department of Banking and Consumer Finance | Licensed by the New Hampshire Banking Department | Licensed by the N.J. Department of Banking and Insurance | Licensed Mortgage Banker -- NYS Banking Department where Finance of America Reverse is known as FARreverse LLC in lieu of true name Finance of America Reverse LLC | Rhode Island Licensed Lender.

# Contents

## PUBLISHER

Peter Bell  
pbell@dworbell.com

## EDITOR

Marty Bell  
mbell@dworbell.com

## ASSOCIATE EDITOR

Darryl Hicks  
dhicks@dworbell.com

## COMMUNICATIONS COORDINATOR

Jessica Hoefer

## STAFF WRITER

Mark Olshaker

## EXECUTIVE VICE PRESIDENT

Stephen Irwin

## DIRECTOR OF PUBLIC RELATIONS

Jenny Werwa

## NRMLA EXECUTIVE

## COMMITTEE CO-CHAIRS

Joe DeMarkey, Reverse Mortgage Funding  
Reza Jahangiri, AAG

## DESIGNER

Lisa Toji-Blank, Toji Design

## ADVERTISING SALES

Sarah Aaronson  
Sarah@IRMEvents.com

Reverse Mortgage is the official publication of the National Reverse Mortgage Lenders Association. The magazine is published every two months. For inquiries regarding association membership and/or magazine subscriptions, please call Linda Latimore at 202-939-1793. Advertising and editorial inquiries should be directed to 202-939-1745 or mbell@dworbell.com.

Association & Subscription Contact:  
National Reverse Mortgage Lenders Association  
1400 16th St., NW, Suite 420  
Washington, DC 20036  
202-939-1760  
llatimore@dworbell.com  
Industry: www.nrmlaonline.org  
Consumers: www.reversemortgage.org

Advertising & Editorial Contact:  
National Reverse Mortgage Lenders Association  
1400 16th St., NW, Suite 420  
Washington, DC 20036  
202-939-1760  
mbell@dworbell.com

©2018 National Reverse Mortgage Lenders Association



- 13** The Advantages of Recent HUD Changes  
*Finally, a mainstream consumer-oriented product*  
By Michael McCully

- 15** Reinventing Ourselves  
*How does the industry adjust to recent events?*  
By Mark Olshaker

## SIDEBAR:

New Products: *FAR's Homesafe*

- 20** REVERSE MORTGAGE RESEARCH REPORTS:  
The Money Faucet  
*A new image to penetrate a reluctant market*  
By Marty Bell

## Columns

- 5** Peter Bell: Balanced Viewpoint  
*Our work begins*

## Monthly Features

- 2** Scribes  
*Meet this month's contributors*

- 6** The Biz  
*Get up to date on the industry, the press  
And Washington, DC*

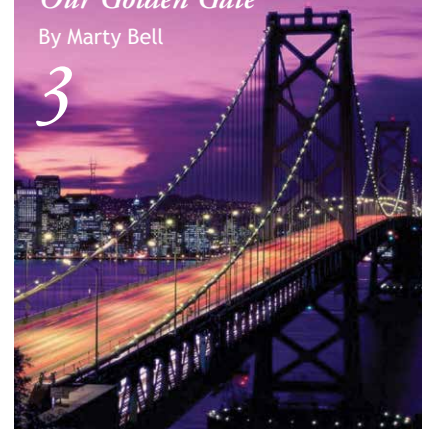
- 10** Talking Heads  
*Barbra Kingsley, Ph.D.  
Kleimann Communication Group:  
Plain Language*  
By Darryl Hicks

- 28** Member News/Who's Who in Reverse

## In Reverse *Our Golden Gate*

By Marty Bell

**3**



## facebook

## Developing a Facebook Campaign

*The skillset you need to  
target your audience*

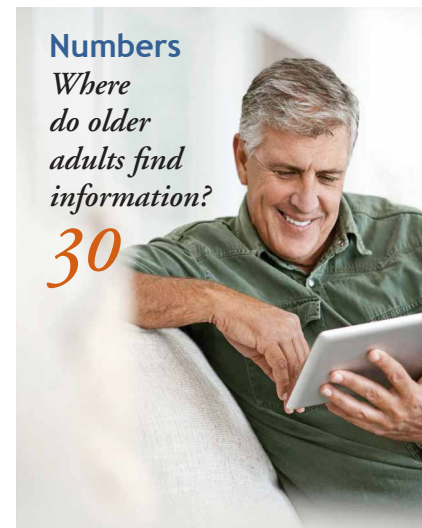
By Mark Olshaker

**24**

## Numbers

*Where  
do older  
adults find  
information?*

**30**



# Scribes

## Meet This Month's Contributors

**Marty Bell** (*In Reverse*, p. 3 and *The Money Faucet*, 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. Mr. 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.

**Darryl Hicks** (*Talking Heads*, p. 10) is the vice president, Communications for NRMLA, 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.

**Michael McCully** (*The Advantages of Recent HUD Changes*, p. 13) is a career investment banker with more than 30 years of transaction, investment and operational experience. In the 12 years prior to forming New View Advisors, McCully led teams of professionals to buy, sell and operate portfolio companies at Lehman Brothers. From 1999-2004, McCully was responsible for the purchase, growth and sale of Financial Freedom Senior Funding Corporation. Through acquisitions, capital markets integration and organic growth, he built this regional company into the nation's largest reverse mortgage originator and servicer. McCully received his BA in Economics from Cornell University.

**Mark Olshaker** (*Reinventing Ourselves*, p. 15 and *Developing a Facebook Ad Campaign*, p. 24), 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 in all, including the *New York Times* Number 1 bestseller *Mindhunter*—inspiration for the new Netflix series of the same name—and most recently *Law & Disorder*, both with former FBI Agent John Douglas. He has also produced many documentary films, the latest being *Who Killed the Lindbergh Baby?* for NOVA on PBS. Olshaker is a former reporter for the *St. Louis Post-Dispatch*, who now resides in Washington and has built a large following for his *MindhuntersInc.com* crime blog, which argued Amanda Knox's innocence from the get go. His latest book is *Deadliest Enemy: Our War Against Killer Germs*, with Dr. Michael Osterholm. **RM**

### Drive Added Revenue and Growth With the Reverse Mortgage Experts

#### Liberty Makes It Easy!

- ✓ World-Class Service
- ✓ Dedicated Scenario Desk
- ✓ On-Demand Processing
- ✓ Same Day Decisions
- ✓ Training and Marketing

Learn more, call 866.871.1353  
[LibertyHomeEquity.com/Partner](http://LibertyHomeEquity.com/Partner)

© 2017 Liberty Home Equity Solutions, Inc. All Rights Reserved. 10951 White Rock Road, Suite 200, Rancho Cordova, CA 95670. NMLS # 3313 ([www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)), (800) 218-1415.



Complete list of licenses, listed on [www.libertyhomeequity.com/licensesnmls](http://www.libertyhomeequity.com/licensesnmls)  
Equal housing lender | W080117A



**LIBERTY**  
HOME EQUITY SOLUTIONS

# Our Golden Gate

## ONE EVENING DURING OUR ANNUAL MEETING IN

San Francisco, I attended a reception hosted by Mary Furlong, the Boomer marketing specialist who presented at our conference, and filled with local-based entrepreneurs all working on innovative products and approaches to a better later life. As I circulated the room, I heard about one exciting problem solver after another—a personal concierge service comprised of retired business women now in encore careers to help older adults manage their personal business of aging; smart phones that are much simpler to navigate; a website for caregivers and adult children with video guides to the toughest discussions to have with your clients or parents, such as turning over the car keys or not ignoring personal hygiene. We were on the top floor of an office building, but the optimism in the room was so infectious, it felt like the top of the world.

This gathering of go-getters set my head spinning and sent me back to the Palace Hotel fired up about the future of aging. Despite the weariness of some of our attendees about the HECM rule changes implemented a month prior, or the actuarial report on the Mortgage Mutual Insurance Fund that hit on our last day of sessions, I was charged by the knowledge that there are all these exciting new products, aging adults are going to use them, and many of them are going to have to depend upon reverse mortgages to pay for them.

On my flight back cross country, as I reviewed my notes from the conference, the elation I had felt in that room of optimists and innovators returned. I went over Mike McCully of New View Advisors' remarks about how

the latest changes were going to improve the product and encourage investors, Reza Jahangiri of AAG's call for a more diverse menu of products, Jim Berkowitz's advice on how to build a successful Facebook campaign, Barry Sacks' latest research on an active retirement funding strategy that utilizes home equity to reduce the risk of portfolio exhaustion and Barbra Kingsley's warning to speak in language that customers relate to.

San Francisco and Silicon Valley may be bursting from the daily jolt of progress. The new is everywhere. And it's infectious. It truly is a Golden Gate to the future. But looking at this year's annual meeting, so is the reverse mortgage industry. Obstacles and setbacks are not holding us back. They are pushing us forward. They are inspiring creative thinking. You can't sell a product that used to exist. You have to sell what now exists.

This issue, appropriately the first of a new year, is devoted to some of the best ideas, approaches, strategies presented to conference attendees in San Francisco. Even if you were there and heard them all at once, I think when you see them aligned, you'll feel the rush I'm feeling. And if you were not able to attend, paging through these reports will certainly encourage you about what's ahead (and hopefully encourage you to join us at next year's conference).

On behalf of the staff at NRMLA and *Reverse Mortgage* magazine, a happy, healthy, productive and successful New Year to you all and to the HECM program.

Marty Bell, *Editor*

# NRMLA's 2018 Western Regional Meeting

LEARN.  
NETWORK.  
ENGAGE.

March 19-20  
Huntington Beach, CA



National Reverse Mortgage Lenders Association

# Our Work Begins

By Peter Bell, President & CEO of NRMLA

**SOME OF THE “BUZZ” AT THE RECENT NRMLA ANNUAL** meeting was that, despite the unanticipated nature of the way HUD’s recent changes to the HECM program were implemented, the changes might actually be seen as a good step forward.

Slower accruals due to lower interest rates and reduced ongoing mortgage insurance premiums should make HECMs more attractive to those homeowners looking to preserve their estate while utilizing a reverse mortgage. This will also help the program achieve a level of financial stability that is essential if it is to continue to receive political support.

I am glad to see that many in the industry are willing to accept the circumstances and move forward with a positive attitude. It’s important for our industry to overcome any negativity as we work with new clients who, for the most part, will be relatively unaware of what used to be.

It is also important to recognize, that when one works in a field that is so highly dependent on a government policy or program, decision-making is subject to many factors far and beyond the program itself or the industry’s issues. As a result, change is not always rational; it can often be a disproportional response. It is sometimes made hastily, frequently due to externally imposed timelines, such as fiscal years, reporting periods, hearings, etc.

That is one view of the case with the recent round of HECM changes. A new team arrived on the scene at HUD, as happens in the first year of any administration, took stock of the situation they faced on a broad Department-wide level and took the action they felt necessary to meet budgetary objectives and fiscal constraints. The analyses of FHA that welcomed them exhibited a growing problem with the net present value of the existing HECM portfolio sinking dramatically.

Something had to be done – and had to be done quickly. Hence the changes that took effect on October 2.

Now with those changes implemented by the industry, and the new leadership at HUD getting their grounding, our work begins on addressing the fundamental issues underlying the HECM program. In HUD’s mind, the overarching question is can the program sustain itself? Can risk be managed and insurance priced so that the program covers all its own costs and requires no subsidy?

In my mind, that leads to an even more basic question: Are the metrics by which the program is measured appropriate for the type of asset a reverse mortgage loan represents? Are we trying to “shoehorn” reverse mortgages into a system of performance management conceived for more traditional “forward” mortgages?

Other questions exist around the content and assumptions utilized by the program’s auditors and analysts, including whether or not they fully considered the impact of all of the program changes made since the HECM Stabilization Act. Does their modeling reflect recent performance – or are issues of past policy continually projected into future performance projections?

If underlying assumptions are faulty, program costs might be overstated and residual values of assets understated, giving the HECM program a black eye it doesn’t deserve.

These are the issues we anticipate discussing with the FHA staff over the next year. Stay tuned. **RM**



*Peter Bell*

# The Biz

EVERYTHING NEW YOU NEED TO KNOW



## People are talking about...

### Reverse Mortgage Education Week 2018

Mark your calendars for Reverse Mortgage Education Week – April 23-27, 2018 – when NRMLA hosts a series of informational webinars that introduce reverse mortgages to professionals who work with older adults.

Begun in April 2016, Reverse Mortgage Education Week raises public awareness and acceptance of reverse mortgages as a valuable financial tool used by over a million homeowners to age in place. NRMLA members can help grow our audiences by promoting Education Week webinars to realtors, financial planners, healthcare professionals, builders and others. Download NRMLA's Industry Action Plan for Education Week at [NRMLAonline.org](http://NRMLAonline.org).

### Senate Committee Approves FHA Commissioner Nominee

The Senate Banking Committee voted 18-5 to approve Brian D. Montgomery as the next Assistant Secretary of the U.S. Department of Housing & Urban Development and Federal Housing Administration Commissioner.

As *Reverse Mortgage* magazine went to press, Montgomery's nomination was still pending before the full Senate for a final confirmation vote.

Montgomery served as FHA Commissioner from 2005 to 2009, during President George W. Bush's second term and the first six months of the Obama Administration. He is currently vice chairman of The Collingwood Group, a Washington, D.C.-based advisory firm focused on business consulting, risk management and compliance within the financial services industry.

### Financial Columnist Gets Personal

A new video testimonial was added to NRMLA's consumer site, [ReverseMortgage.org](http://ReverseMortgage.org), featuring syndicated financial columnist Terry Savage. Members who attended NRMLA's Annual Business Meeting, held in conjunction with the Annual Meeting & Expo in San Francisco, got a sneak peak of the video.

Savage, author of several best-selling books, including the *Savage Truth on Money*, helped her dad get a reverse mortgage when he was in his early 80s and he was able to live in his own home until he passed away at 95. In this video, she explains why she supports the concept of a reverse mortgage done, for the right reasons, at the right time in a person's life.

Members are encouraged to link the video to their own web sites.

### Personalize NRMLA's New H4P Toolkit

As part of our ongoing efforts to promote the HECM for Purchase program to real estate professionals, NRMLA has released a customizable version of the HECM for Purchase toolkit that members can distribute to their business contacts. Personalize the front cover with your photo and contact information, then add your own testimonials to the back page. Save it as a new document and print or email to your real estate contacts.

Developed with assistance from NRMLA's PR Committee, the toolkit explains how older homebuyers can use a reverse mortgage to finance the purchase of a new home and outlines the HECM for Purchase real estate transaction with tips for writing the contract and working with a participating lender.

Download a copy of the toolkit from [NRMLAonline.org](http://NRMLAonline.org), or email Jenny Werwa, NRMLA's director of Public Relations, at [jwerwa@dworbell.com](mailto:jwerwa@dworbell.com).

*The Biz continued on page 8*

### 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](mailto:dhicks@dworbell.com).*



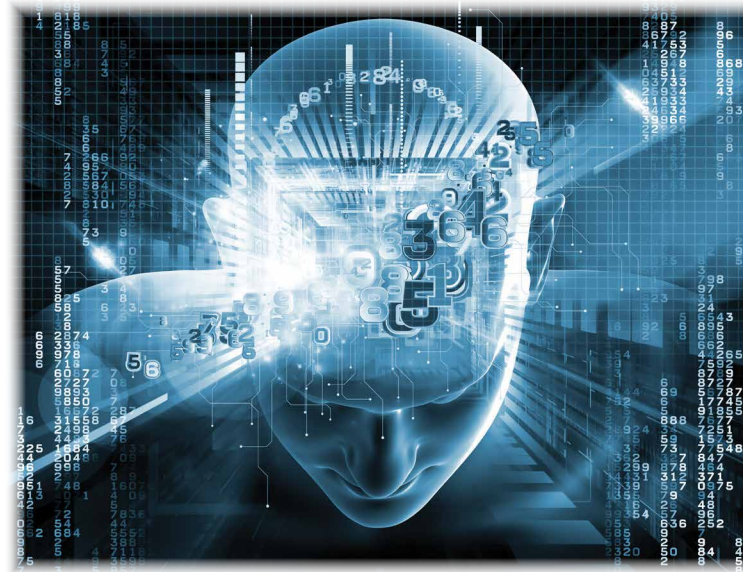
# Innovative. Intelligent. Instantaneous.

## Introducing LQ

### The industry's first reverse mortgage loan qualification engine.

Available exclusively within our Tango Reverse™ loan origination system, this highly intelligent yet easy-to-use tool helps brokers close more loans by giving you the power to do an instant preliminary assessment of a customer's eligibility for a reverse mortgage.

- Conditions fire as data is entered
- Automatically and intuitively applies compensating factors
- Helps reduce loan cycle times
- User-friendly dashboard, optimized for multiple devices



To find out how to put RMF's **proprietary cutting-edge technology** to work for your business, contact **877.820.5314** or visit **Partners.Reversefunding.com/Tango**

This material has not been reviewed, approved or issued by HUD, FHA or any government agency. The company is not affiliated with or acting on behalf of or at the direction of HUD/FHA or any other government agency.



NOT FOR USE WITH CONSUMERS. ©2017 Reverse Mortgage Funding LLC, 1455 Broad Street, 2nd Floor, Bloomfield, NJ 07003, 1-888-494-0882. Company NMLS ID: #1019941 (www.nmlsconsumeraccess.org). Arizona Mortgage Banker License #0927682; Licensed by the Department of Business Oversight under the California Residential Mortgage Lending Act; Loans made or arranged pursuant to a California Finance Lenders Law; Georgia Mortgage Lender License #36793; Illinois Residential Mortgage License; Massachusetts Mortgage Lender License #ML1019941; Licensed by the New Jersey Department of Banking & Insurance; Rhode Island Licensed Lender; Texas Mortgage Banker Registration in-state branch address 6044 Gateway East, Suite 236, El Paso, TX 79905. Not intended for Hawaii and New York consumers. Not all products and options are available in all states. Terms subject to change without notice. Certain conditions and fees apply. This is not a loan commitment. All loans subject to approval. L1080-ExpXX2018



## The Press is talking about...

### Reverse Mortgages: Opportunities and Concerns

<https://www.cnbc.com/2017/11/07/reverse-mortgages-opportunities-and-concerns.html>

CNBC.com, Deborah Nason

Financial advisors are still recommending clients use reverse mortgages for cash management, delaying Social Security withdrawals and funding long-term care. “I’ve been recommending ‘protective’ reverse mortgages for clients who are over 62 and have no mortgages, or very small mortgages,” said certified financial planner Mark Wilson, president of Mile Wealth Management. “These can provide a line of credit that’s available if ever needed.” Sally Long, CFP, principal and wealth manager with Modera Wealth Management, commented that a HECM could be a way to fund long-term care expenses for clients who may not qualify for long-term care coverage. “What I find compelling about the HECM for this need is the growth in the line availability along with the feature that doesn’t require payments of advances but the ability to do so exists,” she said.

### When your parent dies and leaves a reverse mortgage, this is what you can expect

<http://www.bankrate.com/finance/mortgages/pay-reverse-mortgage-after-parent-dies.aspx>

Bankrate.com, Marcie Geffner

Contributing reporter Marcie Geffner provides in-depth instructions to heirs of reverse mortgage borrowers that explain the end of loan process. If the heirs don’t act on their own, the lender can foreclose. “As an heir, you and any other heirs will receive a letter from the loan servicer, explaining the rules and asking what you intend to do about the loan and property. Answer the servicer to the best of your ability. Keep communication open,” she added.



## In Washington they’re talking about...

### FHA Increases HECM Lending Limit to \$679,650

Beginning January 1, 2018, the national lending limit for Home Equity Conversion Mortgages will increase to \$679,650 from \$636,150.

Details were announced in Mortgagee Letter 2017-17. This new loan limit is also applicable to Freddie Mac’s special exception areas: Alaska, Hawaii, Guam and the Virgin Islands.

### PACE Liens Now Considered a Mandatory Obligation

Effective for case numbers assigned on or after January 6, 2018, properties encumbered by a PACE obligation can be paid off using HECM proceeds.

“Clarification is provided to identify PACE obligations as Mandatory Obligations that must be paid off at closing, and may be paid off using HECM proceeds,” according to Mortgagee Letter 2017-18.

In cases where the PACE obligation cannot be fully paid off with reverse mortgage proceeds, the property will remain ineligible for a HECM. The Property Assessed Clean Energy, or PACE program, allows homeowners to finance home improvements that increase energy efficiency.

### Urban Institute: Remove HECM From MMI Fund

In a recently published report, researchers at the Washington, DC-based Urban Institute advocated the removal of the Home Equity Conversion Mortgage program from FHA’s Mutual Mortgage Insurance (MMI) fund, citing differences in the programs’ risk characteristics and missions.

“Lumping them together distorts their financial performance, interfering with policymakers’ ability to make sound decisions,” wrote Laurie Goodman and Edward Golding in a report, titled “To better assess the risk of FHA programs, separate reverse and forward mortgages.” Golding served as principal deputy assistant secretary for housing at HUD from 2015 to 2017.

The pair further noted that HECM actuarial estimates are heavily assumption driven and do not reflect recent program changes that will improve the program’s solvency. “Given the importance of HECMs in allowing seniors to age in place, the

pre-2016 vintages should also be removed from the HECM MMI Fund, as the current HECM program has been dramatically improved, and past deficiencies shouldn't hinder it going forward," commented Goldman and Golding. "We also encourage the FHA to make data on HECM performance more available, so techniques for modeling performance can be improved."

### NRMLA to CFPB: Guidance Doesn't Go Far Enough to Protect Sensitive Data

In comments submitted to the Consumer Financial Protection Bureau, NRMLA requested that the consumer watchdog initiate formal public rulemaking that gives stakeholders the opportunity to adequately address consumer privacy dangers and data protection threats that the disclosure of expanded Home Mortgage Disclosure Act data poses.

"We believe that the Bureau should undergo further and formal rulemaking before releasing highly sensitive personal consumer financial information to the public at large," commented NRMLA.

In October 2015, the CFPB published a 797-page final rule that expanded lenders' data collection requirements by adding 25 data categories and 100 data fields. The CFPB proposed a "balancing test" to determine whether and how HMDA data should be modified prior to its disclosure to the public to protect applicant and borrower privacy, while also fulfilling the disclosure purposes of the statute.

When it adopted its final rule, the CFPB intended to provide a process for the public to provide input on the application of the balancing test to determine the HMDA data to be publicly disclosed. The Bureau has done that, not through proposed rulemaking, but through Proposed Policy Guidance published on September 25, 2017, which the association deemed inadequate.

### NRMLA Statement on FHA's Annual Report to Congress

The U.S. Department of Housing and Urban Development issued its annual report to Congress on November 15 regarding the financial status of the Federal Housing Administration's Mutual Mortgage Insurance Fund for Fiscal Year 2017.

NRMLA President and CEO Peter Bell issued the following statement in response to the report:

*"NRMLA shares Secretary Carson's optimism that recent policy changes will help sustain the HECM program, which more than a million senior households have used to supplement retirement savings and age in place."*

*"We are still studying FHA's Annual Report to Congress to understand how the actuaries have modeled the projected valuation of the HECM portfolio. In the past, we've raised concerns that actuaries misunderstood the behavior of a HECM loan over time – including how a loan is typically serviced and the home's value at time of disposition."*

*"Moving forward, we support an effort to study whether the HECM program should remain in the MMI Fund, or if it should be separated into its own mortgage insurance fund where it can be evaluated on its own. This is a conversation we will be having with policy makers at the agency and on Capitol Hill, and with industry stakeholders."*

And now you're up to date.

## THIS IS HOW EXCITING IT FEELS TO CLOSE REVERSE MORTGAGES

\* Per Reverse Market Insight



**GET THAT FEELING**  
With HighTechLending, Inc.



**HIGHTECHLENDING**  
REVERSE WHOLESAL

**Wholesale with No Experience Necessary**  
**Marketing Support & Retail Branch Opportunities**



HighTechLending, Inc., Licensed by the Department of Business Oversight under the California Residential Mortgage Lending Act. NMLS #7147. Licensed in AZ #0912577, CA #4130937, CO #7147, FL #7147, HI #7147, IL #MD-6761112, MD #21762, NC #L-165611, NJ #7147, NV #4517, GA #5300 OR #ML4386, PA #4982, SC #7147, TX #7147, UT #8874117, VA #MC-5962, WA #7147. 2030 Main Street #350, Irvine, CA 92614. NMLS Consumer Access: [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org)



**888.369.1573**  
<http://HTLWholesale.com>



# Barbra Kingsley, Ph.D.

## Principal, Kleimann Communication Group

*Plain Language* By Darryl Hicks

**WHAT I LEARNED FROM BARBRA KINGSLEY IS THAT** you can't work from a single script when speaking to consumers about reverse mortgages. Everyone learns differently. Some people are good listeners, some people are avid readers, while others need visuals and graphics to fully comprehend new ideas. In short, communicating complex financial concepts in plain language is a valuable skill that all of us must continually refine.

Barbra Kingsley has spent her 20-year career helping simplify the complex. Whether it is facilitating groups through the cultural changes they face or redesigning documents used by millions of people, she is focused on helping organizations simplify and communicate more effectively. Her work is based on making human connections: helping groups come together, communicate better and create better outcomes.

As part of NRMLA's ongoing efforts to improve the reverse mortgage borrower experience, we invited Barbra to speak at this year's annual meeting in San Francisco, and we sat down with her for this interview to glean insights and ideas that will help you establish more meaningful relationships with prospective clients.

**Reverse Mortgage:** *You talked a lot about communicating in plain language. How does one do that?*

**Barbra Kingsley:** The Center for Plain Language, which I am affiliated with, defines "plain language" as communicating in such a way that wording, structure and design are so clear that the intended audience can readily find what they need, understand it and use it. When we think about

plain language we often think just about the words, but I think about it in a much broader sense. It's not just about the words. It's about the structure, the organization and other elements that we use to navigate and understand a document. Achieving plain language as a five-step process starts with identifying and thinking about your target audience, then creating content that meets the audience's needs while ensuring that it is comprehensible, then designing it so that it's easy to follow. The final step is testing the new documents with your target audience to verify its usefulness.



Barbra Kingsley

**RM:** *What are the most common mistakes we make when communicating with older adults?*

**BK:** The biggest mistake across all age groups is overestimating their levels of literacy and what they can understand. We vastly overestimate our audience's ability to understand difficult terms and numerical calculations. We tend to think that, because it's clear to us, it's clear to them. But when we look at literacy levels across the entire U.S. population, they are relatively low. We need to bring our baseline down and understand what the audience's literacy levels are so that we can better communicate to them. We also need to acknowledge that some older audiences have special needs,

for example, vision that requires us to produce documents in larger type.

**RM:** *One of the first things I learned in journalism school was that you need to write to a 6th grade level. Is that what you're getting at?*

**BK:** Reading levels can be helpful, but they are only one measure of how easy or difficult a document is to understand. For example, when you use a bulleted list, you can make a sentence much easier to understand. I think that we need to be aware that we tend to use words and sentence structures that are difficult for the average person to understand. Whether you want to think of it by grade levels or readability scores, the main focus is to bring it down to a level that your audience understands.

**RM:** *Our client base begins at age 62, which means we are selling a product to multiple generations of retirees, some who grew up during the Depression, but also their Baby Boomer kids. What skills are needed to effectively communicate with these different age groups?*

**BK:** When communicating in plain language you follow the same steps across all age groups. However, when dealing with older age cohorts, maybe 65 and above, literacy studies show these people have a harder time with technology. So certain communication methods, like emails and web sites, are not going to be as relevant or useful for that audience. You also tend to have issues with visual disabilities or hearing loss. You have to deal with these elements when communicating. I recommend using multiple modalities for communicating with older adults. It's not just about sending an email, it's about making a phone call and having face-to-face interaction where possible. All of them combined creates more robust communication.

**RM:** *You have said that far too often we focus on our content—what we want to say and how we feel we need to say it—when effective communication means understanding who you are communicating with. Can you please explain what you mean by that?*

**BK:** As with any area of expertise, we understand our content better than anyone else. Ideas that are obvious to us, may not be so obvious to our audience. When we write, we don't think about things that are going to be unclear to somebody else reading it. As an example, I am doing a

consumer testing project on life insurance. Parts of the documents are written by actuaries, many of whom have an intense subject matter expertise not shared by the rest of the world. What seems clear to them, such as actuarial tables, are not clear to the average consumer who knows little about actuarial science. Your members have a knowledge base that makes them great at doing their jobs, but they have to step out of that when communicating with consumers who don't share that knowledge.

**RM:** *Plain language is not just about using simple words, but the full context of what is being communicated. How important is it to share visual cues or handouts when talking about our product?*

**BK:** A lot of people are visual learners. Speaking personally, when I am confronted by a document with long, dense paragraphs of text, I feel overwhelmed before I start reading it. When I see text, combined with visual representations, or text that's designed in a way that has headings, and usable colors and flow charts, that's easier for me and I am more likely to engage.

**RM:** *Our members communicate with prospective clients face-to-face and over the telephone. Do they require different skillsets? Is one more effective?*

**BK:** There's a key to any communication whether it be oral or written. We start by determining the consumer's baseline. Where are they coming from? What do they understand? What do they not understand? Then you calibrate to meet that baseline. It's important to encourage your members to initiate the discussion and then listen. That's really important, just the listening aspect. Instead of focusing on 'what do I need to say in the conversation?' it's more about 'what does this consumer need to know?' and 'how can I make them understand this product and this process better?'

**RM:** *How do you establish a baseline of knowledge?*

**BK:** If you mean oral communication, ask consumers questions to gauge their comprehension and their goals for the future. Ask them how well they understand the ins and outs of the product, do they understand what's going to happen in ten to 15 years, and let them ask you questions. It's an organic process. There is no script to follow. It's about being extremely focused on 'okay, what do they understand?' and

*Talking Heads continued on page 12*

*Talking Heads continued from page 11*

you'll recognize where they need help because you're all subject matter experts. You'll realize they may have a good sense of the product, but they don't really understand closing costs. Ask questions and you will engage that person. You will get a sense where they are cognitively and then you can tailor your communications to better address where you think there might be weaknesses in their comprehension. It makes them feel a part of the process and from a sales perspective you have a better informed consumer.

**RM:** *Eight national aging advocacy organizations, in partnership with the FrameWorks Institute, recently initiated the Reframing Aging Project to help change Americans' perceptions and views about its older citizens. I'd like to get your thoughts on this audacious plan, which includes removing "seniors," "elderly" and "aging dependents" from our vocabulary because of the negative connotations they create.*

**BK:** It seems like they are trying to challenge how we think about this population and turning negatively-biased language into something more positive. From my perspective, as an information designer and cognitive researcher, I am mostly concerned with how people use information. It's about identifying challenges and developing information that meets people's needs. When we are talking about reverse mortgages, we are looking at a specific age group. Part of designing good information is focusing on that age group and learning what they need, how we can best help them navigate information, and ultimately how we can help them perform best in society. If I were advising a reverse mortgage company, I would say go test your population. Put information in front of individuals and watch them try to use it, and learn where they have problems, so that you can improve the outcome.

**RM:** *What have you observed about communicating across gender and across ethnicities and backgrounds? Are women more likely to respond to women? Are African Americans or Hispanics or any culture more likely to respond to those with whom they share a culture?*

**BK:** I haven't done much research on gender communications, but we have done projects where we looked at mort-

gage information and how it's communicated to various groups who speak English as a second language (ESL), or who don't speak English at all and need translated documents. What we found is that individuals do feel more comfortable speaking with people who share a common language and culture. That's natural. We gravitate towards people who are like us. So instead of going to a mortgage broker, a consumer looking to buy a home may go to a friend who speaks his or her language and knows something about mortgages. People tend to use their networks. Most ESL speakers have a tendency to communicate first within their networks, get referrals from those networks, and find a broker or realtor who speaks their language. So we do know from a cultural perspective that is true.

**RM:** *NRMLA has initiated a public dialogue to help simplify the terminology that appears on reverse mortgage disclosures and closing documents and to find new ways to improve the reverse mortgage borrower experience. From what you've learned about our industry thus far, where else do you see room for improvement regarding how our product is communicated to the public?*

**BK:** Every business, but especially the financial services industry, needs to take stock of how well it communicates the benefits and risks to consumers. If you look at how people make decisions about mortgages, or reverse mortgages, these are some of the biggest financial transactions they will make in their lives. By talking about the risks, it helps consumers better understand future outcomes, and where they will be two years, five years and ten years down the line. Human beings are not that great at looking into the future. We are dealing with products that take people into the future and you need to find ways to visually represent to them what this transaction will look like. I would love to have your industry think about becoming a leader in plain language and becoming the industry that says 'hey, we do this better than anyone else.' The Center for Plain Language has an annual ClearMark Award that recognizes clarity in documents. I would like to see more financial organizations say, 'look, we redid this document and we think it's a great example of plain language.' That sends a message to the world that you want to be standard bearers and that you care about your customers. **RM**

# The Advantages of Recent HUD Changes

*Finally, a mainstream consumer-oriented product* By Michael McCully

## THE PUBLICATION BY HUD OF MORTGAGEE LETTER

2017-12 on August 29, 2017 introduced one of the biggest changes to HECM since the program's 1989 inception. Initial response to the announcement was focused on lower principal limits, but the revision can also be seen as a reduction in interest rates, as new Principal Limit Factors (PLF) at three percent more or less match old PLFs at five percent. Lenders will now be forced to compete on rate. For our industry, this is profound.

While market disruption and volume drop is likely in the short-term, many benefits of the mortgagee letter reveal themselves. In addition to reducing Mutual Mortgage Insurance Fund (MMI) loss exposure, the product has been greatly enhanced from the consumer perspective. Not insignificantly, HMBS issuer risk is also lowered. And, HECM-to-HECM refinance "churning" for pre-HECM17 loans is virtually eliminated. These improvements collectively have the added benefit of further reducing negative press.

## Program Concerns

The new program changes raise several legitimate concerns. Lower interest rates and margins reduce profitability for the industry. Finding the "clearing level" at which HECMs are originated and sold will be challenging. Too low an interest rate and profit disappears; too high a rate risks losing transactions to competitors. HECM-to-HECM refinance may return if lenders don't offer sufficiently competitive rates. Lower volume could create a lack of liquidity in the secondary markets, forcing out institutional investors. How might Ginnie Mae be affected? The industry has had previous scares where changes to HECM threatened volume and long-term viability. HECM Mortgage-Backed Security (HMBS) has so far prevailed, and capital markets execution remains strong. Will that continue?

## Enhanced Consumer Benefits

For prospective borrowers to have in their grasp the ability to shop for the lowest possible interest rate—alongside higher proceeds—is a significant consumer benefit. Prior to ML17-12, the consumer was offered little to differentiate between lenders. Finding the best HECM now looks more like what borrowers undertake for forward mortgages. This new paradigm has the added benefit of diminishing the high-cost stigma so long associated with reverse mortgages.

Equally impactful, lower interest rates combined with the new 0.50 percent annual Mortgage Insurance Premium (MIP) protect a meaningful amount of a homeowner's equity over the life of the loan. Call it the power of not compounding. A one percent drop in the interest rate on \$100,000 preserves more than \$100,000 in equity over a 20-year life. The person who borrows the average initial fixed-rate loan balance of \$175,000 preserves more than \$179,000 over 20 years. A 1.5 percent drop in the interest rate preserves almost \$220,000 over the same timeframe. That's remarkable!

Related, the present value of MIP payments made by the homeowner to HUD is lower after about four years under ML17-12 than it was previously. For borrowers with initial proceeds in excess of the 60 percent utilization cap the improvement is immediate. Notwithstanding that fact, potential borrowers may be turned off by the two percent upfront MIP payment, but until 2014, that is all our industry knew. It is a reasonable cost for the borrower to pay to ensure no recourse beyond home value.

## Issuer Risk Decreased

For HMBS issuers, the inherent risks associated with the HECM and Ginnie Mae requirements are immediately improved. HECM duration increases as a result of lower

*HUD Changes continued on page 14*

interest rates, lower PLFs, and lower annual MIP payments. Extending duration improves core mortgage servicing rights values, lowers reserves necessary to protect against future losses and lowers capital needs due to fewer buyouts and assignments.

Borrowers are less likely to have no equity remaining in their homes at maturity, the single biggest driver of defaults. Fewer defaults and foreclosures also mean less debenture interest curtailment, and lower losses for issuers and homeowners. Longer duration is also likely to lower the number of loans that reach the 98 percent of Maximum Claim Amount (MCA) threshold for assignment to HUD. It is safe to say FHA wants as few loans assigned to it as possible. These program changes help.

### Possible Product Enhancements

Either keep risk-based pricing, or remove the utilization caps. With the new product changes effective October 2, 2017, utilization caps in the loan's first year become mostly redundant. Financial assessment has come a long way to eliminate irresponsible lending...and borrowing. As New View Advisors has published separately, defaults are down by almost 75 percent post FA. The dollar amount capped is also smaller with lower PLFs. A 15 percent drop in principal limit means there's 15 percent less in proceeds

*Repealing the utilization caps will also encourage fixed-rate lending. Not only do many borrowers wish to lock in historically low interest rates, seniors typically like the security of knowing their rate won't fluctuate over time.*

withheld from the borrower in year one. Allowing borrowers access to all of their proceeds at closing has the added benefit of making HECM less vulnerable to immediate refinance – one less contrivance shady lenders have to trick unsuspecting borrowers.

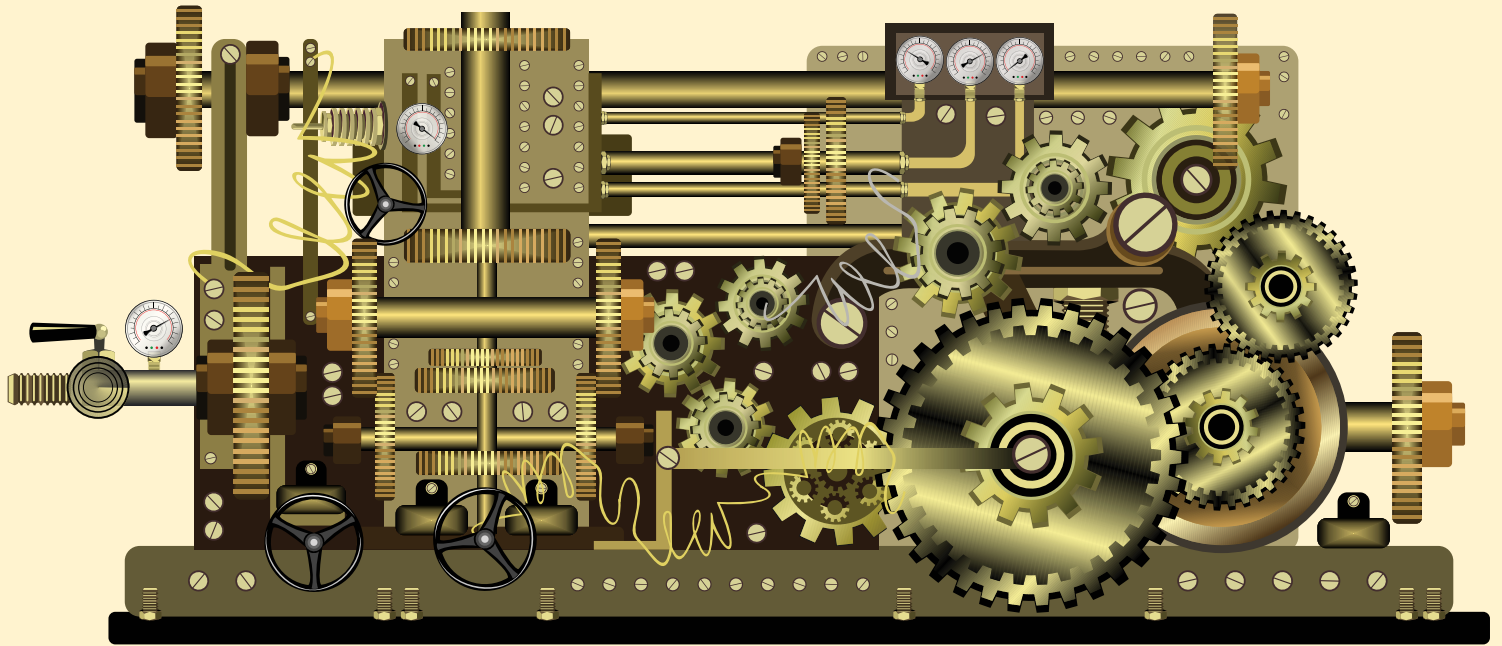
Repealing the utilization caps will also encourage fixed-rate lending. Not only do many borrowers wish to lock in historically low interest rates, seniors typically like the security of knowing their rate won't fluctuate over time. The industry must also compensate loan officers in a way to better align them with their customer. Because of the methodol-

ogy used by the actuaries to stress HECM valuation, more fixed-rate loan production will lower exposure to the MMI Fund, an ironic twist. Lower PLFs, the upfront two percent MIP and longer duration, all serve to insulate the MMI Fund from loss.

Most importantly, the “assignment paradox” needs to be solved. Assignment was designed specifically to manage FHA's crossover losses; instead it has had the opposite effect, dramatically increasing the probability of loss in the MMI Fund. Whether this is due to adverse selection, poor servicing, too few foreclosures, or a combination of all three is beyond the scope of this article. However, as a result, program changes made to the “front-end” in the form of product enhancements pale in comparison to the magnitude of loss occurring with FHA on the servicing “back-end.” The most expeditious solution would be for HECMs to be assigned servicing-retained, whereby current servicers continue to service through foreclosure. Changing the assignment mechanism such that FHA receives far fewer loans, or not having the assignment mechanism at all, are other solutions that should be evaluated.

### Long-Term Lending Environment

Most of the industry's low credibility and correlated anemic volume comes from poor publicity. The new HECM, properly positioned, may finally become a mainstream, consumer-friendly product, offered by multiple banks and other established financial institutions. Financial assessment, lower interest rates and a lower annual MIP, and slower compounding of interest means there will be fewer defaults, foreclosures, crossover losses and, ultimately, fewer news articles tainting our product. Proprietary non-agency reverse mortgage loans will also regain prominence as a viable alternative. Every incremental improvement to the HECM program lessens the likelihood of that next negative article robbing the enthusiasm of potential customers. Over time, the industry will also see borrowers not, previously, interested show renewed willingness to explore the benefits of reverse mortgages. The long-term prospect for origination growth remains bright. **RM**



# Reinventing Ourselves

*How does the industry adjust to recent events?* By Mark Olshaker

**FOR BETTER OR WORSE, OR PERHAPS, BOTH, THE** continuous series of changes HUD has instituted in the HECM program have reinvented the product. So, it follows that the industry promoting and selling it must go through some reinvention of its own, particularly if it wants to grow in scope and relevancy. That was the specific focus of a panel convened at NRMLA's 2017 Annual Meeting and Expo this past November at the Palace Hotel in San Francisco.

Five of the industry's top leaders reacted to the statement: *Successful industries need to readjust on a timely basis to remain relevant and sustain themselves. Is this our time?*

## The Actuarial Report

NRMLA president and CEO Peter Bell began the discussion with a review of FHA's Actuarial Report on HECM, an annual outside analysis required since its government-backed insurance moved from the General Risk Insurance

Fund to the Mutual Mortgage Insurance Fund (MMI). The report evaluates what its analysts believe to be the present value of cash flows from the approximately 650,000 outstanding HECMs against the projected cost of payouts for claims. To accomplish this, according to Bell, "a lot of variables" are considered, including draw patterns, pace of withdrawal, interest rate accrual over the life of the loan, home price appreciation and more. Stochastic modeling is deployed to try to account for the complex interaction of the variables.

The headline was that from 2015-2016, according to the report, the value of the insurance fund went from a positive \$7 billion to a negative \$7 billion: a \$14 billion swing in one year. Bell called this "a highly speculative analysis," and asked, "With 50,000 new HECMs, how is this possible? It really doesn't fit, we feel."

(The next day, the 2017 report was released by Pinnacle

*Reinventing Ourselves continued on page 16*

Actuarial Resources, Inc., the firm contracted to perform the analysis, showing a further decline of almost \$7 billion versus 2016.)

While acknowledging that over the long run, HECM's insurance fund has to pay its own way, with insurance premiums at least equal to the cost of claims, Bell stated, "We have to get HECM evaluated based on its own criteria and a better understanding of the dynamics. It is part of our policy objective and one of our major goals for the year." He suggested that a better model for evaluation might be one used to assess the annuities industry. "We need something better suited to HECM so we don't have to worry about the program year-to-year and how it's being scored."

### Reaction from FHA and the Industry

Talking about recent changes that have "shocked" the industry in Mortgage Letter 2017-12, such as lowered principal limit factors (PLF) and updated mortgage insurance premiums (MIP), Joseph "Joe" DeMarkey, a principal at Reverse Mortgage Funding (RMF) and co-chairman of NRMLA's board of directors, declared, "No one knew this was going to happen. It was a confluence of events that took place that started a year ago when the actuarial review took place, and we saw this drastic swing in valuation."

Like Bell, DeMarkey believes the report was based on flawed assumptions. "The NRMLA leadership immediately mobilized to look at every aspect of the actuarial review. The property disposition timelines we saw in the review were very revealing."

NRMLA communicated its perspective and concerns to FHA, and "There is a path forward," DeMarkey assured. "The Department has communicated to us that they want to work with the industry and other relevant stakeholders to try to fix the problems revealed in that actuarial review. The back-end problems that as more and more of these loans have been assigned to HUD have created financial strain.

"FHA asked the trade association for policy ideas. What changes would take financial strain off the fund? The easy levers they have to pull and push are changing MIPs and PLFs. They did it in 2009, 2010, they did it in 2014, and they just did it here. We wanted them to look

at other program changes to improve performance of the fund that are more socially responsible and have an impact on both the primary and secondary markets. We gave them a list of recommendations in January."

But a new administration came in and many of the positions in the decision-making process were empty. "Then the federal budget was published and the math we saw in it was puzzling. So, at the end of the story, FHA made changes. They ran out of time, so they made the easy changes. They changed the MIP structure and they changed the PLF table. They made the easy changes because they took the least amount of time. But that doesn't mean the story ends there."

### Taking the Longer View

Michael "Mike" Kent, president of Liberty Home Equity Solutions, offered a reality check when he pointed out that whatever the industry thinks of the HECM changes, "We have to sell what we have, not what we used to have." He urged the industry to "take a longer view," noting, "There are some very significant benefits to the borrower under this new construct. That a borrower could take this loan and at four percent over 20 years, preserve \$100,000 of additional equity in their property is incredible."

Beyond this, he says the industry needs to look at new avenues to create customers, such as social media, building out distributed retail models, referral network building,

*We have to get HECM evaluated based on its own criteria and a better understanding of the dynamics. It is part of our policy objective and one of our major goals for the year.*

outreach to community organizations, relationships with local builders and realtors and expanding into the forward market distribution space, which is much more robust. Kent also believes this is a good time to go back to community banks and credit unions and sell reverse mortgages as a benefit for their members.

Kent concluded by saying that, since 2010 when he started working with reverse mortgages, "I can't tell you how many times I've heard the death knell ring. I anticipate volumes and unit fundings will drop and we'll kind of get our bearings again, we'll find solid ground and we'll

see that uptick just as we have four times before. I think the best days of the HECM program still lie ahead.”

### Broadening the Market

Kristen Sieffert, president of Finance of America Reverse LLC (FAR), has been developing proprietary reverse mortgages. She states, “It has not been easy to create a market for non-HECM reverse mortgages,” citing a reluctance in the financial market and ratings agencies (“One of the analysts at the table fell asleep in our presentation.”), and the “long haul: three years of production to get a first deal off the ground, which happened just a couple of months ago.” During that time, she said, the company was able to make improvements to its products “that filled some of the gaps the changes in HECM are leaving the industry. That positioned us to have this full-draw, fixed-rate product appeal to homeowners in the \$850,000 to \$900,000 range.

“But we definitely see there is a lot more we need to do as an industry. We need to really continue to do market research to find out how we can broaden the conversation to offer different types of products to this client base. How can we do it responsibly? How can we make sure we’re in good favor of our regulators, of our borrowing base, of our partners? We’ll be rolling out some additional improvements to our proprietary product, offering some layered-in flexibility to that product. Midyear next year we’re working on a different kind of product that will allow us to kind of expand the conversation, who we’re approaching to talk about tapping home equity for retirement purposes.

“But it’s not been easy. It’s very capital-intensive and we had to have a pretty strong stomach for carrying that much on our balance sheets for as long as we did. We now think the more we can do outside HECM, the more the market gets interested in the product, so it kind of fulfills itself over time. We really want to be on the leading edge.”

### Thinking Long-Term and Being Steps Ahead

Reza Jahangiri, founder and CEO of American Advisors Group (AAG), began with a quote from Charles Darwin: “It’s not the strongest or the most intelligent who will survive, but those who can best manage change.”

“I don’t mean just responding and reacting,” Jahangiri explained, “but thinking long-term and being steps ahead. Companies that last 50, 100, 200 years, are the people that

*Reinventing Ourselves continued on page 18*



## New Year, New Revenue Stream

Kick off 2018  
with AAG!

- #1 HECM Lender in the Nation
- Easy-Access Marketing Portal
- Reliable Lender Support Team
- Dedicated, Knowledgeable Account Executives

**NEW YEAR'S RESOLUTION:**

**Become an AAG Approved Partner**

866-964-1109 | [aag.com/wholesale](http://aag.com/wholesale)

American Advisors Group, NMLS #9392, headquartered at 3800 W. Chapman Ave., 3rd & 7th floors, Orange, CA 92868. For industry professionals only – not intended for distribution to the general public. This material is not from HUD or the FHA and was not approved by HUD or a government agency. License information can be viewed on: <http://www.nmlsconsumeraccess.org> or <http://www.aag.com/disclosure>

## NEW PRODUCTS: FAR's Homesafe

*Finance of America Reverse's new proprietary reverse product was launched on November 13, 2017 and is called HomeSafe. "We've funded a handful in the first month, but origination has spiked dramatically," says FAR president Kristen Sieffert.*



*She says the biggest change from the previous proprietary offering is an increased loan-to-value (LTV) structure, with increases averaging three to eight percent. The old product carried a flat interest rate of 7.75 percent, while the new baseline drops to 6.5 percent. Flexibility, however, is built in to the new approach. For example, for borrowers who don't need the additional amounts being offered, FAR has maintained the lower LTV structure and an interest rate of 5.99 percent. And in cases where they need higher proceeds than the baseline provides, FAR offers Plus, which has a lower LTV and an interest rate of seven to 7.5 percent.*

*Perhaps the greatest difference between HomeSafe and HECM is the borrowing limit. HomeSafe can accommodate reverse mortgages up to \$4 million.*

*With the more conservative LTV curve, FAR does not require mortgage insurance for HomeSafe. Servicing is similar to a HECM but, as Sieffert explains, "We are focused on elevating the experience borrowers will have in both HomeSafe and our HECM products. And without all of the HUD rules and regulations, with HomeSafe we can concentrate more on our borrowers' specific needs."*

*"We made these pretty aggressive changes to let our customers and the industry see the proprietary reverse mortgage as an important addition to the retirement planning conversation."*

*And Sieffert and Finance of America Reverse are not done yet. "We're working on a couple of other changes over the course of 2018," she promises. For more information, go to [fareverse.com](http://fareverse.com) or call (855) 421-4745.*

know how to balance between short-term resource allocation in strategic initiatives and the long-term."

The last five years of HUD reverse mortgage changes, he observed, have placed businesses in "short-term, reactive response mode" that makes future strategy difficult.

"My thought is this: We need to accelerate evolution. We're a mono-line government product distribution business with a product that has acceptance and reputational challenges—that's just the truth—and that leads to high-cost acquisition and low demographic penetration relative to the utility of the product, and we need to do something different." He doesn't see that having a business model so tied to government policies and changes can break out into the kind of volume the industry is looking for.

"The good news here is that seniors are dealing with the quality of life issue. Fifty-two percent of seniors, when they hit retirement age, go down in their standard of living or quality of life. That's a horrible number. That's not acceptable to us as a society, and not enough people are putting effort and focus into this."

Jahangiri still sees the HECM as critical and "the most elegant solution for seniors." But in order not to be so vulnerable to HUD changes and rules, "We have to change the story."

"What we decided to do about 18 months or two years ago at AAG is, we said, 'We're going to come up with a transformative strategy.' What we're trying to do is transform into the home equity solution business. We don't want to be just a reverse mortgage business, come a year or two years from now."

AAG intends to spread its advertising budget around more products. "We're going to offer more solutions [related to using home equity] and hope we go in the direction of eventually being product-agnostic." This would represent a sea change in an industry tied almost exclusively to one government-regulated loan instrument.

"Our core, highest-distribution business will probably be reverse mortgage, but that is the way we're thinking we have to change our business model to evolve with the times. We also think [we need] a different messaging approach. I love Tom Selleck, I love our

current call to action model that generally focuses on the needs-based consumer, but it has to change as well, if we want higher penetration, since we have these reputational issues and awareness issues.”

Jahangiri cited Kristen Sieffert and FAR’s product as an example of the direction in which the industry should be headed. “This forces our hand to further accelerate the evolution of product innovation to have more proprietary, uncorrelated to government solutions. There are some gaps we could fill now, especially now that there’s not risk-based pricing with the HECM in its current version. There are opportunities there for the low-draw or no-draw consumer, and as the PLFs are going down on the HECM side, [the market expands] on who we can help with a proprietary. That’s another critical area of innovation and focus for us as we

move to evolve our business models.”

Joe DeMarkey agrees. “The solution is to appeal to a broader constituency.” Yet on HECM he warns, “You will not get back-end changes until the front end is fixed.”

*There are opportunities there for the low-draw or no-draw consumer, and as the PLFs are going down on the HECM side, [the market expands] on who we can help with a proprietary.*

And looking forward on the HECM front, Mike Kent comments, “It’s a little too early to tell what the new production will look like. But the investor community really likes this product. There is a worldwide appetite for yield, and [HECM] performs well, it’s government-guaranteed. There really today has been no true sign of any exit or change in investor perception.” **RM**



**IS YOUR CURRENT AMC LISTENING?**

**Lres**  
Real Estate Solutions. We hear you.

TO LEARN MORE, VISIT [WWW.LRES.COM](http://WWW.LRES.COM) OR CALL: 714-872-5877

## Choose an AMC that Hears You!

At LRES, We strive to make it easy to do business. Our passion is to be your Valuation, HOA, and REO Asset Management Company of Choice. That’s why we have had the pleasure to serve a number of our clients for well over a decade. LRES strives to understand your requirements, business hurdles, and market pressures so that we can deliver industry compliant appraisals, HOA solutions, and REO services.

## Appraisal Management Services

Real Estate Appraisals  
Real Estate Evaluations  
REO Asset Management  
HOA Solutions

# The Money Faucet

*A new image to penetrate a reluctant market* By Marty Bell

**IMAGINE, IF YOU WILL, A FAUCET. BUT NOT A WATER faucet.** Instead, a money faucet. Instead of hot or cold water, the two handles control the flow from accounts. One handle controls the flow from your 401(k) account; the other controls the flow from a HECM line of credit.

And that is not all the magic to this device: You actually do not even have to move the handles yourself to control the flow. It is programmed to do that by itself. Each month, when it is time to pay your bills, the flow comes from one account or the other and is determined by how to always maintain the most money in your combined accounts.

The money faucet with a mind of its own may be a fantasy, but it is a practical illustration of an approach to retirement funding utilizing a reverse mortgage that acclaimed researcher Barry Sacks demonstrates greatly reduces the risk of running out of money.

Speaking to the almost 600 attendees at NRMLA's Annual Meeting & Expo in San Francisco in November, Sacks, in a presentation entitled "Using Housing Wealth to Improve Financial Outcomes in Retirement," advocated for an active, as opposed to a passive, approach to retirement income sourcing, for those considered the mass affluent, as well as millions of others, that is, for a coordinated strategy that opts early to take advantage of home equity as opposed to perceiving it as a last resort.

In this period of a relentlessly climbing stock market, we may tend to forget the dive of a decade ago, but shame on unprepared retirees if a surprise slump rears its ugly head. Home equity can provide a hedge against "negative and weak investment returns in a portfolio being drawn upon in early years of retirement," says Sacks, "which leads to a substantially increased probability of premature portfolio exhaustion."

The Sacks retirement faucet approach promotes avoiding drawing down on a savings portfolio when investment performance is negative or weak, and instead promotes drawing on a reverse mortgage line of credit at such times. The same two-faucet approach also allows that reverse mortgage credit line to breathe and grow in periods when the savings portfolio has positive momentum.

## Assessing the Market

The Sacks solution makes a lot of sense to the markets highlighted by research on the drift of older adults' finances

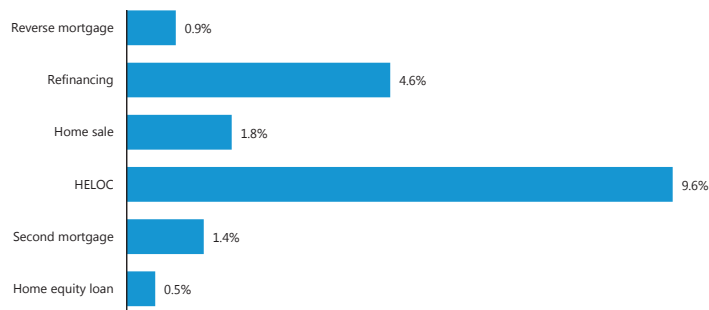
presented by Karan Kaul of the Urban Institute and Jay Greenberg of the National Council on Aging.

Kaul used the Federal Reserve Board's triannual Consumer Finance Study to track the path of housing

wealth amongst those approaching or in retirement. His take-aways show wealth measures increasing in the over 55 and 65 sectors of our society, especially among whites. Though minority wealth is not building at the same rate, the majority of minority wealth sits in home equity. Kaul finds a large need for utilizing home equity in retirement especially amongst those with low income and savings but with significant home equity wealth. Kaul concludes that there are 3.3 million over 65s who have \$773 billion in home equity and would benefit from tapping into it.

Of this cohort, only 17 percent have extracted home equity. While more than half of them (nine percent) chose to access via a HELOC, only .9 percent chose to utilize a reverse mortgage. That's a 10:1 ratio of HELOCs over HECMs.

### HOME EQUITY EXTRACTION RATES ARE VERY LOW



- Less than 1 percent of seniors tapped equity via a reverse mortgage in 2014
- Total 17 percent of seniors age 65 and older potentially extracted equity in 2014
- HELOC by far the most popular vehicle, followed by refinance
- Actual numbers likely even lower because having approved HELOC doesn't mean equity was extracted

The Urban Institute study reaffirmed that:

- Older adults have a staggering amount of home equity wealth
- Significant numbers of financially constrained households would benefit from using home equity

## SIZING SENIOR HOME EQUITY BORROWING NEEDS

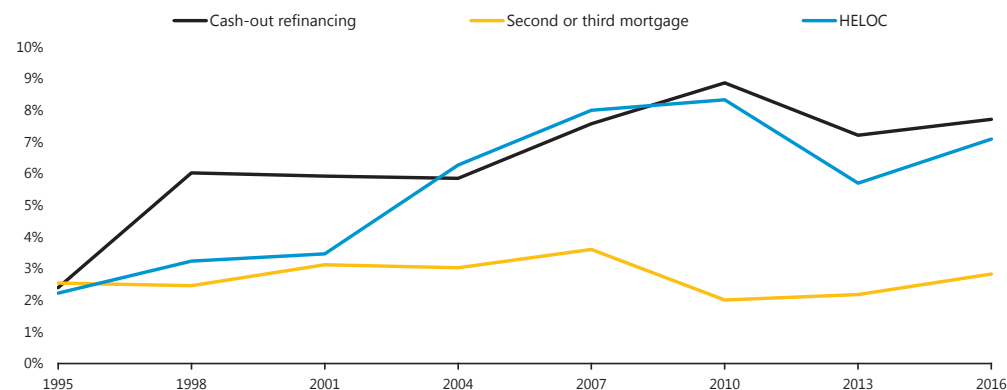
Number of households				Aggregate Home equity wealth owned (\$)			
Income	Home Equity			Income	Home Equity		
	>\$100,000	>\$50,000	>\$25,000		>\$100,000	>\$50,000	>\$25,000
≤\$20,000	920K	1.9M	2.4M	≤\$20,000	\$208B	\$283B	\$303B
≤\$40,000	2.5 M	4.5M	6M	≤\$40,000	\$562B	\$724B	\$781B
≤\$60,000	3.3M	5.7M	7.5M	≤\$60,000	\$773B	\$964B	\$1Tr

Source: Survey of Consumer Finances, 2016

- For all three income buckets, a total of 3.3 million households might need to access equity in their homes (conservative estimate)
- The aggregate home equity owned by these households is \$773 billion
- Obviously, not all of this equity will be extracted due to lack of desire, or for other reasons
- But even if a small portion were tapped, that would give lending volumes a major boost  
For example, 10% of 3.3 million = 330,000 loans (6 times current HECM volume)
- But extraction is very limited.

## LOTS OF EQUITY, BUT VERY LOW EXTRACTION

% of homeowners age 65 and older who had an active home equity product, by channel



Source: Survey of Consumer Finances

- Despite substantial housing wealth and the need to improve retirement security, most seniors aren't tapping home equity
- Although extraction rates have increased during the last 20 years – mainly due to increased HELOC and cash-out usage

## Resistance to Home Equity and Reverse Mortgages

NCOA set out to explore the juxtaposition of needs in later life with the lack of knowledge about, or interest in, using home equity, according to the Greenberg. In other words, who is an apparent no-brainer instead a brain-teaser. As an educational and advocacy organization, NCOA's research funded by a grant from Reverse Mortgage Funding, was not only searching for attitudes towards using home equity, but also for a hint that the resisters were open to learning more. Amongst those who had opted in for using home equity, NCOA searched for an explanation of the 10:1 selection of HELOCs over HECMs.

NCOA surveyed 1,002 homeowners over 62 who did not have either product to assess attitude and held focus groups with 112 participants in three cities spread throughout the country to listen to product preference.

*The Money Faucet continued on page 22*

The result of the survey of attitudes towards home equity:

### SELECT ATTITUDES TOWARD HOME & HOME EQUITY

Attitude	%
Want to leave inheritance from equity in home	39%
Important that family inherit my house	13%
Would prefer home care if I need care	66%
Plan to move to senior community in the future	16%
Would like to move into home easier to maintain	29%
<b>Definitely not purchase RM</b>	<b>50%</b>
<b>Definitely not purchase home equity product of any kind</b>	<b>28%</b>

What was most striking here was that while only 28 percent of responders averred they would not choose any home equity product, 50 percent insisted they had no interest in a reverse mortgage. This posed the issue better explored via focus group.

The focus groups were presented with a chart describing the features of two equity extraction products. In some groups the identity of the products was revealed. In others, the identity was not shared.

As you can see from the chart below, when identity was shared, there was a strong preference for HELOCs. But when the identities were listed only as Product A and Product B, the preference shifted towards reverse mortgages.

### PRODUCT NAME EXPERIMENT

#### Key Product Features

\*Please assume that the total costs and fees for both products are about the same. Both A and B are line-of-credit products for accessing a homeowner's home equity to meet expenses.

#### Loan Type A

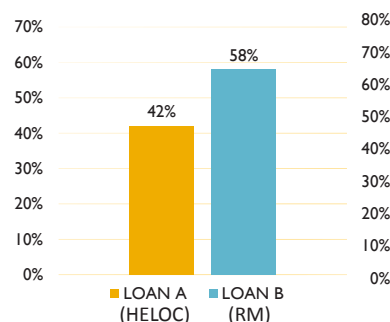
- Borrower has access to line for 10 years
- Must make minimum monthly payments
- Lender can freeze or reduce loan amount
- Home subject to foreclosure if minimum payments, taxes or insurance not paid
- Loan balance must be paid back in full, even if borrower owes more than home is worth

#### Loan Type B

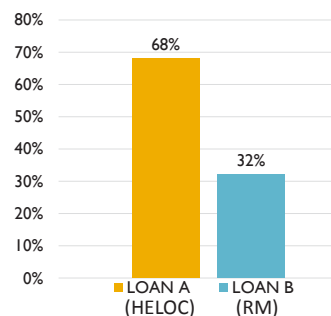
- No mandatory 10 year draw
- No minimum payments required
- Lender cannot freeze/reduce loan amount
- Home subject to foreclosure if taxes or insurance not paid
- Borrowers or heirs never pay back more than the home's fair market value when sold

### CONSUMER NAME EXPERIMENT RESULTS

#### Not Named (N=500)



#### Named (N=500)



## Cash Flow Survival

The demographic data and surveys of the market and attitudes provided by the two think tanks thus set the stage for evidence-based economic research to show potential borrowers how reverse mortgages can reduce anxiety about portfolio exhaustion and thus improve later life.

There are practical arguments that indicate the value of reverse mortgages, both anecdotal and data-centric examples, that illustrate the widespread common needs for aging services, particularly in this era of longevity, the likelihood of a need for caregiving or a health emergency or a financial setback to adult children. And then there are the strategic arguments, mathematical models that demonstrate the advantages of tapping a variety of valuable resources, the area in which Barry Sacks has established his impressive credentials.

In this latest presentation, Sacks compares the conventional passive strategy of turning to home equity to expand available financial resources only as a last resort with an active strategy that puts a reverse mortgage line of credit in place and accessible at early stages of retirement and prior to any volatility events that reduce non-home equity-related assets.

As Sacks writes, "Using a Monte Carlo technique to simulate the portfolio's investment performance, and inflation, over a 30-year period, we run two spread sheets simultaneously. They are identical in every respect except the timing of the draw on the portfolio or the HECM credit line."

Sacks's calculations show that, "For any total of home value plus investment portfolio, the dollar amount of initial distribution that results in approximately a 90 percent probability of 30-year (inflation-adjusted) cash flow survival is the same for a wide range of ratios of initial home value to initial portfolio value. This is true when the "Coordinated Strategy" is used, but not when the "Last Resort Strategy" is used.

#### SECURITIES PORTFOLIOS USED FOR RETIREMENT

##### Another Way to View the Effect of the Coordinate Strategy:

The greater the ratio of Initial Home Value to Initial Portfolio Value, the greater the "boost" to the cash flow survival that comes from the home value, when the Coordinated Strategy is used. And hence the greater the percentage of the portfolio's initial value that can be used to determine the initial withdrawal amount. The two lines reflect two different sets of investment return projections: The "Rule of 30" line reflects earlier (more optimistic) projections and the "Rule of 34" line reflects current (more conservative) projections.

"The use of a reverse mortgage credit line in the Coordinated Strategy is likely to provide a significantly enhanced cash flow survival during retirement, to a much larger group of retirees than previously recognized. (Ten to 20 million members of the Baby Boomer generation.)"

This conclusion is entirely consistent with the observations and recommendations of academics and scholars who advocate for the use of home equity to help stem the Baby Boomer retirement crisis. See, e.g., Robert Merton (MIT), Jack Guttentag (U. Penn.) and Alicia Munnell (Boston College Center for Retirement Research).

#### How do we utilize this?

The research presented by the Urban Institute confirms a need for extraction of home equity that vastly exceeds current utilization.

The research presented by NCOA shows a preference for reverse mortgages over HELOCs when the features of the two products are side-by-side but neither is identified by name.

The research presented by Barry Sacks shows that the active "retirement faucet" approach to paying for retirement utilizing both investment and home equity greatly reduces the risk of portfolio exhaustion for a large and diverse cohort of retirees with a variety of assets.

Together, these three varied research reports make a strong argument to thoughtful sensible retirees (and their financial advisors) that they can benefit from a more comprehensive look at a retirement funding plan that considers using reverse mortgages. For us, as an industry, this calls for a more creative, aggressive and wider spread ongoing educational effort. **RM**

# We're in this together.

## NATIONAL FIELD REPRESENTATIVES

# NFR

PROPERTY PRESERVATION, INSPECTIONS & SPECIALTY FIELD SERVICES • [WWW.NFRONLINE.COM](http://WWW.NFRONLINE.COM) • 800-639-2151 X 2220



# Developing a Facebook Ad Campaign

*The skillset you need to target your audience* By Mark Olshaker

**THESE DAYS, MOST PEOPLE HAVE AT LEAST THE** visceral sense that when it comes to marketing, the Internet is “where it’s at.” But that knowledge alone doesn’t provide any answers or direction. In fact, absent other guidance, it can leave a digital marketing newbie both dazed and confused. That’s where Jim Berkowitz comes in, as he did on November 14, 2017, at NRMLA’s Annual Meeting and Expo at the Palace Hotel in San Francisco.

“The advantage of digital marketing is the analytics and reporting on everything that’s going on,” he stated. “Everything is measurable and its completely annotated. You’re generating leads 24-7 without having to do anything.” Unlike print or television or radio advertising, digital ads can incorporate a multistep process leading to an actual relationship with the customer.

“One of the most daunting things for many companies,” Berkowitz conceded, “is ‘Where should I be putting my time, money and effort?’” Against a slide of the myriad online choices, he said, “You can dabble in any of these others, but clearly, it’s Facebook.”

radio and volunteers his time to many local nonprofits.

The statistics Berkowitz cited are staggering: 2.01 billion users, growing at a rate of 20 million per month. Significant to the reverse mortgage industry, more than 21 million of those in the United States are 62 years-old and up. He noted, “51 percent of the people who like your page are likely to do business with you. That’s too high to ignore.” And since those seniors tend not to go online as often as younger groups, an ad directed at them will likely be fresh and effective for a long time.

Though all digital marketing is becoming more complicated, “Facebook is the leader in making things more and more and more complex. But with that complexity comes a level of sophistication that they didn’t have before.” That sophistication means being able to define and target a desired audience by as many different parameters and demographics as one wants. “If you haven’t looked at the Facebook advertising system, you wouldn’t believe how many things you can target off of.” These include age, income and propensity to buy online. “You can micro-target to create an audience.

And you can also get a customer list and feed it into Facebook. All it needs is a name and email address, and then if they’re on Facebook, it will find them. Then, it can use a very sophisticated artificial intelligence algorithm to find everyone else out there just like them.”

Facebook’s advertising platform is accessed at **business.facebook.com**. Potential advertisers will digitally be asked all of the relevant questions, including how much they want to spend. Credit card arrangements have to be in place before Facebook will place an ad.

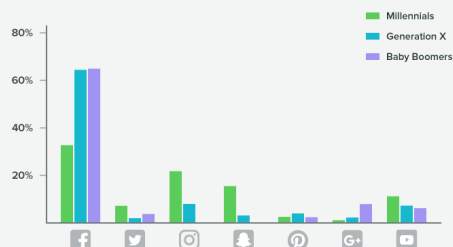
To effectively navigate in digital marketing, it is neces-

*Facebook continued on page 26*

## Why Facebook?

Network Preferences by Generation

Q1 2017

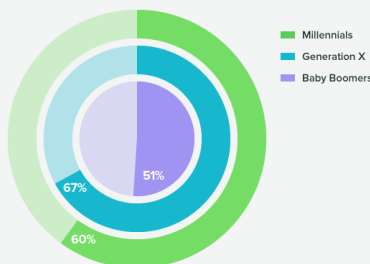


sproutsocial

sproutsocial.com/index

Percentage Likely to Purchase From a Brand They Follow

Q1 2017



sproutsocial

sproutsocial.com/index

Berkowitz is the founder of LaunchHawk Marketing. He has assisted hundreds of organizations with getting, keeping and growing customers. An active member of the Telluride, CO community, he is also “DJ Jimmy Jazz” on KOTO-FM

# A CHAMPION TEAM

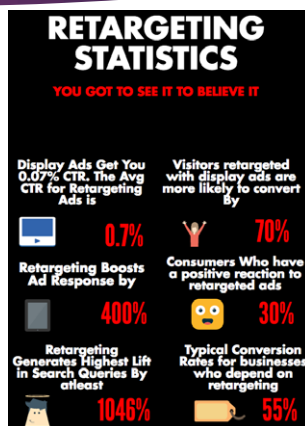
The background of the advertisement features a purple and blue gradient sky with wispy clouds. In the foreground, the silhouettes of two football players are shown in a dynamic pose, performing a hand-off of the ball. The player on the left is leaning forward, reaching out with his right hand to pass the ball. The player on the right is leaning back, reaching out with his left hand to receive the ball. Both players are wearing helmets and jerseys. The silhouettes are dark and stand out against the lighter sky. The overall composition is balanced and emphasizes teamwork and action.

**Celink**<sup>™</sup>  
Your Reverse Mortgage Ally

WE SERVE AS YOUR ALLY FROM THE CRITICAL  
MOMENT OF SERVICING CONNECTION AND BEYOND.  
MAKE A SUCCESSFUL HAND OFF WITH THE NATION'S  
MOST EXPERIENCED TEAM OF REVERSE MORTGAGE  
SERVICING EXPERTS AT [CELINK.COM](https://celink.com).

sary to understand the nomenclature and taxonomy of this brave new world. One of the key terms is “retargeting.” “Retargeting is incredibly powerful in terms of the results you can get,” says Berkowitz. “It puts a snippet of code on your page and then follows visitors with ads [wherever else they go on the Internet].” While he admitted, “It’s a little creepy,” he added, “Everybody’s doing it.”

## Retargeting



### And the Big Question:

“How do you know what to do? The answer is, you don’t. You keep trying, doing small tests, like \$300 or less. You can do a test in seven to ten days and spend \$150 to \$200-max, to see if something is working better than what you were doing before. You establish a baseline, then experiment with one variable at a time.”

For his NRMLA demonstration, Berkowitz chose New American Funding for a modest Facebook marketing campaign and said the important thresholds were awareness, consideration and lead generation or conversion. He pointed out that more people are now accessing the web from cell phones and tablets, “So, make sure your website works well for mobile devices.”

The distinction between a lead generation and conversion ad is that with the former, when viewers click “Submit” or equivalent, they are sent to a Facebook form page in which the information is automatically entered—yes, Facebook has the dope on us already—which is then automatically sent to you, the advertiser. With conversion, the click sends people to a “landing page” where they have to fill in their information.” You can choose which works better for you.

Berkowitz says, “People love video,” so the more interaction you have in your ad, the better. He particularly likes **lumen5.com**, which can transform ordinary articles into video. It figures out the most important sentences, sets up imagery and adds captions and music. It’s a way to repurpose an article into a video, and people love it.”

For his demonstration campaign, Berkowitz chose the catchphrase, “Your life doesn’t have to end at 62,” and tried to choose exciting lifestyle images “that don’t look like ads.”

It is not even important whether the image relates directly to the product or service being promoted, Berkowitz says. “The key is to get people to stop and look. The only thing that matters [about the image] is that it makes people take a look so they read your message.” He reiterated that you won’t know what works until you test it. “Facebook is all about running tests: a hundred dollars here, a hundred dollars there. Test the images, the headline, the color. But when you find what works: Bingo! You have a lead-generation machine.”

Search engine marketing is another way to go, such as with Google. “But people have to search to see your ad in Google by typing in something like ‘reverse mortgage.’ They already have to know what they’re looking for. With Facebook, you can lure in with a more general ad by suggesting a benefit, such as using your home’s equity and saying adventure still awaits in your golden years.”

The first step is to get readers interested and Berkowitz cautions not to ask for a phone number too early in this mating ritual. He points out that Facebook autofill form pages require all customer information be entered, whereas landing pages allow the advertiser to make some, like phone number, optional. “Learn More” is one of the best click button labels.

For his New American Funding experiment, Berkowitz reported 3,290 documented views for his ad in ten days, with 214 viewers clicking to a new page. “That’s 6.5 percent – a huge number!” Of those, 106 further clicked Learn More to get to the lead form, for a click-through rate of 3.2 percent, or \$3.16 per lead. Eighteen of those went all the way to giving their phone numbers. Without having to require the phone number, Berkowitz thinks the number would have been doubled.

## Facebook Ad Text



### Ad Engagement:

Reach: 3290 people (329/day - .10/person) —  
Total Impressions: 3,982  
All Clicks: 214  
Engagement with Ad: 6.5% of Reach  
CPC (Cost Per All Clicks): \$1.56  
CPC (Cost Per Click) to Lead Form: \$3.15

All Clicks - Note: Clicking on picture or button goes to the Facebook Lead Form

The next step is “lead funnel management.” The first email to the potential customer should be a thank you for interest and a brief description of what the advertiser does. Berkowitz recommends not appearing too eager or hard-sell, instead waiting two days to “tell your story. Offer something, like, ‘We have this fabulous checklist [you can use to organize your life],’” then, “They click through to another landing page and by now they’ve warmed up to you. Then you can ask for their phone numbers.

“Today, successful marketing is about being helpful; that’s all it is. They want to have a sense that you’re there to help them. And they want to be helped through the medium by which the connection was made. The best practice as digital marketing would say, anybody who responds to an ad in the digital realm wants to stay in the digital realm. Do you have everything on your website that people could possibly need or want to know? If the answer is No, people will go somewhere else.”

Ultimately, says Berkowitz, the aim of digital advertising is to make your product or service stand out from all the others. “What the marketing game is all about is differentiation.” An aim that should appeal to companies in an industry where all sell a similar product. **RM**

### STORY CONTACT:

*Jim Berkowitz, [jberkowitz@launchhawk.com](mailto:jberkowitz@launchhawk.com)*

# Who's Who in Reverse Mortgages

## Member News

### Celink Hires First General Counsel

Celink, the nation's largest subservicer of reverse mortgage products, hired Martha M. Belcher as executive vice president and general counsel.

Ms. Belcher's hiring as Celink's first general counsel marks a milestone event in Celink's history. She is a seasoned reverse mortgage executive with experience that includes senior legal positions at CIT Bank, N.A., OneWest Bank, N.A. and Fannie Mae. Ms. Belcher has also worked as an outside counsel, most recently at Foster Pepper and, earlier in her career, as a partner at Arnold & Porter.

"It is terrific becoming a part of the Celink team," said Belcher. "I look forward to using my knowledge and experience to further support Celink's leadership role in this important and dynamic industry."

### ReverseVision Partners With PRC

ReverseVision has forged a partnership with Premier Reverse Closings that allows users of ReverseVision's flagship RV Exchange (RVX) loan origination system (LOS) to order title services from PRC without ever leaving the RVX system. "Through our partnership with PRC, RVX users can now easily and efficiently request specialized title services from one of the nation's leading experts in reverse mortgage closings," said ReverseVision Vice President of Sales and Marketing Wendy Peel. "We look forward to a long and fruitful partnership with PRC that will generate even more solutions for optimizing the HECM lending process."

### NRMLA Honors Four For Industry Contributions

From left to right: Jim Milano of Weiner Brodsky Kider; Elly Johnson of United Northern Mortgage Bankers Ltd; Dan Hultquist of ReverseVision; and Jim Cory of Live Well Financial, were each presented with NRMLA's Distinguished Service Award during the 2017 Annual Meeting & Expo in San Francisco, November 13-15.



*Awardees Milano, Johnson, Hultquist and Cory.*

Jim Milano, whose firm serves as outside counsel to NRMLA, was recognized for his legal guidance and support of the reverse mortgage industry for the past 17 years.

Elly Johnson, who began her reverse mortgage career in 1992 with Unity Mortgage, was honored for her thoughtful and tireless leadership over 25 years in the reverse mortgage industry, including her current role as co-chair of the HUD Issues Committee.

Dan Hultquist and Jim Cory, who co-chair the Education Committee, were acknowledged for expanding continuing education opportunities for NRMLA members, which included the recent offering of the NMLS course, 8 Hour SAFE CE Comprehensive-Reverse Mortgage Historical, Regulatory and Ethical Considerations, presented via live webinar by Loan Officer School.

## Profiles of NRMLA 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](mailto:ftod@aag.com)*

*866-964-1109*

*Please visit [AAG.com/Wholesale](http://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](http://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.



FINANCE of AMERICA  
- REVERSE -

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](mailto:jscarpati@fareverse.com) [www.farwholesale.com](http://www.farwholesale.com)

## HighTechLending

HighTechLending, dba

AmericanSenior, is a FHA,  
Full Eagle Mortgage Bank,



HIGHTECHLENDING  
THE NEW WORLD OF MORTGAGE BANKING

holding GNMA and FNMA approvals and specializing in retail, reverse and wholesale platforms. Based in Irvine, CA, we have over 50 branches and licensed in states nationwide. As the Top Ten Lender nationwide including #2 in California, HighTechLending, Inc. was founded by Don Currie and Erika Macias-White in 2007 and celebrates its' ten years this year of exceptional service with A+ rating with the Better Business Bureau. 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.

<http://hightechlending.net/reverse-wholesale-heros/>

Contact us: 888-369-1573

## HomeBridge Financial Services

HomeBridge Financial Services, Inc. is one of the largest privately held, non-bank lenders in the United States. In the last 27 years, HomeBridge has grown to include more than 1,500 associates in nearly 100 retail branches across the country. We have over 300 Mortgage Loan Originators who are ready for you to serve their clients' reverse mortgage needs! HomeBridge holds FNMA, GNMA, FHLMC, FHA and VA approvals and funded more than \$7 billion in home loans through Q3 of 2016. We're also known for our Customer Commitment, as we concentrate on delivering a positive experience instead of merely completing a transaction.



*Dino Guadagnino*

973-727-2412 • [dino.guadagnino@homebridge.com](mailto:dino.guadagnino@homebridge.com)  
[www.homebridge.com](http://www.homebridge.com)

## 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.



LIBERTY  
HOME EQUITY SOLUTIONS

[www.libertyhomeequity.com](http://www.libertyhomeequity.com)

For career opportunities call 916-589-1853

For wholesale opportunities call 866-871-1353

© 2017 Liberty Home Equity Solutions, Inc.

NMLS # 3313 [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org). For a complete list of licenses, visit <https://libertyhomeequity.com/licensesnmls/>.

## LRES

LRES is a national provider of property valuation and REO asset management services for the real estate, capitalmarket 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*

[aroaf@lres.com](mailto:aroaf@lres.com) • [www.lres.com](http://www.lres.com)

## National Field Representatives

### Reverse Mortgage Field Services

Dealing with reverse mortgages is complex. NFR is your source for information, expertise and guidance when it comes to mortgage field services. For over



15 years, Reverse Mortgage Servicing executives have relied on NFR to deliver field services with integrity and professionalism. We have earned the reputation as a trusted partner meeting the real-world challenges facing reverse mortgage servicers. Our team members know family members may not fully understand a reverse mortgage and our coordinators are trained to deal with each situation gently and with compassion. NFR understands the importance of protecting your professional reputation.

Contact: *Margie Schagen, mschagen@nfronline.com*

Tel: 800-639-2151 x2220 • [www.NFROnline.com](http://www.NFROnline.com)

## 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.



*Lien Largent, Toll-free: 800-542-4113*

[llargent@prcclosings.com](mailto:llargent@prcclosings.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.



For wholesale opportunities:

Call 877-820.5314 or visit [partners.reversefunding.com](http://partners.reversefunding.com)

For career opportunities: Email [careers@reversefunding.com](mailto:careers@reversefunding.com)

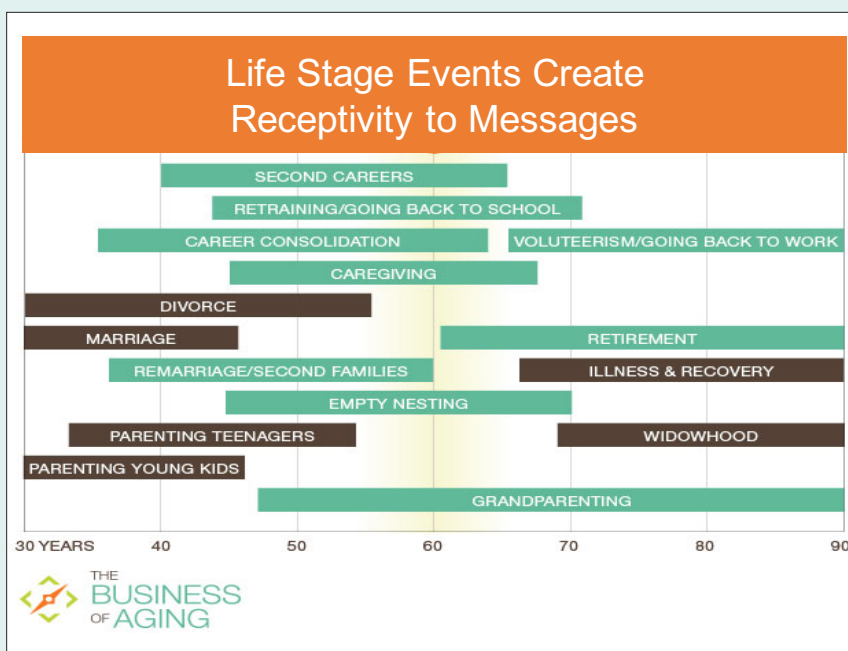
## Where do older adults find their information?

AT OTHER TIMES IN OUR COUNTRY'S HISTORY, PEOPLE OF ALL AGES FOUND INFORMATION IN THE SAME places—be it newspapers and magazines, radio or television. But with the vast increase in sources of information over the past two decades, we find ourselves caught in a generational divide.

To find out where the reverse mortgage generation finds their information, we turn to Lori Bitter, whose company, The Business of Aging, advises companies on this issue. The following slides are from her presentation at NRMLA's Annual Meeting:

“Before we talk about what media is, let's talk for a minute about when consumers are most receptive to messages. When I think of reaching older consumers I use the analogy of a crime – you need motive and you need opportunity. Your opportunity is when consumers will be most receptive to your message. You can't consider where to put your marketing messages without considering when you will be most successful at reaching people.”

“There are still plenty of traditional media tactics that do work with older adults. And there are many that are new that are getting plenty of traction for advertisers trying to reach older consumers.”



### What Media Works – the Old & the New

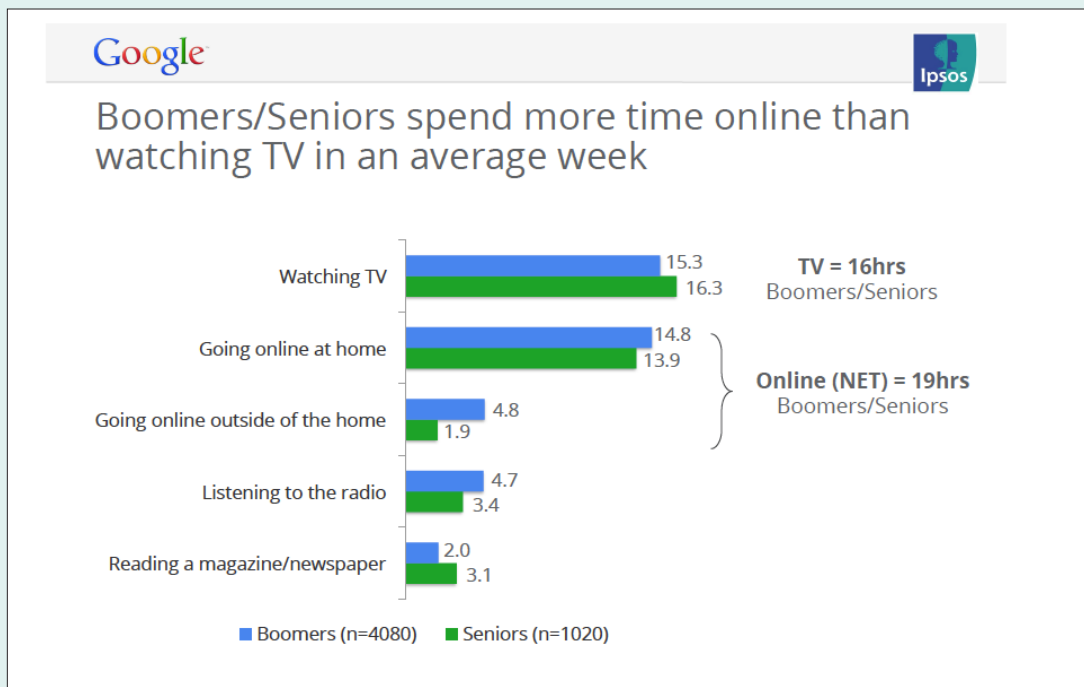
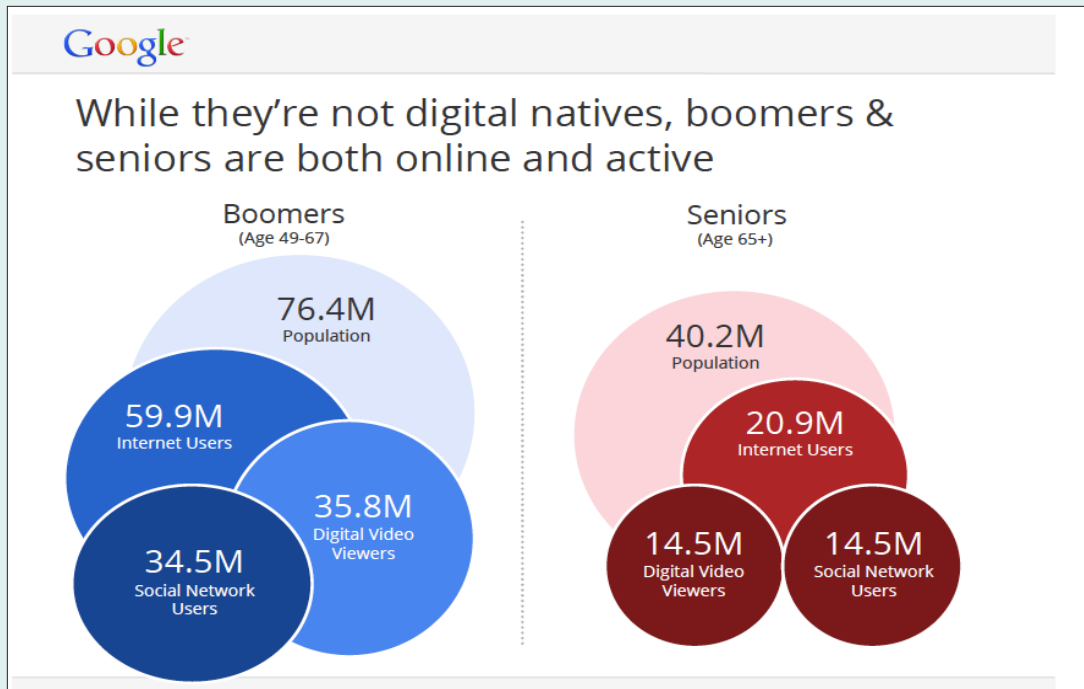
#### The Old:

- Print – local newspapers & senior papers (national – Parade)
- Magazines – national titles
  - AARP
  - Readers Digest
  - Martha Stewart Living
  - Shelter books
- Radio – talk, news, & “oldies”
- Television – news, game shows, select network programming

#### The New:

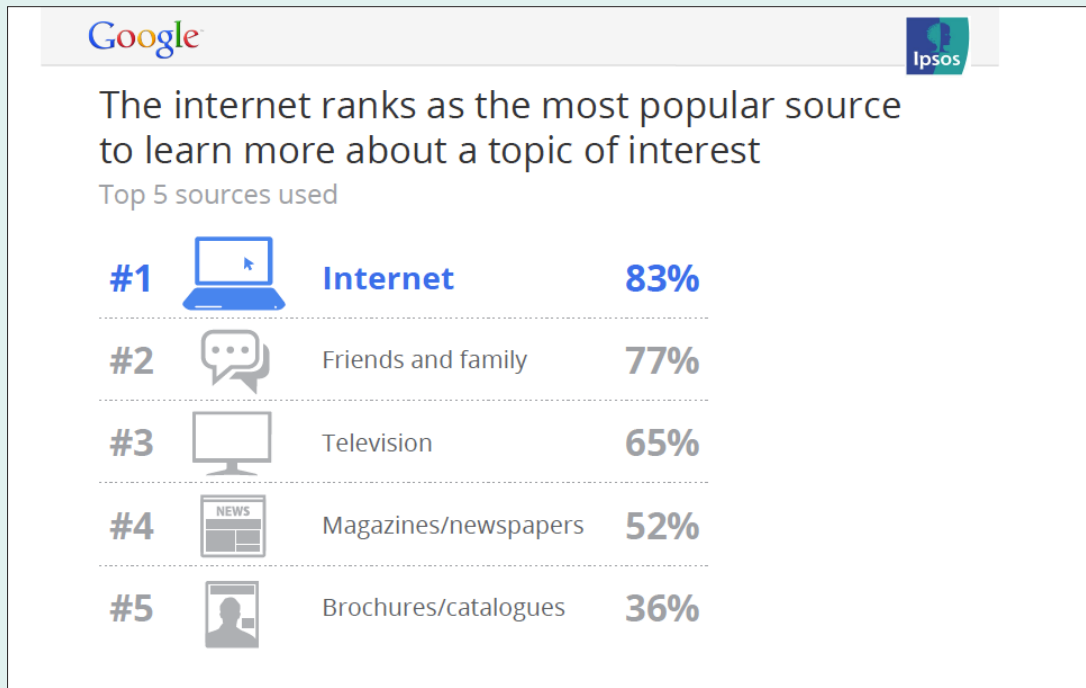
- Search
- Social Media – Facebook, Pinterest
- Blogs & Content
- Streaming Music Radio – Pandora
- Satellite Radio – Sirius

# Where do older adults find their information?



Numbers continued on page 32

## Where do older adults find their information?



15<sup>th</sup> Annual

# WHAT'S NEXT BOOMER BUSINESS *Summit*

Where Industry Leaders and Boomer Marketing Experts Converge

## The 2020 View: Your Blueprint for the Longevity Economy

Wednesday, March 28, 2018  
Parc 55 San Francisco

### Unlocking the business ecosystem for the longevity market

Reserve your spot today, and you will leave with a network of extraordinary innovators in the mature consumer space. Industry experts and influencers will share:

- Trends that underpin success in the longevity economy
- Business ecosystem knowledge – understanding its structure and navigating it smoothly
- Lead generation and sales approaches – what are best practices of industry leaders?
- Technology innovations – what devices, software, tech-enabled services matter?



Mary Furlong  
Mary Furlong & Associates  
furlong@aol.com  
3527 Mt. Diablo Blvd. #128  
Lafayette, California 94549  
Tel: (415) 902-8671  
Fax: (925) 284-9442

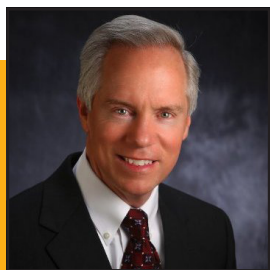
# STOP PANICKING—START PLANNING!

Register Now.



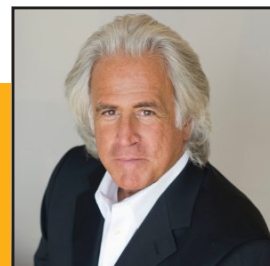
LEVERAGE YOUR EXISTING KNOWLEDGE  
AND LEARN NEW, ACTIONABLE SOLUTIONS.

## Don't Miss These Sessions...



**Jim Cameron, STRATMOR Group Senior Partner**, will explore the HECM as an element of a Generational

Lending™ strategy, including actionable data and insider insights to guide mortgage lenders in the formulation of business strategies and operational best practices for a successful HECM lending unit. This is a true opportunity to get a jump on your competition.



**Bob Massi, aka "The Property Man" on Fox News and Owner of Massi and Massi Attorneys at Law**, will provide an overview

of the HECM for Purchase loan and deliver marketing guidance. A panel discussion will follow featuring H4P originators sharing their experiences and actionable tips for building a successful H4P business.

FEBRUARY 6-8, 2018 | KONA KAI RESORT | SAN DIEGO

Visit [www.reversevision.com/usercon2018](http://www.reversevision.com/usercon2018) for details!