March-April 2019
Volume 12, No. 2

Reverse Mortgage

The official magazine of the National Reverse Mortgage Lenders Association

HECM HUD & Hill Book

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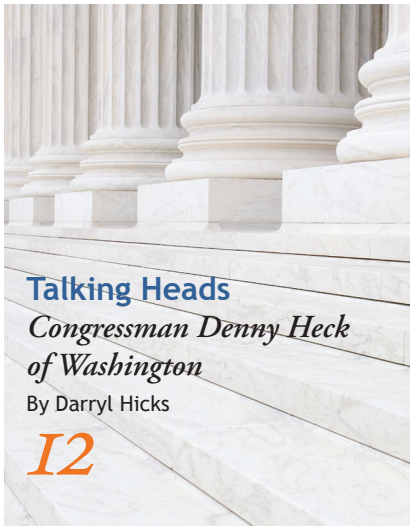

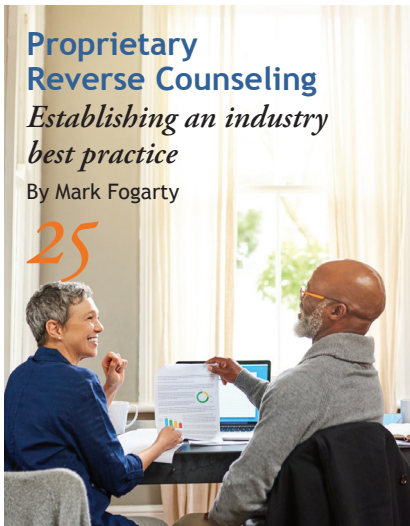

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Meet This Month's Contributors

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

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

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

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

Jamie Hopkins, Esq., LLM, MBA, CFP®, RICP® (*Retirement Prep*, p. 6) is the director of Retirement Research at Carson Wealth and a former professor of Taxation at The American College, where he helped co-create the Retirement Income Certified Professional® (RICP®) education program. He is the author of *Rewirement: Rewiring The Way You Think About Retirement*. Hopkins was selected by *InvestmentNews* as one of the top 40 financial service professionals under 40 and by The American Bar Association as one of the top 40 Young Attorneys in the country.

Mark Olshaker (*HECM HUD and Hill Book 2019*, p. 15), our staff writer, is a best-selling author of fiction and non-fiction and an accomplished researcher in the areas of crime and medicine, as well as a documentary film writer and producer. Olshaker has written 16 books, including *Law & Disorder* with former FBI Agent John Douglas and *Deadliest Enemy: Our War Against Killer Germs*, with Dr. Michael Osterholm. His latest book with Douglas, *The Killer Across the Table*, will be published by Harper Collins in 2019. Their book, *Mindhunter*, is the basis for the current Netflix series.

Edward Seiler (*Spending Patterns of Older Americans*, p. 27), is vice president, Research & Economic Analysis for organizations managed by Dworbell, including the National Reverse Mortgage Lenders Association and the National Aging in Place Council. In this capacity, Seiler leads economic research for these organizations. Previously Seiler was chief housing economist and director at Summit Consulting, was director of Economics at Fannie Mae and he has lectured graduate-level micro-economics at Johns Hopkins University. RM

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Let Them Hear You

IN THIS ASSOCIATION AND IN THESE PAGES, WE HAVE frequently encouraged you to make contact with the government officials who have influence on your businesses and your lives. They say a picture is worth a thousand words; I like to say a letter to a Congressperson is worth a thousand letters. In this frenetic environment where elected officials are faced with more issues than they can ever deal with and must spend ridiculous amounts of time raising campaign funds, in which government appointees are generally overworked in understaffed agencies, you would be surprised how meaningful and effective communications from constituents and stakeholders can be. In the decade I have been at NRMLA, I have watched with admiration as our staff and members provided input to legislation and rules and regulations. Sure there have been occasional disappointments and surprises (one in particular), but more frequently there have been satisfying results.

So who are the people who currently impact our industry that you should focus on? The bulk of this issue is your guide.

In our *HECM HUD & Hill Book,* beginning on page 15, staff writer Mark Olshaker—a lifetime Washington resident, which is a kind of unicorn—provides you with thumbnail sketches of and quotes from the key influencers and decision-makers for the reverse mortgage industry in Congress, at HUD, at OMB and at the CFPB.

Darryl Hicks' *Talking Heads* conversation this month is with the current Congressperson who has probably been our industry's biggest advocate, Denny Heck from Washington State, who co-sponsored the Reverse Mortgage Stabilization Act of 2013 and has remained in our corner. (p. 12)

Jamie Hopkins has established himself as a prominent and celebrated voice on the subject of retirement funding. A former professor of taxation at the American College and a formative partner of the Retirement Funding Task Force, Jamie recently moved his desk to Carson Wealth Management, where he now serves as director of Retirement Research. Jamie has had a unique view of behavioral financial issues, which digs deeply into threats to retirement security and we are honored to have him join our *Reverse Mortgage* magazine team this month. In his first *Retirement Prep* column, he presents his take on long-term care planning. (p. 6)

Though your potential clients for reverse mortgages are all at least 62, your market is actually comprised of two or, largely due to longevity, even three separate cohorts or generations. The needs and the expense of addressing those needs is not the same for your younger clients as they are for your older clients. To help you get a handle on how needs change as people continue to age, we asked Edward Seiler, our vice president of Economics and Research, to assemble and analyze data on older adults' expenses by generation. (*Spending Patterns of Older Americans*, p. 27)

And finally, we wondered since there is no statutory requirement as in the HECM program, how prominent will counseling be in the proprietary market? And how will it differ from HECM counseling? We asked Mark Fogarty to reach out to proprietary lenders to explain how they will approach this valuable service. (p. 25)

Marty Bell, *Editor*

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Tom Selleck
American Advisors Group
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Balanced Viewpoint

Connecting with Policy Makers

By Peter Bell, President & CEO of NRMLA

THE THEME OF THIS ISSUE IS SOMETHING WE LIKE to do every now and then – provide you with an update on who's who when it comes to HECM policymaking. It is an ever-changing cast of political appointees and career officials whom together manage various aspects of the program at HUD or develop policy impacting HECMs at other deferral agencies.

A big part of what we do at NRMLA is forming and building relationships with the government officials who have responsibilities in our areas of interest. We do this via meetings to get acquainted, hosting HUD and other agency personnel at NRMLA conferences, having key HUD officials as featured guests at NRMLA board meetings, providing informal feedback and industry observations on an ongoing basis and establishing credibility as an honest broker of information that helps public officials do their jobs.

In addition to the relationship building we do on our end, it is very helpful if NRMLA members make the effort to cultivate relationships.

It is helpful to all of us if each of you get to know the state officials who have responsibility for aging issues. You can usually find a chance to meet these individuals by looking for and attending conferences on aging issues at which they might be speaking or participating. Try to "button-hole" them after they speak, exchange cards and ask if you might come in for a visit to brief them on the current state of the reverse mortgage business. We find that most officials engaged in aging issues are curious to learn more about reverse mortgages.

In addition to political appointees and professional staff members at various state agencies, another group to cultivate is elected officials at all levels of government: local, state and federal. It's important that policymakers at all levels have a clear understanding of what we do and how it helps their constituents. Furthermore, today's local council member might be tomorrow's state legislator or a future member of the U.S. House of Representatives, United States Senate or a cabinet official. Most elected officials aspire to a higher office and you never know where they'll end up down the road.

Peter Bell

Our members are often shy about reaching out to elected officials. There is no reason to be; they work for you!

There are two ways to initiate a relationship: One is to simply call the elected official's office and tell them that you'd like to arrange an appointment to meet the officeholder and/or key staff. The other is to look for a community event or a political event that the official might be at. Approach them there for a quick introduction and ask if you could follow-up with a meeting to get better acquainted and to explain how you are helping some of their older constituents.

Once you do meet with an elected official, if you give them your business card, there's a good chance your name will be added to a list to be notified of campaign fund-raising events. (I have a lobbyist friend who taught me to always hand an elected official two of your cards, so they can pass one along to their campaign staff!) By all means, attend those events. Make a financial contribution and show the elected official that you are a supporter.

Following up with an elected official is almost always more fruitful when they know you are a supporter of theirs. In fact, in many cases, a constituent who is not a supporter will only get to meet with a staffer. Contributors get to meet with the principal.

What we try to do in an issue of the magazine, like this one, is make you familiar with the policymakers who can impact your business. However, it is not enough for you to know who they are; it's much more useful if they get to know who you are.

Help us out. Help yourself out. Invest the time and effort to cultivate the right political contacts. It will payoff for us all in the long run. RM

Long-Term Care Planning Isn't What Most People Think It Is

By Jamie Hopkins, Director of Retirement Research, Carson Wealth Management

LONG-TERM CARE RISK IS ONE OF THE LEAST planned for and largest liabilities facing retirees. In a 2017 survey published by The American College of Financial Services, only roughly one-third of people aged 60 to 75 have a plan in place, leaving the majority without any real plan on how to handle long-term care. This is a huge disconnect from reality as nearly 70 percent of people age 65 will need long-term care at some point in their lives.

Not only are Americans entering retirement without a long-term care plan in place, but the costs of care can be staggering. According to Genworth's 2018 Cost of Care study, the national costs of long-term care hit record levels in 2018.

- A full-time home health aide costs more than $50,000 per year;
- Adult day health care costs $18,720 per year;
- Assisted living costs $48,000 per year; and
- A private room in a nursing home costs more than $100,000 per year on average.

These costs can quickly deplete the average retirement savings of an American.

While nursing home costs are staggering, at-home care provided by family members is more common as a long-term care service—at-home service makes up 65 to 70 percent of long-term care services—with the vast majority of it unpaid.

But Americans are missing out when it comes to filing insurance claims. According to the American Association for Long-Term Care Insurance, just over 52 percent of all long-term care insurance claims begin at home. At-home care is still long-term care service, though.

Jamie Hopkins

It's crucial to incorporate at-home care into a long-term care plan. Family members should be involved in the planning process from an early stage since they're often heavily relied on for at-home care. This way, they can be aware of the type of care the individual wants and how to fund the care.

Without a long-term care plan or permission from the individual needing care, family members end up trying to shoulder both the burden of financing and providing the care. A big reason to involve the potential family caregivers early on is to give permission to spend money on care or to get assistance when needed.

Once a general plan is in place involving potential family caregivers, it's time to focus on the financing aspect of long-term care planning. A number of options are available. Traditional long-term care insurance is designed specifically to cover long-term care expenses, but it can have drawbacks or feel out of reach for many Americans due to its high cost.

Another option growing in popularity is a hybrid-policy approach that combines long-term care funding with a life insurance or annuity policy. For others with more limited assets, Medicaid will be their primary funding source of long-term care expenses. However, Medicaid typically requires an individual to spend down a lot of his or her wealth to qualify. This can be challenging and requires planning. Self-funding can also be an option if they spend down retirement savings.

Home equity can also play a role in funding long-term

care expenses. A reverse mortgage line of credit set up early in retirement can be a potential funding source of at-home long-term care costs. It serves a dual purpose of funding the costs and keeping the individual at home. Furthermore, it can be used to help cover the out-of-pocket costs of family members who might not qualify for reimbursement from a traditional long-term care insurance policy.

Another financing option is to sell the home to fund a move into assisted living, a continued care retirement community or a nursing home. For many people, this ends up being the default. It would be better if a plan was set up ahead of time that used assets more efficiently.

When looking at long-term care insurance, it's best to try and acquire coverage well before retirement. Once people reach their mid-60s to 70s, it becomes significantly more challenging to qualify for traditional long-term care insurance.

If planning wasn't done early enough to purchase a traditional long-term care insurance policy, a hybrid-policy might be an option. Sometimes a hybrid policy has different underwriting standards and the individual could still acquire some coverage after being denied under a traditional policy.

A lot of existing life insurance policies have an accelerated death benefit rider or feature that can be used to fund long-term care expenses. Many people already have a long-term care funding option and don't know it.

An all or nothing approach to long-term care funding isn't necessary. People often shy away from long-term care insurance coverage because they believe it's too expensive. Instead of purchasing a policy that would cover all long-term care needs, purchase a policy that covers some of the costs. This allows people to mix funding options together. Diversifying potential funding sources adds flexibility to retirement plans.

Regardless of the funding approach, every retirement income plan needs to address long-term care. It's just too expensive, prevalent and disruptive—to both the care recipient and their families—to be ignored. Additionally, people need to understand that most long-term care isn't nursing homes and funded by long-term care insurance, but is at-home care provided by family members.

A long-term care plan should provide funding solutions and grant permission to the family caregiver to get help and spend money when needed. A secure retirement plan needs to meet the individuals' goals and plan for potential risks, like long-term care. RM

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The Biz

EVERYTHING NEW YOU NEED TO KNOW

People are talking about...

BCFP Report: Reverse Mortgages Account for Just Two Percent of Mortgage Complaints

By Jim Milano, Weiner Brodsky Kider PC

The latest summary of consumer complaints published by the Bureau of Consumer Financial Protection found that out of 71,000 mortgage-related grievances filed over the past two years only 867, or less than two percent, focused on reverse mortgages. Of the 867 reverse mortgage complaints, 835 were resolved and closed with an explanation.

Company Response to Consumer	Number of Complaints
Closed with an explanation	835
Closed with monetary relief	13
Closed with non-monetary relief	7
Closed	6
Untimely response	6

The Bureau provided no further commentary on reverse mortgages, other than it merely mentioned that reverse mortgage-related complaints accounted for approximately two percent of all complaints filed between 11/1/2016 to 10/31/2018.

The report mentions a handful of complaints filed against Citi. This might lead one to conclude that a portion of the data has some inaccuracies since Citi is not involved in the reverse mortgage business. As you may recall, NRMLA commented to the BCFP last summer as part of its Request for Information (RFI) process that the Bureau should review and improve the manner by which it vets and verifies such complaint information prior to publishing it.

NRMLA Meets NY Policymakers to Discuss Reverse Mortgages and Co-Ops

NRMLA's Executive Vice President Steve Irwin and outside counsel Jim Milano traveled to Albany, NY to meet with assembly members and their staffs and stakeholders from the Department of Finance, AARP and NY Legal Aid to discuss a draft proposal that would allow reverse mortgages on housing cooperatives.

NRMLA provided background on how reverse mortgages work and the issues that preclude HECMs from being allowed on co-ops.

"There are several issues with some of the proposed language. I think we were able to get everyone on the same page regarding these issues," said Irwin. "AARP's main focus was to ensure that there were sufficient consumer protections in place, and I am pleased to say that we were able to support the protections that they were offering."

NRMLA's Peter Bell Interviewed on Aging Matters Radio Program

NRMLA President and CEO Peter Bell was interviewed for the AGING MATTERS radio program broadcast live on FM station WERA 96.7, based in Arlington, VA, to talk about the pros and cons of reverse mortgages.

Bell shared information on the differences between reverse mortgages and conventional mortgages and home equity lines of credit; payment plan options; borrower obligations; closing costs; and the repayment process. He urged listeners to learn more about reverse mortgages by visiting NRMLA's consumer site, ReverseMortgage.org, where they can also find reverse mortgage lenders and Certified Reverse Mortgage Professionals to assist them.

Listen to the broadcast and a complete archive of past shows at https://www.mixcloud.com/AgingMatters/.

Going Broke Remains Top Concern in Retirement: Survey of CPA Financial Planners

While Americans are worried about running out of money in retirement, the percentage of people citing it as a top concern fell from 41 percent in 2016 to 30 percent in 2018, while concerns about medical costs increased, according to the American Institute of CPAs Personal Financial Planning Trends Survey.

The AICPA said the improvement in people's concerns over running out of money is likely due to the economy's steady improvement over the last few years.

To help Americans feel more confident about their retirement readiness, members of the American Institute of CPAs' Personal Financial Planning Executive Committee have put together these five tips:

- Don't wait, explore long-term care coverage early;
- Don't look at your portfolio too often;
- Ramp up savings by taking advantage of catch-up contributions once you turn 50;

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Source: RMF Customer Satisfaction Survey 2017

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†With this pricing option, borrower recieves a lender credit covering nearly all closing costs. There is a non-refundable independent counseling fee of approximately $125 on average, which the borrower pays directly to the counseling agency. Terms and conditions apply. Not available in all states.

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- Have a tax-efficient drawdown strategy; and
- Plan to pay off or pay down debt before retirement.

The survey also found that clients worried about maintaining their current lifestyle and spending level (28 percent) in retirement was a close second financial concern. Stress from rising healthcare costs (18 percent) was a distant third. However, with medical costs forecast to continue growing throughout 2019, it is not surprising that this concern is up seven percentage points from 2016.

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.

The Press is talking about...

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Family Circle Magazine—which has a circulation of four million subscribers, predominantly women, who are pre-retirees (median age 50.5) and own a home (76.9 percent)—summarized the pros and cons of reverse mortgages, quoted NRMLA President and CEO Peter Bell on the benefits of counseling, and urged readers to visit NRMLA's consumer site, ReverseMortgage.org, to find a reputable lender near them.

Writer Paula Chin interviewed nationally syndicated financial columnist Terri Savage, who helped her father get a reverse mortgage in 2002. "He lived there happily for 16 more years," said Savage. "After he died, the loan came due, and my brothers and I turned the condo over to the bank and that was that."

Chin noted that homeowners who are interested in taking out an FHA-insured reverse mortgage must talk beforehand with an independent housing counselor. "They're not financial planners; they're housing counselors. The idea is to help the borrower figure out if a reverse mortgage will work for them," said NRMLA President and CEO Peter Bell.

Could you live on your retirement savings for 23 years?

https://poststar.com/lifestyles/could-you-live-on-your-retirement-savings-for-years/article_c0257760-9112-5323-b425-0ca76af65d7b.html
Nerd Wallet

NerdWallet personal finance reporter Dayana Yochim recommended to her readers that they consider leveraging their home equity through a reverse mortgage to help supplement retirement income. "If you have substantial equity in your home, a reverse mortgage can turn this asset into income," Yochim wrote in her article, which referenced a statistic from the Centers for Disease Control and Prevention that shows someone who reaches age 61 could live for another 23.3 years. "You'll receive a regular check, as long as you're living in the house. When you exit the premises to move elsewhere or on to the great beyond, the checks stop and your estate must repay the loan." Other options for increasing income include purchasing an immediate annuity, withdrawing less money from retirement accounts when the stock market is down or seeking assistance from government, nonprofit and for-profit programs that help struggling seniors.

In Washington they're talking about...

HUD Names New Senior Advisor For HECM


Joshua Miller

Joshua Miller, PhD, joined the Office of Housing on January 28, 2019, as a senior advisor to Deputy Assistant Secretary for Single Family Programs Gisele Roget, with a focus on the HECM program. He will take on much the same role as Karin Hill, who was the HECM point person at HUD from 2010 until her retirement in January 2018.

Dr. Miller joined HUD in 2015 and has worked primarily in the Office of Policy Development and Research. Before that, he was a housing policy analyst at the National Association of Home Builders where he conducted statistical and economic research on various homebuilding regulations and housing policy topics.

Congressional Hearings Address Retirement Security Challenges

The House Ways and Means Committee and the Senate Special Committee on Aging held public hearings on February 6 to discuss solutions for improving America's retirement system.

Among the people who testified before the Senate was The Honorable Gene L. Dodaro, U.S. Comptroller General, who discussed a new General Accountability Office report on the fiscal risks and challenges facing the U.S. retirement system – and recognized the growing importance of home equity as a retirement asset.

The GAO report stated, "For those who become home owners and build up equity in a home, this equity can serve as an important asset, providing a potential income source in retirement either by selling the home or obtaining a reverse mortgage."

During the House hearing, there was general agreement from Democrats and Republicans that Congress must act soon to keep Social Security and retirees' pensions solvent, and to find new ways to incentivize workers to save more for retirement.

Cynthia McDaniel, co-director of the Missouri-Kansas City Committee to Protect Pensions, testified before the Ways and Means Committee about her husband Ken, a truck driver for 35 years, who received a letter from Central States Pension Plan announcing a 57 percent cut in his monthly benefits, from $3,000 to $1,295. Shortly after hearing the news, Ken suffered a massive heart attack and Cynthia began advocating for other pensioners who were at risk of losing their hard-earned retirement savings. While her husband's health has improved, and the U.S. Treasury Department rejected the cuts proposed by Central States, McDaniel testified, "We have been told that if Congress doesn't pass a bill soon Central States, and as many as 130 to 150 other pension plans, will eventually collapse and that will lead to cuts for around 1.2 million workers and retirees."

Educate Your Clients About This Social Security Scam

In a recent blog posting on the Federal Trade Commission website, Jennifer Leach, acting associate director of the Division of Consumer and Business Education, played a recording of a new phone scam that has defrauded tens of thousands of people out of a combined $10 million.

"Scammers are saying your Social Security number (SSN) has been suspended because of suspicious activity, or because it's been involved in a crime," said Leach. "Sometimes, the scammer wants you to confirm your SSN to reactivate it. Sometimes, he'll say your bank account is about to be seized – but he'll tell you what to do to keep it safe. (Often, that involves putting your money on gift cards and giving him the codes – which, of course, means that your money is gone.)"

She also noted that the correct phone number for the Social Security Administration (800-772-1213) is coming across on caller ID, but the phone number that the scammers provide is different. If you or your clients get these calls, you are urged to tell the FTC at ftc.gov/complaint.

And now you're up to date.

The Honorable Representative Denny Heck (D-WA)

By Darryl Hicks

DURING HIS FRESHMAN YEAR IN CONGRESS, Congressman Denny Heck (D-WA) and his colleague on the Financial Services Committee, former Congressman Michael Fitzpatrick (R-PA), co-sponsored the Reverse Mortgage Stabilization Act of 2013. It was one of the few bills to be voted out of Congress and signed by President Obama that year, and was a critical piece of legislation that helped the Federal Housing Administration stabilize the HECM program.

Heck, a successful entrepreneur and small business owner, as well as politician, has represented Washington state's 10th Congressional District—located in the western portion of the state and centered around the capital city of Olympia—since 2013. Prior to coming to Washington, Rep. Heck was elected to five terms in the Washington House of Representatives and for a time was the Majority Leader, the second highest ranking position in that legislative body.

Heck has consistently been a strong supporter of the HECM program so *Reverse Mortgage* magazine sat down with him to talk about his initiatives for 2019 and the steps that NRMLA members can take to promote reverse mortgages to their own elected leaders in Congress.

Reverse Mortgage: ***We encourage our members to meet with their elected representatives in Congress to educate them about reverse mortgages and to clear up any misconceptions that member may have. What is the most effective method of getting comments and questions before legislators' eyes?***

Denny Heck: First, I would stress that you don't need to fly hundreds or thousands of miles—or whatever distance you are from DC—in order to be heard by your legislator. An easy way to start the conversation is to reach out to the district staff and request a meeting, with either staff or the Member of Congress. We employ a number of staff in the district whose sole job is outreach, and they are local. Whenever they aren't at other community meetings throughout the district, they are in meetings with constituents and hearing directly from you about your ideas, concerns or requests. I would encourage everyone new to advocacy to reach out for an introductory meeting with district staff, and then continue the conversation. Stay in touch with them, invite them to your office, or lunch gatherings, or conferences in the area. They are an invaluable conduit to both the Member of Congress and the DC office. If you do happen to be in DC, reach out well in advance and ask to meet with the Member of Congress. Whenever I have a meeting on my schedule, I ask two things: 1) Is there someone from the district? and 2) What do they want to discuss with me? Those are critical pieces of information to include in your first request. If you do only have a meeting with a staff member in DC due to scheduling demands (of which there are many), treat it just as seriously as you would with the Member. We hire these aides because we trust them to conduct our meetings and be our representatives when we are unable to be present. They want to hear your story and how we can help.

Rep. Denny Heck

***RM:** What kind of communication has the most impact on Congresspersons? Letters? Emails? Calls? Visits? Visits in Washington or in home offices?*

DH: We treat letters, emails and calls the same – the key difference is in asking for a response to your inquiry. Make sure you request a response if you want to hear our point of view on what information you've presented. I'm old school and I think nothing can replace a face-to-face interaction, but I recommend scheduling in advance rather than dropping in. That is the best way to get a substantive meeting that you can use as a basis for future correspondence, whether over email, phone or in person.

***RM:** What advice can you give to someone who may be intimidated to meet with their representative or senator?*

DH: We recently said goodbye to a great man, the longest-serving Member of Congress in our history, Representative John Dingell. He once told me, "You have a very important job, and you're not a very important person." My constituents are my bosses. Without their support and help, I wouldn't hold this very important job. So, everyone should know that you are on equal footing with your elected officials. In addition, meeting with people from back home, or when I'm back home, is one of the best parts of the job. It's like talking to an old friend, and you'll understand once you get through your first meeting that it's one of the easiest things you'll ever do.

***RM:** With the Democrats now in the leadership, what changes or new initiatives are you anticipating on the Financial Services Committee?*

DH: With our new chair, Congresswoman Maxine Waters, I expect a lot more focus on affordable housing and financial consumer protection issues. Our first committee hearing was on addressing homelessness, and we will have a hearing with the credit bureaus as well. She is extremely focused and devoted to advancing bipartisan proposals; ones that will also get attention in the upper chamber where Republicans have the gavels. Chairwoman Waters gets a lot of attention surrounding the investigatory work she plans to do, but there will be plenty of legislation considered also.

***RM:** Funding retirement is obviously a national problem. President Obama tried to introduce the CLASS Act for a national long-term care insurance program. Mark Iwry at Treasury during the last administration worked on an automatic IRA. Are there other things you think your committee can do to encourage people to save more?*

DH: The most important wealth-building tool to the average American is their home. Increasing homeownership as a way for more Americans to build equity is incredibly important to me. But the traditional ways of saving for retirement are also important, as well as making critical changes to make sure that Social Security remains solvent for generations to come. I think of housing as an eco-system. One major change on one rung—like an increase in the price of market-rate housing or less reverse mortgage availability—can influence other rungs, such as a young person's ability to afford to rent their own apartment, a senior's ability to downsize, or preventing a family from facing homelessness. I want Congress to get better at seeing how any proposed change to housing policy might affect the entire ladder of housing opportunity, and what that does to a family's overall finances, such as their retirement security.

***RM:** Since you understand HECM better than most lawmakers, do your colleagues come to you when they have questions about the product? What questions do you get asked most often either from your House colleagues or your constituents back home?*

DH: At first in this new Congress, we all focused on ending the government shutdown, which presented an opportunity to talk about housing – the largest monthly expense for most households. We saw how rent and mortgage payments placed an incredible amount of stress on government employees who weren't receiving a paycheck, and the amount of assistance that might go unmet because of HUD being shuttered. So, no matter what the most pressing issue of the day in DC, it always comes back in some way to housing affordability and financial security and that is a way to enter the HECM program into the conversation. I think, especially, as we see more Baby Boomers enter retirement, and move to figuring out their long-term financial needs, all proposals, including HECM, will be up for discussion.

***RM:** What can we do as an industry to better explain the value of HECMs to Congresspersons and to build more support for our program?*

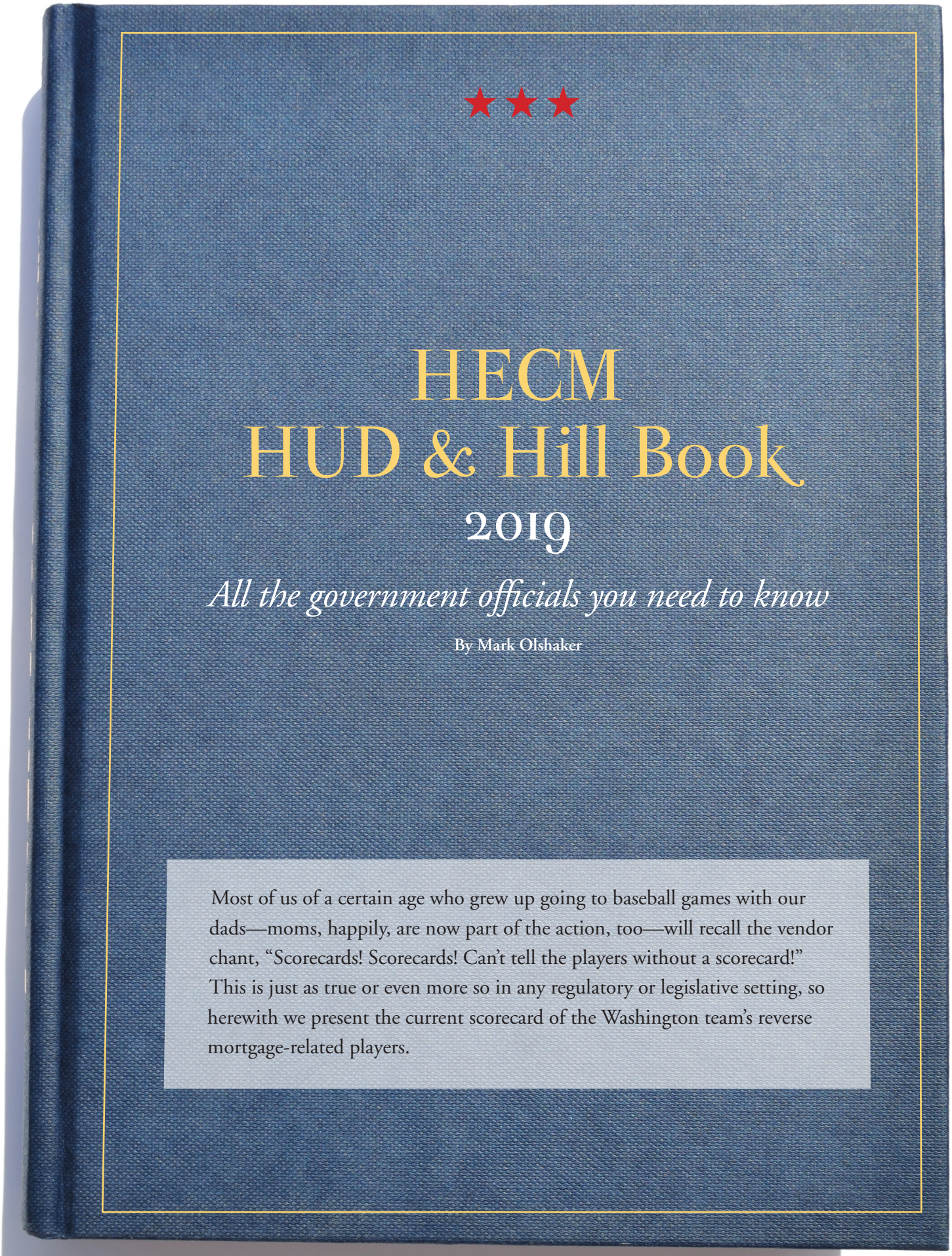
DH: My dear friend, the late Billy Frank Jr., advocated for tribal rights and environmental justice. His advice was always, "Tell your story." I encourage everyone to be armed with the data and the statistics on why their idea or policy proposal is important, but first and foremost the task is really simple: tell us your story. Give the issue a face and a name. Explain to us what it means to you. Your request is much more memorable and meaningful when you do that. RM

NRMLA®
National Reverse Mortgage Lenders Association

March 25-26, 2019
Pasea Hotel Huntington Beach
Huntington Beach, CA

May 20-21, 2019
InterContinental New York Times Square
New York, NY

FOR MORE INFO, GO TO: www.NRMLAonline.org/events



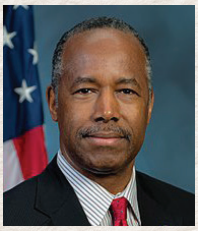
HECM HUD & Hill Book 2019

All the government officials you need to know

By Mark Olshaker

Most of us of a certain age who grew up going to baseball games with our dads—moms, happily, are now part of the action, too—will recall the vendor chant, "Scorecards! Scorecards! Can't tell the players without a scorecard!" This is just as true or even more so in any regulatory or legislative setting, so herewith we present the current scorecard of the Washington team's reverse mortgage-related players.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Benjamin S. Carson, M.D.
HUD Secretary
Former Johns Hopkins pediatric neurosurgeon Ben Carson has served since the beginning of the Trump administration. Though world-famous as a physician and author of his memoir *Gifted Hands,* as well as other inspirational books based on his rise from a single-parent family in a Detroit ghetto, Carson had no previous experience in housing or home equity utilization. A political conservative who ran for the 2016 Republican presidential nomination stressing self-sufficiency, he believes reverse mortgages further this aim. In a 2017 speech he declared, "This is a top priority for my department: To give seniors more opportunities, more alternatives, more choices, and, if desired, to help more people age in place." He has since praised HUD measures aimed at strengthening the program.

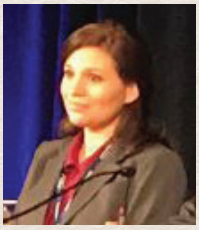
Brian D. Montgomery
Acting Deputy Secretary and Assistant Secretary for Housing (Federal Housing Administration Commissioner)
With more than 30 years of experience in the private and public sectors, Montgomery is the first FHA commissioner to serve under three presidential administrations. He is responsible for the management of FHA's $1.3 trillion mortgage insurance portfolio, is known for his efforts to increase home ownership in the lower income sectors and worked to reform the Real Estate Settlement Procedures Act, as well as his leadership of FHA modernization efforts that led to legislation in 2008. At NRMLA's national meeting last October, Montgomery said, "The HECM program has profound issues, and efforts in past years to address these problems have generally only delivered short-term fixes," and that the 2017 program changes did not go far enough to address his deep concerns over the MMI Fund. He concluded, "I recognize that in the reverse mortgage business we've seen lower volume. There is a worry that we haven't seen enough business to make it economical, but we want to strengthen this program, and to do so, it must be prudently managed. Make no mistake, we are dedicated to bringing this program to a reasonable level of financial self-sufficiency." Montgomery oversaw the implementation of HECM for Purchase and has gone on record that he wouldn't hesitate to recommend a reverse mortgage for his mother.

Giselle G. Roget
Deputy Assistant Secretary for Single Family, FHA
Formerly assistant vice president at MetLife and on the staff of the House Financial Services Committee, Roget is responsible for all aspects of FHA's single-family housing operation, including program management, servicing and REO management, quality control and institutional risk management. Last October, she announced second appraisals for HECM applications HUD suspects have been overvalued.

Joshua J. Miller
Senior Advisor
A senior economic advisor at HUD with a PhD in economics, Miller joined the Office of Housing on January 28, 2019, as a senior advisor to Deputy Assistant Secretary for Single Family Programs Giselle Roget, with a particular focus on the HECM program. He will take on much the same role as Karin Hill, who was the HECM point person at HUD from 2010 until her retirement in January 2018.

Dr. Miller joined HUD in 2015 and has worked primarily in the Office of Policy Development and Research. Before that, he was a housing policy analyst at the National Association of Home Builders where he conducted statistical and economic research on various homebuilding regulations and housing policy topics. He earned his PhD in Economics from the University of Illinois at Chicago.

Ivery W. Himes
Director of the Office of Single Family Asset Management, FHA
With more than 20 years at HUD, Himes's office is responsible for servicing the more than $270 billion HUD single-family mortgage portfolio.



Kasey Watson
Program Director of HECM Servicing
An attorney, Watson oversees the servicing of HUD's Secretary-held mortgage portfolio, including assigned HECMs, out of the Tulsa, OK Servicing Center.

Cherylayne "Cheryl" Walker
Director of Home Policy Valuation
Walker is responsible for analyzing factors that positively or negatively affect HUD's insurance programs and has been active in assuring the viability of the MMI Fund. At the annual NRMLA conference, Walker stated that the second appraisal requirement would affect only about 20 percent of HECM applications.

John R. Olmstead
Senior Housing Program Officer, Office of Housing Counseling
Olmstead supervises HECM counseling and the awarding of counseling certificates and told last year's NRMLA annual meeting that 78 percent of the certificates awarded went on to loan origination in 2018, versus only 53 percent in 2017, reflecting the more realistic number of applications based on the latest HUD rules and lenders' own screening processes.

Erica Jessup
Housing Program Policy Specialist, Office of Single Family Program Development
Jessup, a longtime federal employee, is responsible for the development of origination requirements for the HECM program, and provides policy guidance to the four HUD Homeownership Centers. She has appeared on panels at NRMLA conferences and updated the membership on HUD's HECM program priorities.

GINNIE MAE

Maren Kasper
Acting President, Executive Vice President, Chief Operations Officer
Previously a senior advisor to the HUD secretary on strategic housing and community development priorities, Kasper is responsible for all operations for Ginnie Mae's $2.0 trillion portfolio of mortgage-backed securities (MBS). Before her appointment as acting president in January 2019, she oversaw all aspects of business and policy development related to daily operations. In the private sector, she has broad experience in business development, fund management, online marketing and real estate lending. Experienced and well-respected in many quarters, she was part of HUD's "beachhead team" before Secretary Carson's confirmation and is demonstrably not afraid of controversy.

Michael R. Drayne
Senior Vice President
A career veteran of the housing finance industry, Drayne spent 18 years in mortgage banking at Chevy Chase Bank, where he served as vice president and director of Secondary Marketing. He was also co-founder of a bank-owned firm that originated reverse mortgages through a network of community banks and credit unions. After joining Ginnie Mae in 2011, he spent six years as the head of the Office of Issuer & Portfolio Management, with responsibility for managing relationships with the mortgage lenders and servicers issuing securities under Ginnie Mae's mortgage-backed securitiesprogram, and now oversees strategic planning, policy and communications. He has spoken at NRMLA conferences on modernizing home equity-based mortgage-backed securities (HMBS).

U.S. SENATE

The Senate Banking Committee and the House Financial Services Committee are referred to as "authorizing" committees. These committees introduce and pass laws that create new policies or amend existing ones. The Appropriations Committees do not make policies, but rather pass legislation that funds federal agencies that regulate programs.

The Senate Committee on Banking, Housing, and Urban Affairs oversees banking, price controls, deposit insurance, export controls, monetary policy, financial aid to commerce and industry, currency and legal tender, housing, urban development and mass transit and government contracts. The committee also holds hearings on presidential nominees for secretary of Housing and Urban Development, Federal Housing Administration commissioner, and director of the Bureau of Consumer Financial Protection. It has jurisdiction over reverse mortgages and the HECM program.

Under the Committee, there are five subcommittees. The one that has the most direct relationship to HECM-related issues is the **Subcommittee on Housing, Transportation and Community Development** (David Perdue, chairman; Robert Menendez, ranking member). It has direct jurisdiction and oversight of urban mass transit, HUD and FHA, affordable and senior housing, foreclosure mitigation, mortgage servicing, the Home Affordable Modification Program (HAMP), nursing home construction and rural and Indian housing.

Other relevant subcommittees are Financial Institutions

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and Consumer Protection (Tim Scott, chairman; Elizabeth Warren, ranking member) and Securities, Insurance and Investment (Patrick Toomey, chairman; Chris Van Hollen, ranking member).

Michael D. "Mike" Crapo (R-ID)
Chairman
Crapo, an attorney, previously served three terms as a U.S. representative for the second district and has been a senator since 1999. He is considered highly conservative, with a staunch anti-abortion stance and an A+ rating from the NRA. In supporting Ben Carson's nomination as HUD secretary, Crapo said he looked forward to strengthening the HECM program.

Sherrod C. Brown (D-OH)
Ranking Member
A former state representative, Ohio secretary of state and U.S. representative for the 13th district, Brown has been in the senate since 2007 and is considered a likely Democratic presidential contender. He is considered a liberal who could unite with moderates, supported same-sex marriage laws and voted against the Iraq war and the 2017 tax bill. In voting against Brian Montgomery's confirmation, Brown commented, "I'm concerned that Mr. Montgomery, in the interest of making the FHA a better partner to the mortgage industry—many of whom he served as a board member or advisor—will lose sight of the interests that FHA and consumers have."

David Perdue (R-GA)
Chairman, Housing, Transportation and Community Development Subcommittee
Perdue's background is in business, having worked in management at Sara Lee, Haggar Clothing and Reebok and Dollar General, among other companies. The *Atlanta Journal-Constitution* stated, he is "known on Wall Street as a turnaround specialist who helps revive brands and reap rewards for investors." He is reliably conservative, advocated for withdrawal from the Paris Climate Agreement, favors term limits and is a close ally of President Trump, though he believes the growing national debt is the greatest threat to national security.

Robert "Bob" Menendez (D-NJ)
Ranking Member, Housing, Transportation and Community Development Subcommittee
Menendez, the son of Cuban immigrants, is an attorney who previously represented New Jersey's 13th district in the House. He is a strong advocate for immigration reform, the environment, educational opportunity healthcare and equal rights. He has extensive experience in foreign policy and has an F rating from the NRA. And he has consistently been a strong advocate for the HECM Program.

Republican Members: Richard Shelby (AL), Pat Toomey (PA), Tim Scott (SC), Ben Sasse, (NE), Tom Cotton, (AR), Mike Rounds (SD), David Perdue (GA), Thom Tillis (NC), John N. Kennedy (LA), Martha McSally (AZ), Jerry Moran (KS), Kevin Kramer (ND).

Democratic Members: Jack Reed (RI), Robert Menendez (NJ), Jon Tester (MT), Mark Warner (VA), Elizabeth Warren (MA), Brian Schatz (HI), Chris Van Hollen (MD), Catherine Cortez Masto (NV), Doug Jones (AL), Tina Smith (MN), Krysten Sinema (AZ).

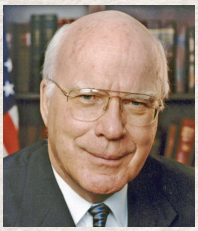
The Committee on Appropriations is the largest and arguably the most powerful committee in the Senate. It is responsible for the legislation that allocates federal funds to the numerous government agencies, departments and organizations on an annual basis. Appropriations are generally limited to the levels set by a budget resolution drafted by the Budget Committee.

Twelve subcommittees draft legislation to allocate funds to government agencies within their jurisdictions and are responsible for reviewing the president's budget request, holding hearings and drafting spending plans. The full committee may review and modify the bills and approve them for consideration by the full Senate.

The subcommittee most likely to affect HECM policy is Transportation, Housing and Urban Development and Related Agencies (Susan Collins, chairperson; Jack Reed, ranking member). It has jurisdiction over funding for HUD and the Department of Transportation, FHA, economic and community development programs, community development block grants, and the FAA, National Transportation Safety Board, the Surface Transportation Safety Board and the Washington Metropolitan Transit Authority. A subcommittee of the House Appropriations Committee has similar responsibility.

Also influential is the Subcommittee on Financial Services and General Government (John N. Kennedy, chairman; Christopher Coons, ranking member), though other subcommittees can come into play depending on the specific policy issues involved.

Richard Shelby (R-AL)
Chairman
Shelby, an attorney and former prosecutor, served as U.S. representative for the seventh district before winning a Senate seat as a Democrat in 1986. He switched party affiliations in 1994, midway through President Clinton's first term, and has faced no significant electoral opposition since then. Shelby, who has significant experience on financial regulation from previous committee assignments, is reliably conservative on core issues, such as gun rights and abortion, but has been known to be independent on financial subjects, such as opposing the George W. Bush administration's bailout of major banks and corporations.



Patrick Leahy (D-VT)
Ranking Member
Leahy has been a senator since 1975 and is the former president pro tempore of the Senate. Liberal to moderate, he has cosponsored more bipartisan bills than any other senator, is concerned with protecting the integrity of government institutions and the environment and has been a strong civil rights advocate.

Susan Collins (R-ME)
Chairwoman, Transportation, Housing and Urban Development and Related Agencies Subcommittee
First elected in 1996, Collins is the most senior Republican woman senator. She has been in politics all her adult life and is probably the Senate's most moderate Republican and is a strong advocate for bipartisanship. She has taken strong positions on support for the elderly and individual rights, is pro-choice, favors immigration reform, and is one of three Republicans to vote for the American Recovery and Reinvestment Act. Though she voted against the Affordable Care Act, she has a strong interest in healthcare reform. Fiercely independent, her votes on specific issues are among the most difficult to predict.

Jack Reed, (D-RI)
Ranking Member, Transportation, Housing and Urban Development and Related Agencies Subcommittee
Reed, a West Point graduate and Ranger veteran of Army's 82nd Airborne Division, and former representative from Rhode Island's Second District, was elected to the Senate in 1996.

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He taught at West Point and earned a law degree from Harvard. He practiced law in Washington, DC and Providence. He strongly advocates for education and healthcare and is a fair trader rather than a free trader. He supports affirmative action, abortion rights, labor unions, alternative energy source development, conservation, immigration reform, increased Medicare funding and support for veterans' issues. He favors increased gun control and opposed the war in Iraq. He is a strong housing and consumer advocate.

Republican Members: Mitch McConnell (KY), Lamar Alexander (TN), Susan Collins (ME), Lisa Murkowski (AK), Lindsey Graham (SC), Roy Blunt (MO), Jerry Moran (KS), John Hoeven (ND), John Boozman (AR), Shelley Moore Capito (WV), John N. Kennedy (LA), Cindy Hyde-Smith (MS), Steve Daines (MT), Marco Rubio (FL), James Lankford (OK).

Democratic Members: Patty Murray (WA), Dianne Feinstein (CA), Richard Durbin (IL), Jack Reed, (RI), Jon Tester (MT), Tom Udall (NM), Jeanne Shaheen (NH), Jeff Merkley (OR), Christopher Coons (DE), Brian Schatz (HI), Tammy Baldwin (WI), Chris Murphy (CT), Joe Manchin (WV), Chris Van Hollen (MD).

U.S. HOUSE OF REPRESENTATIVES

The Committee on Financial Services has an extremely broad portfolio, overseeing issues and legislation related to banking and federal monetary policy, economic stabilization and price controls, financial aid to commerce and industry, insurance, international finance and financial organizations, money and credit, dollar valuation, public and private housing, securities and urban development.

There are six subcommittees, the most important of which to HECM is **Housing, Community Development and Insurance** (William Lacy Clay, chairman; Sean P. Duffy, ranking member). It oversees HUD and Ginnie Mae and matters related to public, affordable and rural housing, as well as community development, including Empowerment Zones, and government-sponsored insurance programs, such as the National Flood Insurance Program. The jurisdiction over insurance was transferred in 2001 to the then-House Banking and Financial Services Committee from the House Energy and Commerce Committee.

Other subcommittees that could come into play are Consumer Protection and Financial Institutions, and Oversight and Investigations.

Maxine Waters (D-CA)
Chairperson
Waters has served in the House since 1991, having represented three districts. A former chair of the Congressional Black Caucus, she is considered extremely liberal and associated with many (and several highly controversial) left wing causes. She is a strong supporter of housing opportunities for lower income groups and has called for greater transparency and protections for HECM borrowers. In 2017, she introduced legislation to help prevent unfair foreclosures on seniors with HUD reverse mortgages.

Patrick McHenry (R-NC)
Ranking Member
Representing North Carolina's tenth district, McHenry was elected in 2004 after serving as a Republican political operative and one term in the North Carolina General Assembly. In the financial sector, he sponsored a Mortgage Disclosure Simplification Act in 2007 and in 2011 sponsored a bill terminating the Home Affordable Modification Program. He has run up against the Consumer Financial Protection Bureau. McHenry is a strong champion of American enterprise and backed a bill to offer a huge prize for a transformative source of energy to replace fossil fuels.

William Lacy Clay (D-MO)
Chairman, Housing, Community Development and Insurance Subcommittee
Clay's First District encompasses the St. Louis area and he follows his father, Bill Clay, as a U.S. representative. A member of the Congressional Black Caucus, Clay has extensive experience with government oversight and has championed anti-discrimination, fair housing and consumer protection legislation. He also has strong positions on protecting the environment.

Sean Duffy (R-WI)
Ranking Member, Housing, Community Development and Insurance Subcommittee
A former district attorney, athlete and reality and ESPN TV personality, Duffy represents the Seventh District in northwest Wisconsin. He is proud of his law and order record and has supported the Trump tariffs and favored an overhaul of the Consumer Financial Protection Bureau, aimed at strengthening the U.S. banking system.

Democratic Members: Carolyn B. Maloney (NY), Nydia M. Velasquez (NY), Brad Sherman (CA), Gregory W. Meeks (NY), William Lacy Clay, (MO), David Scott (GA), Al Green (TX), Emanuel Cleaver (MO), Ed Perlmutter (CO), Jim A. Himes (CT), Bill Foster (IL), Joyce Beatty (OH), Denny Heck (WA), Juan Vargas (CA), Josh Gottheimer (NJ), Vincente Gonzalez (TX), Al Lawson (FL), Michael San Nicolas (GU), Rashida Tlaib (MI), Katie Porter (CA), Cindy Axne (IA), Sean Casten (IL), Ayanna Pressley (MA), Ben McAdams (UT), Alexandria Ocasio-Cortez (NY), Jennifer Wexton (VA), Stephen F. Lynch (MA), Tulsi Gabbard (HI), Alma Adams (NC), Madeleine Dean (PA), Jesús "Chuy" Garcia (IL), Sylvia Garcia (TX), Dean Phillips (MN).

Republican Members: Peter T. King (NY), Frank D. Lucas (OK), Bill Posey (FL), Blaine Luetkemeyer (MO), Bill Huizenga (MI), Sean P. Duffy (WI), Steve Stivers (OH), Ann Wagner (MO), Andy Barr (KY), Scott Tipton (CO), Roger Williams (TX), French Hill (AR), Tom Emmer (MN), Lee M. Zeldin (NY), Barry Loudermilk (GA), Alexander X. Mooney (WV), Warren Davidson (OH), Ted Budd (NC), David Kustoff (TN), Trey Hollingsworth (IN), Anthony Gonzalez (OH), John Rose (TN), Bryan Steil (WI), Lance Gooden (TX), Denver Riggleman (VA).

HUD & Hill Book 2019

The Committee on Appropriations is responsible for writing the laws that fund the federal government's important functions. Its broad jurisdiction is defined as "(1) Appropriation of the revenue for the support of the Government. (2) Rescissions of appropriations contained in appropriations Acts. (3) Transfers of unexpected balances. (4) Bills and joint resolutions reported by other committees that provide new entitlement authority."

There are 12 subcommittees, each dealing with a specific area of the federal government. As on the Senate side, the subcommittee with most relevance to reverse mortgages is **Transportation, Housing and Urban Development, and Related Agencies**. (David Price, chairman.) It holds jurisdiction over HUD and the Department of Transportation, as well as the Architectural and Transportation Barriers Compliance Board, the Federal Maritime Commission, the National Transportation Safety Board, the Neighborhood Reinvestment Corporation, the U.S. Interagency Council on Homelessness and the Washington Metropolitan Area Transit Authority. It is currently holding hearings on fair housing from the stakeholders' perspectives.

Financial Services and General Government may also come into play.

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Nita M. Lowey (D-NY)
Chairwoman
Lowey is serving her 16th term in Congress, representing parts of Westchester and Rockland Counties, which have been redistricted three times during her tenure. She is a proponent of educational opportunity, healthcare quality and biomedical research, improved homeland security preparedness, stricter public safety laws, environmental protection, women's issues, a leading international role for the United States and national security. She is considered a progressive but independently-minded, as shown by her opposition to President Obama's Iran nuclear treaty.

Kay Granger (R-TX)
Ranking Member
Former English and journalism teacher, insurance broker and Forth Worth mayor, Granger represents the 12th district, in 1996 becoming the first Republican woman from Texas elected to the House. She identifies as a conservative and is described as "a dependable vote for the leadership on most issues." She supported Mitt Romney's presidential bid and opposed Donald Trump's.

David E. Price, (D-NC)
Chairman, Transportation, Housing and Urban Development, and Related Agencies Subcommittee
Price, who holds a Bachelor of Divinity degree and PhD in political science, both from Yale, has represented North Carolina's Fourth District since 1987, with one two-year break. He taught political science and public policy at Duke and has authored a political science textbook. An early opponent of the Iraq war, he supports Wall Street reform and consumer protection and opposes concentration of media ownership. He is considered a strong advocate for protection of individual rights and is a strong supporter of education, accessible healthcare, affordable housing, clean air and water, scientific research, and improved transportation alternatives.

Mario Diaz-Balart (R-FL)
Ranking Member, Transportation, Housing and Urban Development, and Related Agencies Subcommittee
Diaz-Balart represents the 25th District, encompassing most of southwestern Miami-Dade County. The son of Cuban immigrants, he is the nephew of Fidel Castro's first wife and opposed normalizing relations with Cuba. He has served in both the Florida House and Senate. He has generally supported President Trump and advocated repeal of the Affordable Care Act, but has worked for bipartisan solutions to immigration issues and takes individual stands on the merits of various issues. For example, he supported the Keystone Pipeline, opposes regulation of greenhouse gases, but supports government funding for renewable energy. He believes lowering taxes is a better means of promoting economic growth than increased federal spending.

Democratic Members: Marcy Kaptur (OH), Peter Visclosky (IN), Jose Serrano (NY), Rosa DeLauro (CT), David Price (NC), Lucille Roybal-Allard (CA), Sanford Bishop (GA), Barbara Lee (CA), Betty McCollum (MN), Tim Ryan (OH), C. A. "Dutch" Ruppersberger (MD), Debbie Wasserman Schultz (FL), Henry Cuellar (TX), Chellie Pingree (ME), Mike Quigley (IL), Derek Kilmer (WA), Matt Cartwright (PA), Grace Meng (NY), Mark Pocan (WI), Katherine Clark (MA), Pete Aguilar (CA), Lois Frankel (FL), Cheri Bustos (IL), Bonnie Watson Coleman (NJ), Brenda Lawrence (MI), Norman Torres (CA), Charlie Crist (FL), Ann Kirkpatrick (AZ), Ed Case (HI).

Republican Members: Harold Rogers (KY), Robert Aderholt (AL), Michael Simpson (ID), John Carter (TX), Ken Calvert (CA), Tom Cole (OK), Mario Diaz-Balart (FL), Tom Graves (GA), Steve Womack (AR), Jeff Fortenberry (NE), Charles Fleischmann (TN), Jaime Herrera Beutler (WA), David Joyce (OH), Andy Harris (MD), Martha Roby (AL), Mark Amodei (NV), Chris Stewart (UT), Steve Palazzo (MS), Dan Newhouse (WA), John Moolenaar (MI), John Rutherford (FL), Will Hurd (TX).

CONSUMER FINANCIAL PROTECTION BUREAU

As the CFPB proclaims, it is "a U.S. government agency that makes sure banks, lenders and other financial companies treat you fairly." It conducts surveys, accepts complaints, monitors financial markets for consumer risks, proposes rules, and holds accountable and undertakes prosecution of financial institutions and companies it deems responsible for illegal practices. It has seen a mission for itself in protecting consumers on all aspects of HECM, including details of ads, and has pressed cases against several organizations for fraudulent or misleading reverse mortgage solicitation. Its website posts FAQs about HECMs and it has published consumer guides on the subject. Critics have claimed the CFPB is too powerful and does not have sufficient checks on its actions. Last year, under acting director Mick Mulvaney—now White House chief of staff, who had previously been highly critical of CFPB—the agency began to ease off on tough Obama era regulations. "Under President Trump," *The New York Times* reported in January, "the agency has shifted course and been friendlier to the businesses it regulates."

Kathy Kraninger
Director
Kraninger came to CFPB in December from the Office of Management and Budget where, as policy associate director she oversaw budgets for executive branch agencies. Before that she worked for the Senate and House Appropriations Subcommittees on Homeland Security. A former Peace Corps volunteer and law school graduate, she also was part of the team that set up the Department of Homeland Security after 9/11. She was approved by the Senate in a partisan 50-49 vote, with Democrats objecting to her lack of experience in consumer protection and the White House calling her, "The right leader to reform and refocus," the agency. In an early email to the staff, she said the bureau would, "Vigorously enforce the law," while weighing "the costs and benefits to consumers of rules and enforcement."

Stacy Canan
Assistant Director for Office for Older Americans
Canan began her career as a legal services lawyer and prior to coming to CFPB in 2012, was managing attorney at the AARP Foundation litigation group. Her office is charged with education and policy initiatives to protect older Americans against unfair, deceptive or abusive financial practices, and to support their financial well-being through sound financial decision-making. In an interview with *Reverse Mortgage* magazine, Canan said of NRMLA's "Dirty Dozen" list of unethical advertising practices, "If there were complete compliance with your 'Dirty Dozen' list, I'm sure that would make the market a safer place," and, "I think that complying with NRMLA's 'Dirty Dozen' is a fabulous start."

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OFFICE OF MANAGEMENT AND BUDGET

OMB is the largest organization in the executive office of the president. Its stated core mission, "is to serve the president of the United States in implementing his vision across the executive branch." This includes budget development and execution; oversight of agency performance, federal procurement and financial management; coordination and review of federal regulations by executive agencies to reflect presidential priorities; legislative clearance and coordination of agency communications; and executive orders to agency heads and officials.

When it creates the administration's annual budget, OMB provides a score for each federal program – how much money it is expected to make or cost the government. If the program is expected to need money, it is scored as requiring a credit subsidy. If it is expected to make money, it is scored as a negative credit subsidy. Historically, HECM was scored as making money, but that changed about a decade ago when it was scored as requiring a credit subsidy. Therefore, to maintain the program, either Congress has to supply the subsidy or OMB provides directives to HUD to make changes in the program so that a subsidy would not be required.

Mick Mulvaney
Director
While Mulvaney is technically still director, he is acting White House chief of staff, so the agency is effectively being managed by the deputy director.

Russell Vought
Deputy Director
Vought, an attorney, was previously vice president of Heritage Action, a conservative policy advocacy group affiliated with the Heritage Foundation, and executive director and budget director of the Republican Study Committee, and before that, as a legislative assistant to Senator Phil Gramm (R-TX). *The Washington Post* recently referred to Vought as a "longtime conservative firebrand" and said friends called him "a dyed-in-the-wool social and fiscal conservative." The same article stated, "Vought does not shy away from political confrontations on both sides of the aisle and has even attacked Republican leaders who sought to cut budget deals with Democrats. Like Kathy Kraninger, he was approved by a Senate vote of 50-49 as deputy director of OMB. RM

Proprietary Reverse Counseling

Establishing an industry Best Practice By Mark Fogarty

COUNSELING FOR PROPRIETARY REVERSE MORT-gages isn't exactly the same as counseling for Home Equity Conversion Mortgages. But it isn't exactly reinventing the wheel, either.

That's because the reverse lenders who offer proprietary mortgages often draw from the same list of HUD-approved HECM counselors to do double-duty on the private ones, and some of the counseling on the two products is similar. But not all of it. The double-duty counselors must also have a good handle on how the proprietary loan terms differ from HECM terms.

"We started with the national list of counselors for HECMs," says Craig Barnes, CRMP, corporate education leader for Reverse Mortgage Funding LLC of Newburgh, NY, which offers a proprietary mortgage called Equity Elite. "They're familiar with the basics of a reverse mortgage. They do both, HECM and Equity Elite."

RMF then trains the counselors on the differences between Equity Elite and HECMs. The differences are considerable, including higher loan limits, no mortgage insurance premium, lower age limit and an expansion in the universe of eligible condominiums.

"Interested counselors reach out to me, then we provide training to them, give them materials, as far as product specifics, and what the features of our product are," says Barnes. Consumers are then given a list of counselors to choose from.

Barnes says the idea of counseling is an industry best practice, no matter what type of loan. RMF requires the counseling even if the borrower has had a HECM previously.

Impartial third-party input

"Whether proprietary or not, counseling is a benefit, from a disinterested third party," Barnes says, a sentiment echoed by Adam Radmand of AAG, which offers a couple of non-HECM mortgages, including the Advantage, which it licenses from Finance of America Reverse.

Adam Radmand, director of Operations Optimization for National Field Sales at Orange, CA-based American Advisors Group (AAG), says, "Counseling is an unbiased

look at the pros and cons of the reverse mortgage product. Although the Advantage loan is not a government product, third-party counseling requirements have proven to increase borrowers' knowledge and understanding of the product from someone other than the loan originator."

Says Barnes, "The entire industry feels strongly the borrower wants to receive information from someone unrelated to the originator."

Radmand agrees. "Proprietary counseling is very similar to HECM counseling in that it ensures our borrowers and family members understand how the loan works through impartial education so that they can make an informed decision," he says. "We also follow state-specific counseling requirements.

"Similar to the HECM product, there are pre-counseling disclosures and requirements, which the borrower must obtain prior to their counseling appointment."

Mystery shopping

Britany Luth, director of operations for Finance of America Reverse (FAR), Tulsa, OK says her company feels much the same way. FAR thinks counseling is useful "to ensure borrowers are well informed of all of their financial options before entering into a reverse mortgage, whether it

***Proprietary Reverse Counseling** continued on page 26*

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be HECM or proprietary."

Luth says, HomeSafe counseling "is substantially similar to the HECM counseling and is performed by HUD-approved counselors. However, product specifics have been added to address our proprietary loan options."

FAR also likes to keep its counselors on their toes. "Additionally, we perform mystery shopping on all approved counselors in order to ensure we always have the most knowledgeable counselors on our approved list," says Luth.

HECM counseling, the foundation of proprietary counseling, is a robust process. *Reverse Mortgage* magazine ran an excerpt of a transcript of a telephone counseling session in a 2014 issue, noting the counselor had taken a five-day reverse mortgage counseling program, studied the HECM Handbook and the HECM counseling protocols, and passed a 100-question exam given by the Department of Housing and Urban Development.

In a 90-minute session, she and her client reviewed a checklist of items before the counselor agreed to send her client a certificate stating she had been counseled. They included:

- Determining the client's needs and circumstances;
- Explaining the features of a reverse mortgage;
- Explaining the client's responsibilities under a reverse mortgage;
- Listing all costs to obtain a reverse mortgage;
- Explaining the financial/tax implications of a reverse mortgage;
- Pointing out the financial or social service alternatives to a reverse mortgage; and
- Providing warnings about potential reverse mortgage/insurance fraud schemes and elder abuse.

Proprietary reverse counseling isn't mandatory, like HECM counseling is, but individual lenders require it anyway.

Expanding the borrower universe

One big difference between the two is that proprietary reverses, often called jumbo reverses (after the forward market, where loans with amounts above the secondary agency limits are called jumbos), have much higher loan limits than HECMs, which are currently capped at $726,525. Proprietary reverse loans can be made in amounts up to $4 million, meaning properties valued at more than that (up to $10 million in AAG's case) are eligible for a reverse, expanding the universe of eligible borrowers.

"The Advantage line is popular among affluent seniors who are seeking to diversify their capital and invest in other aspects of their life, such as family needs, home remodeling or maintaining their lifestyle," says Radmand. AAG re-introduced non-HECM products in 2018, with Advantage for the retail market and HomeSafe for wholesale.

For an RMF proprietary loan, counselors will have to explain to potential customers that Equity Elite loans vary in a number of ways from HECMs. Perhaps most significantly, besides the $4 million maximum loan amount, they have a reduced age limit of 60, down from the 62 used by HECMs and the other proprietary mortgages.

Also, there is no mortgage insurance premium (MIP), and eligible condos include those approved by Fannie Mae and RMF, as well as FHA-approved units. Credit standards are different as well.

"The credit guidelines are a little better," says Barnes about Equity Elite. "With the HECM, if you're late on taxes, that requires an explanation. We allow two lates in the last two years."

The higher loan limits open up new geographic possibilities in high-cost markets, like California, adds Barnes. But not having the FHA insurance also means "the amount of net proceeds will probably be less on a private loan (of a similar amount)," says Barnes.

"We have to factor in a lot of different things. It is not insured like a HECM. We don't have that same ability." On the other hand, closing costs might be lower.

"Closing costs on our product might be $5,000 as opposed to $20,000 on a HECM. With a HECM, the MIP might be $10,000 to start, plus the rest of the closing costs."

FAR in its marketing compares its proprietary HomeSafe loan head-to-head with HECMs, something counselors would benefit from knowing when they talk to borrowers.

So for a home valued at $2.3 million with an existing mortgage balance of $350,000, customers would have $931,500 available in total available funding, compared to $324,436 for the HECM. In addition, upfront costs for HomeSafe would come to $15,596 as compared to $21,722 for a fixed-rate HECM, out of pocket funds required at closing would be zero compared to $47,286 for the HECM, and the borrower would have $565,903 available at closing, versus nothing for the HECM.

The reaction from consumers on proprietary counseling? "The responses have been positive and further solidify the importance of education around the reverse mortgage products," says Radmand.

And RMF has heard nothing on Equity Elite. And that's a good thing.

"The only thing we've heard about it is we really don't get any pushback on counseling," says Barnes. RM

Spending Patterns of Older Americans

Do you tailor products the same way to someone 65 as someone 85? By Edward Seiler

AMERICA IS AGING. SO MUCH SO, THAT BY 2035 ONE-THIRD OF U.S. HOUSEHOLDS WILL BE HEADED by someone 65 or older, and 16 million households by someone 80 or older.[1] Although the financial industry has focused on pre- and post-retirement spending transitions, understanding expenditure patterns among the large and growing 65+ demographic is also crucial if we are to design suitable financial products to serve seniors well into their retirement years.

We tend to talk about aged and retired Americans as if they are all in the same boat, but obviously they are not. In fact, most people are in their own boat. In providing a financial service, such as a reverse mortgage, one pitch cannot sell all. In fact, you probably need a uniquely specific pitch for each person's own boat.

But we can see certain behavioral patterns. Over time, needs change. And, given the impact of longevity, the amount of that time can be longer than ever. So, it would seem helpful to someone sitting across the table from potential borrowers to have an understanding of these patterns of needs and resultant expenditures through the aging process.

Earlier in my career, a colleague and I studied patterns of vacation travel among seniors—how they increased after retirement but declined in later years as health and budget considerations came to the forefront.[2] In a similar vein, here we will examine how American seniors' spending patterns evolve as their budgets, general health, cognitive abilities and household structures change by summarizing, for different post-retirement age groups, senior households' core expense categories (including housing, food, health, transportation, clothing, entertainment, pensions and Social Security, and intra-family transfers).

We will proceed in two steps. First, by reviewing the main results from a series of articles written by Sudipto Banerjee from the Employee Benefit Research Institute (EBRI).[3] These papers use Health and Retirement Study data from 2001 to 2011 to examine consumption patterns among older Americans. We will then complement and update this view by analyzing Consumer Expenditure Survey (CE) data from 2017 and examine how the 2017 spending patterns relate to 2013 to 2014 CE results published by Anne Foster of the Bureau of Labor Statistics (BLS).[4]

Please note that the data will present us with national figures. Actual expenditures will, among other factors, vary based on locale and lifestyle.

Spending Patterns Across Ages — Findings from Health and Retirement Study Data

The University of Michigan Health and Retirement Study (HRS) is a biennial nationally representative longitudinal survey of approximately 20,000 people in America over age 50 that is used to apprise us on the challenges and opportunities of aging (e.g., senior healthcare, housing, assets, pensions, employment and disability). Since 2001, the HRS also includes supplemental Consumption and Activities Mail Survey (CAMS) data that provides detailed expenditure data from 5,000 households.

Illustration 1 shows median household expenditures from the 2011 HRS-CAMS, by age group, for six core consumption categories.

Illustration 1: Median Household Spending in 2011 (Adjusted to 2013$) by Age Group

	Age 65-74	Age 75-84	Age 85+
Home	$12,642	$10,805	$8,781
Food	$3,982	$3,228	$2,152
Health	$3,104	$3,109	$2,814
Transportation	$4,025	$2,794	$1,241
Clothing	$724	$569	$434
Entertainment	$2,380	$1,655	$714
Other	$1,148	$1,034	$734
Total	$34,036	$29,884	$22,263

Source: Banerjee (2014)

[1] Source: Joint Center for Housing Studies of Harvard University.
[2] Fleischer, Aliza and Edward Seiler, "Determinants of Vacation Travel Among Israeli Seniors: Theory and Evidence," Applied Economics, (34), (2002).
[3] Banerjee, Sudipto, "Expenditure Patterns of Older Americans, 2001-2009," Issue Brief No. 368 (2012), "How Does Household Expenditure Change with Age for Older Americans," Notes 35(9) (2014), and "Intra-Family Cash Transfers in Older American Households," Issue Brief No. 415 (2015). Employee Benefit Research Institute (EBRI).
[4] Foster, Ann C., "Consumer Expenditures Vary by Age," Beyond the Numbers, 4(14) (2015) and "A Closer Look at Spending Patterns of Older Americans," Beyond the Numbers, 5(4) (2016). Bureau of Labor Statistics.

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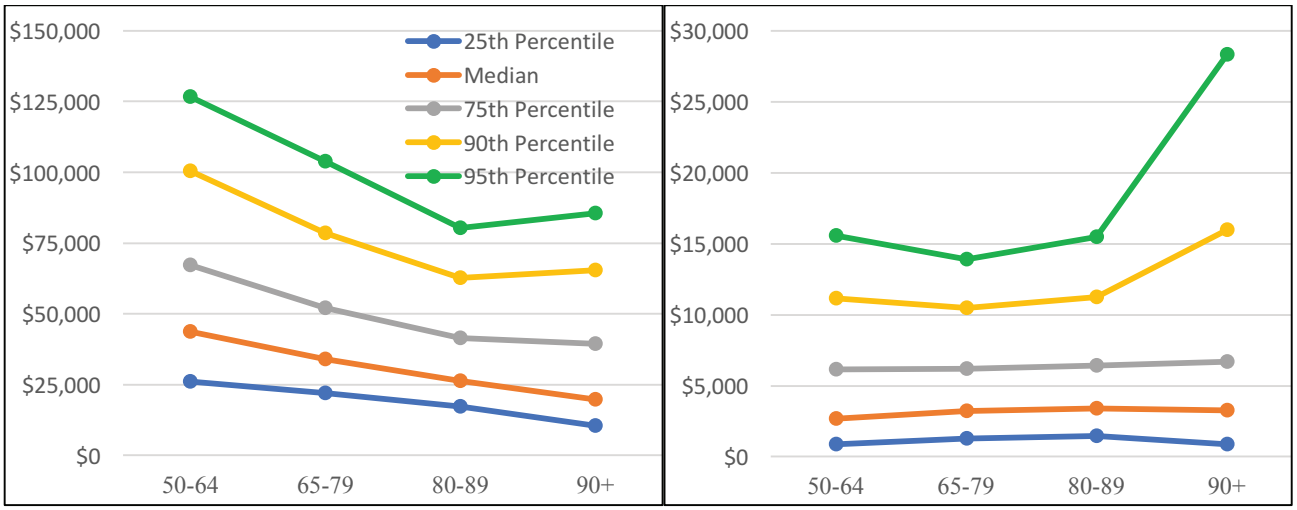
Spending Patterns continued from page 27

The first thing to note from Illustration 1 is that these categories are broad. For example, the home-related expenses combine mortgage payments, rent, utilities, taxes, fees, repairs, furnishing and more. With that said, home-related spending is the biggest expense category for all age groups, comprising almost 40 percent of expenditures in older households.

Median expenses drop sharply as seniors age.[5] This is true for all categories except (out-of-pocket) health expenditures. These are flat between the 65 to 74 and 75 to 84 age groups, and then fall by (only) nine percent as seniors age over 85. Note, however, that since average household size decreases with age, per-capita healthcare expenses may actually increase. (We will further explore this in the next section).

To gain a deeper understanding of these expenditure patterns, Banerjee drills-down in the data and examines household expenditure distributions. In Illustration 2, we show the distribution of overall household expenditures (left panel) and healthcare expenditures (right panel) for four age groups—including pre-retirees.

Illustration 2: Distribution of Household Expenditures (Left Panel) and Healthcare Expenditures (Right Panel), 2003-2011, for Different Age Groups (in 2013 Dollars)



Source: Banerjee (2014)

Consistent with Illustration 1, the median (in the left panel) falls as seniors age. Overall median expenditures drop by 55 percent across the four age groups. The expenditure distribution narrows as seniors retire and age through their eighties but widens as spending tick up for the 90th and 95th percentile (highest spending) groups in their nineties. To understand why, we turn to the distribution of healthcare expenditures in the right panel. Until age 90, the distribution appears relatively even, but then fans out as health spending increases sharply for the top two groups in their 90s. Banerjee notes, "That for some people, end-of-life health care spending can be very high."

[5] The median expenses for the pre-retirement 50 to 64 age group is $38,642. That is pre- to post-retirement (65 to 74) groups experience a drop of 12 percent in expenditures. Note that the subsequent decreases are 12 percent (65 to 74 to 75 to 84) and 26 percent (75 to 84 to 85+).

Inter-generational intra-family cash transfers: An expenditure that is often overlooked

The 2010 HRS survey data show that over the two-year period between 2008 and 2010 over 40 percent of older households gave transfers to children and grandchildren, while only five percent received transfers from younger family members. Intra-family transfers to younger generations are thus a net expenditure for many seniors.

Intra-family transfers made by older Americans are summarized in Illustration 3.

Note that since fewer than 50 percent of households over the age of 65 are making intra-family transfers, the median transfer is zero. However, when transfers are made they are sizable. For example, of the 33 percent of age 75 to 84 households that made transfers in the two-year period, the average amount was $14,704. Transfers are also higher for higher income families.

Illustration 3: Intra-Family Cash Transfers by Older American Households 2008-2010 (Adjusted to 2014$)

Age Group	Percent Making Transfers	Average Amount	Average-2nd Income Quartile	Average-Top Income Quartile
50-64	51%	$16,272	$7,411	$27,378
65-74	39%	$13,639	$7,784	$21,072
75-84	33%	$14,704	$9,849	$22,864
85+	28%	$16,836	$13,474	$24,601

Source: Banerjee (2015)

Spending Patterns Across Ages — Findings from Consumer Expenditure Survey Data

CE data, collected by the Census Bureau for BLS, provides information on the complete range of consumers' expenditures, as well as their incomes and demographic characteristics. BLS publishes 12-month estimates of consumer expenditures twice a year, and the 2017 midyear tables (we use here) are based on the 3rd quarter 2016 through the 2nd quarter 2017.

Before we examine household expenditures it is important to give ourselves more context and understand how household features change over the senior years. Illustration 4 shows how selected household characteristics evolve by generation.

Illustration 4: Household Characteristics, by Generation of Head of Household[6]

	All	Baby Boomers 1946-1964	Silent Generation 1928-1945	Greatest Generation 1927 and earlier
Number of households (millions)	129.6	44.9	16.5	1.9
Household characteristics:				
Age of head of household	50.9	60.7	77.6	91.5
Average number in household:				
People	2.5	2.1	1.6	1.3
Adults 65 and older	0.4	0.5	1.4	1.2
Earners	1.3	1.3	0.3	0.1
Vehicles	1.9	2.1	1.6	0.8
Percent distribution:				
Head of household person:				
Men	47	49	43	34
Women	53	51	57	66
Housing tenure:				
Homeowner with mortgage	36	40	19	4
Homeowner without mortgage	27	37	61	62
Renter	37	23	20	35
Education of reference person:				
Elementary (1-8)	3	3	5	8
High school (9-12)	30	32	40	40
College	66	65	54	51

Source: CE 2017 Midyear

[6] The age tables at https://www.bls.gov/cex/22017/midyear/age.pdf have the oldest group at 75 and over. The generation tables allow us to discern between the silent generation and the greatest generation. I thus use these data (even though they are less consistent with the HRS tables above).

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Spending Patterns continued from page 29

Illustration 5 shows mean household income and expenditures from the 2017 midyear CE, by the generation of the reference person in the household.

Illustration 5: Expenditures, by Generation of Head of Household[7]

Item	All	Baby Boomers 1946-1964	Silent Generation 1928-1945	Greatest Generation 1927 and earlier
Money income before taxes	$73,207	$78,522	$40,387	$31,711
Income after taxes	$63,271	$66,542	$38,004	$30,471
Average annual expenditures	$58,460	$62,439	$43,912	$37,783
Housing	$19,325	$19,407	$14,531	$19,025
Food and Alcoholic Beverages	$7,407	$7,749	$5,661	$3,569
Apparel and services	$1,771	$1,666	$995	$594
Transportation	$9,252	$9,561	$6,689	$3,822
Healthcare	$4,710	$5,689	$6,394	$5,541
Entertainment	$2,941	$3,214	$2,198	$885
Personal insurance and pensions	$6,938	$8,055	$2,432	$899

Source: CE 2017 Midyear

The first thing to note from this table is that, as seniors age, the decrease in expenditures is slower than the decrease in net income. The two oldest generations thus need, on average, to tap savings (or other resources).[8]

For all three groups, housing is the biggest expense, accounting for over 30 percent of total mean spending. Drilling-down into the sub-categories of housing costs we see that:[9]

- The decrease of almost $5,000 from the Baby Boomers to the Silent Generation is in no small part due to lower average mortgage payments (40 percent of Boomers have mortgages versus 17 percent for the Silent Generation).
- The increase from the Silent to the Greatest Generation is driven by renting. The average household rent paid by the Silent Generation is $2,167 versus $8,312 for the Greatest Generation. Note that this finding is not evident in Foster's papers (referenced above) since the oldest category she reports is 75+ (where housing expenses are lower than for the 65 to 74 age group).

Transportation expenditures decline with age as households own fewer vehicles. The CE data also shows that non-ownership expenditures (e.g., vehicle rentals and public and other transportation) decrease as seniors age. It thus appears that older seniors travel less and may not be as reliant on public transportation or taxi services as we may have anticipated.

Healthcare expenditure patterns are similar to those discussed above for HRS data and to Foster's findings for older CE data. While this expense decreases, on average, from $6,394 (Silent Generation) to $5,541 (Greatest Generation), we see in Illustration 4 that household size halves between these two groups. As such, per person spending increases. We will continue to track senior out-of-pocket health expenditures as Medicare/Medicaid and the Affordable Care Act evolve.[10]

In Closing

The ability for us to provide suitable financial products to the large and growing senior population depends on us understanding their expenditure patterns. Thankfully, detailed data are available to study how spending evolves as seniors transition into retirement and as their budgets, general health, cognitive abilities and household structures change in their retirement years. RM

[7] Note that the values in this table are means. Mean values are higher than median values (as in Illustration 1), since senior expenditures distributions are skewed (i.e., "big spenders" pull the mean up).
[8] This point begs for additional research. Especially since, as a recent Government Accountability Office report emphasizes, 55 percent of households age 55 to 64 have less than $25,000 in retirement savings, including 41 percent who have zero.
[9] For sub-category spending see https://www.bls.gov/cex/22017/midyear/gener.pdf.
[10] For more details see: https://www.ncpssm.org/documents/medicare-policy-papers/how-the-affordable-care-act-helps-seniors/.

Who's Who in Reverse Mortgages

Member News

New Independent Certification Committee Formed

A new Independent Certification Committee has been formed to administer the Certified Reverse Mortgage Professional (CRMP) designation.

A strong list of candidates with subject matter expertise in loan origination issues, title/legal, counseling, servicing, training/education and operations submitted applications that were vetted by a Nominating Committee. The committee presented a report to all active CRMPs who then voted.

Committee members include:

- Janine Atamian, CRMP, Premier Title & Escrow, Providence, RI;
- Craig Barnes, CRMP, Reverse Mortgage Funding LLC, New Windsor, NY;
- Jesse Brewer, CRMP, Nationwide Equities, Las Vegas, NV;
- Karin Hill, former FHA Senior Policy Advisor and Director of Single-Family Program Development, San Clemente, CA;
- Megan Hafenstein, Allegiant Reverse Services, Roseville, CA;
- Jane Harrington, CRMP, M&T Bank, Buffalo, NY;
- Brett Kirkpatrick, CRMP, Harbor Mortgage Solutions, Braintree, MA;
- Burgess Kegan, CRMP, Retirement Funding Solutions, St. Michaels, MD;
- Justin Lally, Cambridge Credit Counseling, Agawam, MA;
- Mohan Lalwani, ReverseMortgageHelper.org, West Palm Beach, FL;
- Teresa Maines, CRMP, First National Bank of PA, Statesville, NC;
- Sue Milligan, CRMP, Bank of England, Metairie, LA;
- Ellen Skaggs, CRMP, New American Funding, Tustin, CA; and
- Glen Smart, CRMP, Bay Equity LLC, Tucson, AZ.

Milano Selected Fellow of American Bar Foundation

NRMLA's outside counsel Jim Milano was selected as a Fellow of the American Bar Foundation. The Fellows comprise a global honorary society of attorneys, judges, law faculty and legal scholars whose public and private careers have demonstrated outstanding dedication to the highest principles of the legal profession and to the welfare of their communities. Membership in the Fellows is limited to one percent of lawyers licensed to practice in each jurisdiction. Fellows are recommended by their peers and elected by the Board of the American Bar Foundation.

CRMP Sue Haviland Retires

Good luck to long-time NRMLA member Sue Haviland, who retired at the end of 2018. Haviland began originating reverse mortgages in 2005, was among the first people to earn the CRMP designation in 2010 and was actively involved with the Independent Certification Committee and the Education Committee. "Serving our seniors with the reverse mortgage product was a rare opportunity. In my future endeavors I will continue to advocate for this product wherever and whenever I can," says Haviland.

Congratulations New CRMPs Wendy Oshiro and Alison Calamia

NRMLA congratulates Wendy Oshiro of Open Mortgage LLC, Honolulu, HI, and Alison Calamia of America's Mortgage Resource, Metairie, LA, for earning the CRMP designation.

Oshiro was a mathematics teacher for 16 years, when both of her parents suddenly lost their independence and she left the classroom to better attend to their needs.

That experience with her parents led her to begin originating reverse mortgages in 2007. "As a reverse mortgage specialist and educator, I help my clients make well-informed decisions. I teach them about how reverse mortgages work, the benefits, features and cost of this unique product so they can decide what's right for them," adds Oshiro.

In 1991, Calamia had the privilege of being the first person to bring reverse mortgage products to Louisiana, her home state. With over 27 years in the industry, Calamia has worked on both the retail side of the business, originating reverse mortgages, and on the wholesale side as an account executive. She has experience in virtually every aspect of the reverse mortgage business and brings an extensive background to every client she serves.

Calamia also served on the original Independent Certification Committee (ICC) that helped develop the CRMP designation.

New American Funding Expands Footprint

New American Funding, headquartered in Tustin, CA, has expanded its sales force in Arizona, Colorado, Washington, Tennessee and Georgia through the recent hiring of **Chris Mollison, CRMP** (Mesa, AZ); **Michael Sigmon** (Franklin, TN); **Mark Pierce** (Atlanta, GA); **Julie Fox** (Bend, OR); and **George Tsoupakis** (Greenwood Village, CO). RM

Profiles of Member Companies

Allegiant Reverse Services

Allegiant Reverse Services, a division of FNC Title Services, LLC., is a full-service title and settlement company with a national footprint. Our seasoned staff is regarded as the most knowledgeable and professional team in the industry. This, along with our steadfast dedication and loyalty to the reverse mortgage industry, continues to make us the partner you can depend on.

Megan Hafenstein, VP
megan@allegiantreverse.com • (844) 808-8299 x224
https://allegiantreverse.com/

American Advisors Group (AAG)

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

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

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

Celink

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

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

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

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

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

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

Finance of America Reverse LLC

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

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

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

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

HighTechLending

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

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

Liberty Home Equity Solutions

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

www.libertyhomeequity.com
For career opportunities call 916-589-1853
For wholesale opportunities call 866-871-1353

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

LRES

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

Aaron Roaf, 714-872-5862
aroaf@lres.com • 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@nfroline.com
Tel: 800-639-2151 x2220 • www.NFROnline.com

PRC

Premier Reverse Closings (PRC) is a national, full-service, reverse mortgage title and settlement company that has closed more than 187,000 reverse mortgage transactions. PRC is experienced in all facets of the reverse business, ranging from teaching CRMP courses to closing and notary initiatives. PRC is a well-respected industry partner committed to our clients, our industry and senior borrowers.

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

Reverse Mortgage Funding LLC (RMF)

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

For wholesale opportunities:
Call 877-820.5314 or visit partners.reversefunding.com
For career opportunities: Email careers@reversefunding.com

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