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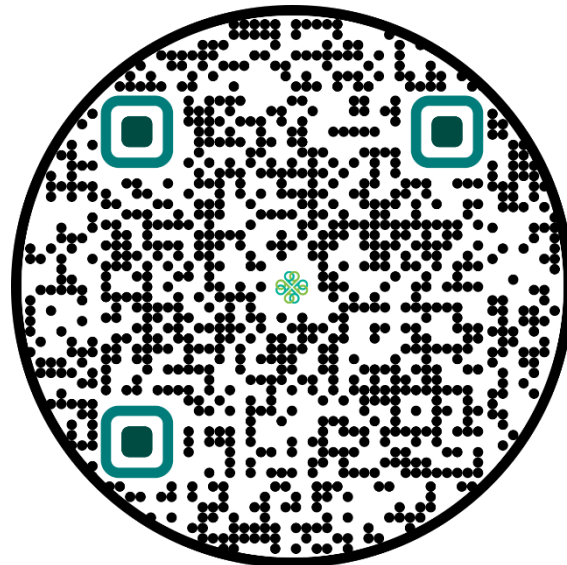
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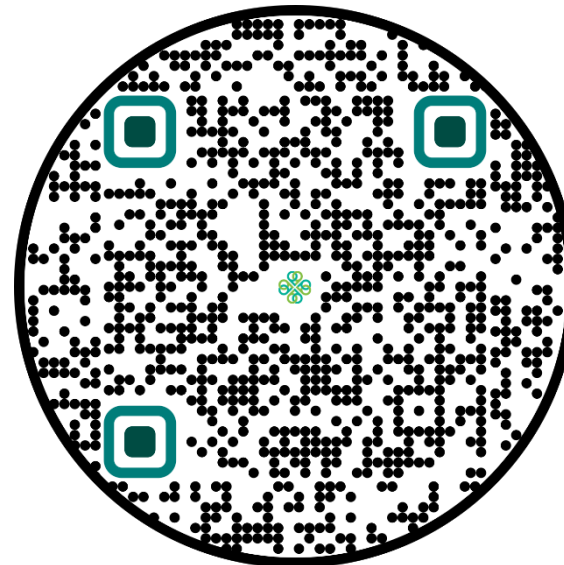


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Reverse Mortgage Basics

Plaza's Loan Origination Partners

January 2025

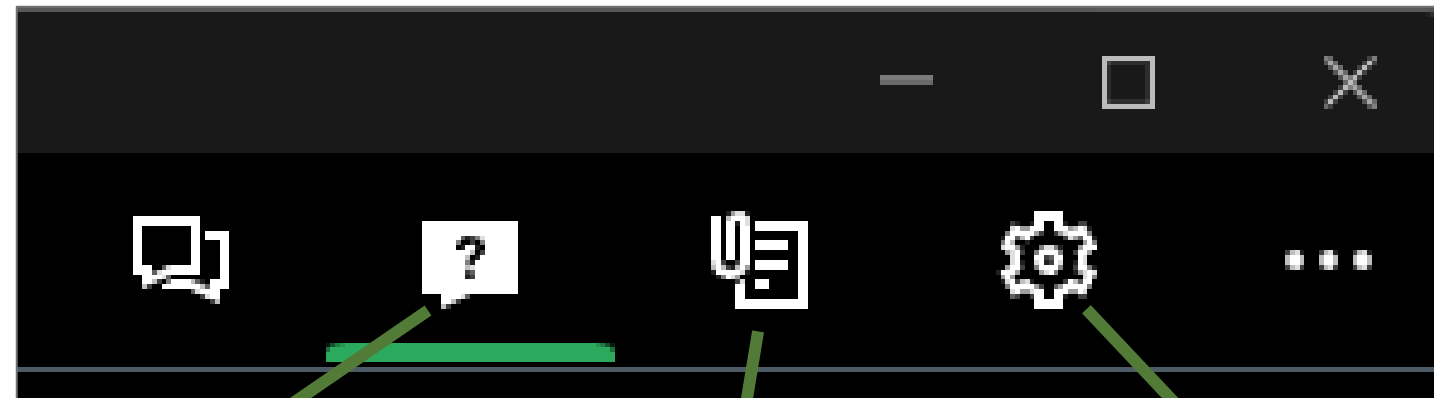
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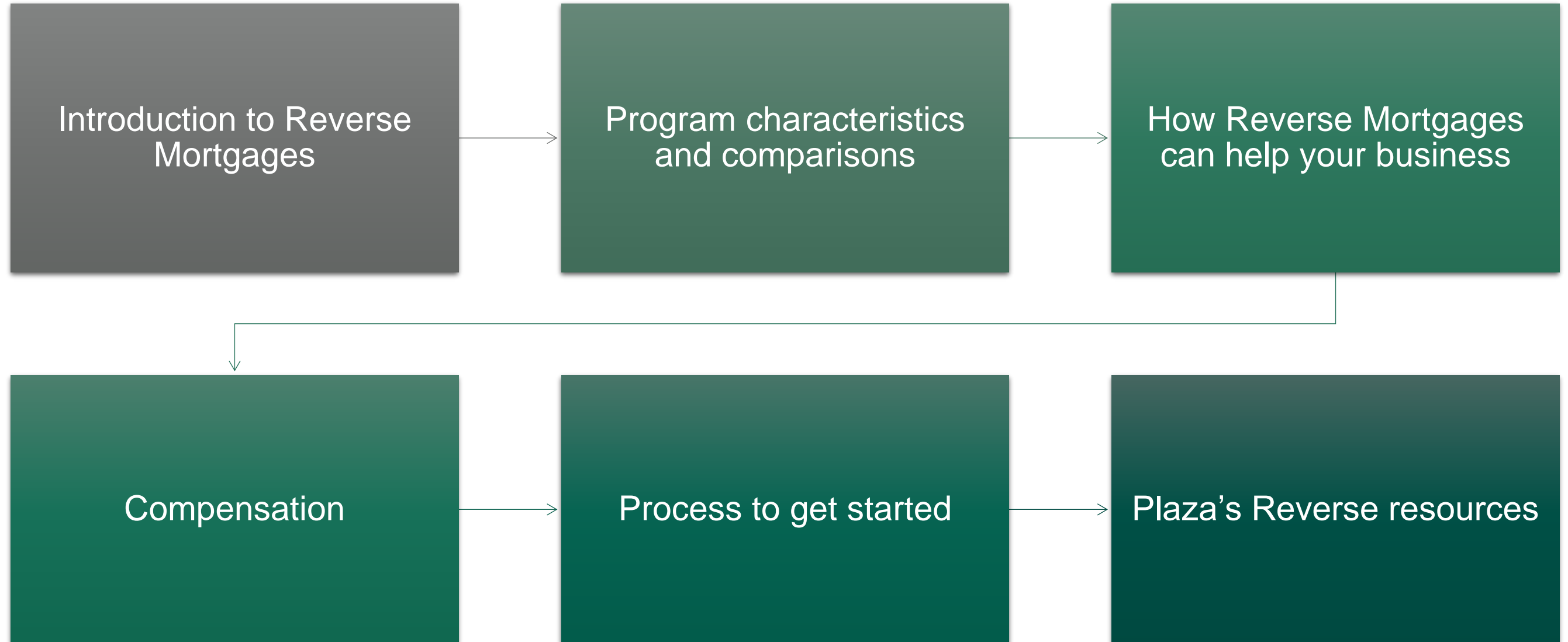
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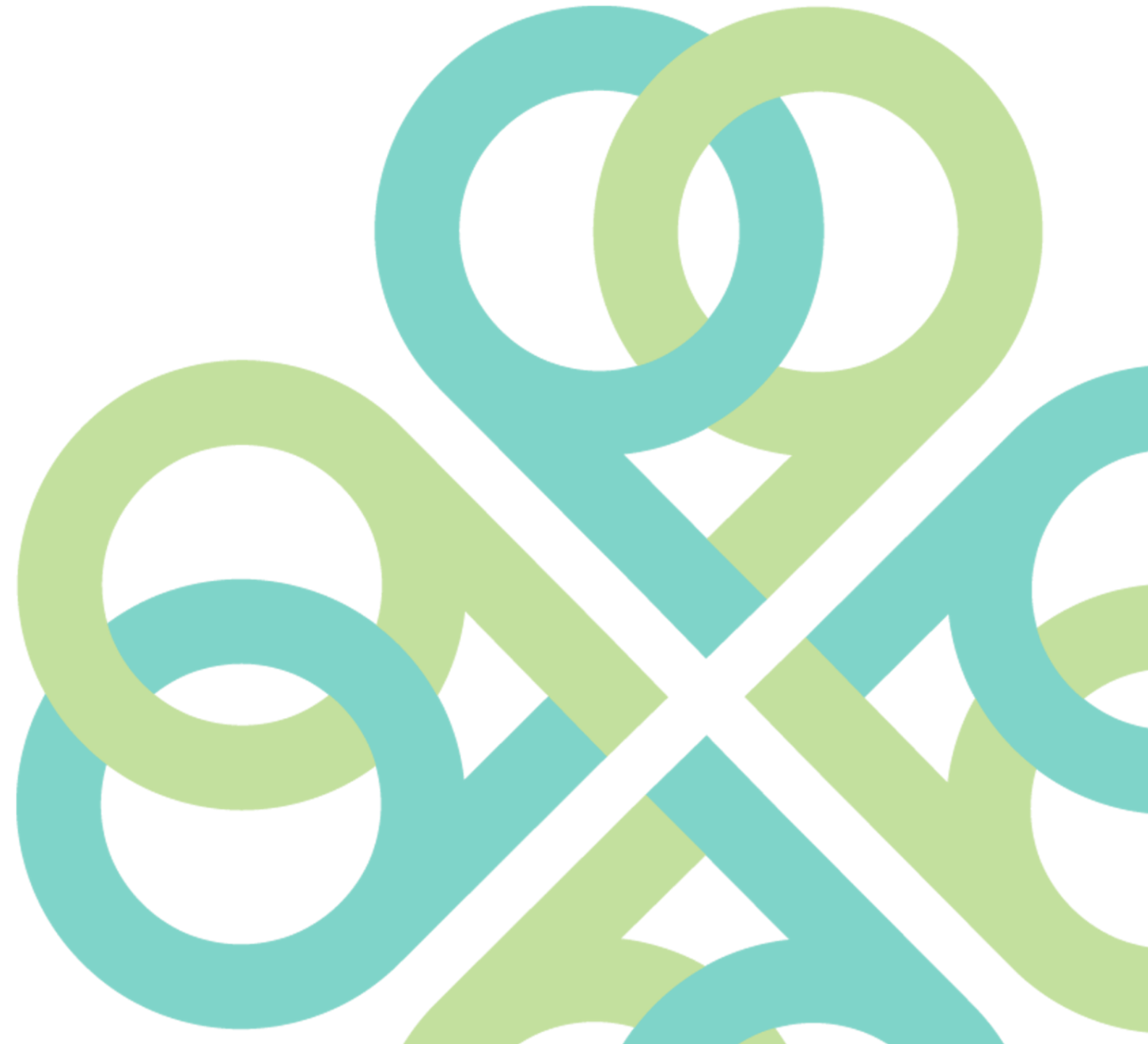
Mark Reeve

VP, Reverse Mortgage Division
Plaza Home Mortgage

Agenda



Introduction to Reverse Mortgages



What is a Reverse Mortgage?



A HECM (Home Equity Conversion Mortgage) is a special type of mortgage that enables **homeowners aged 62 or older to tap into the equity in their home.**



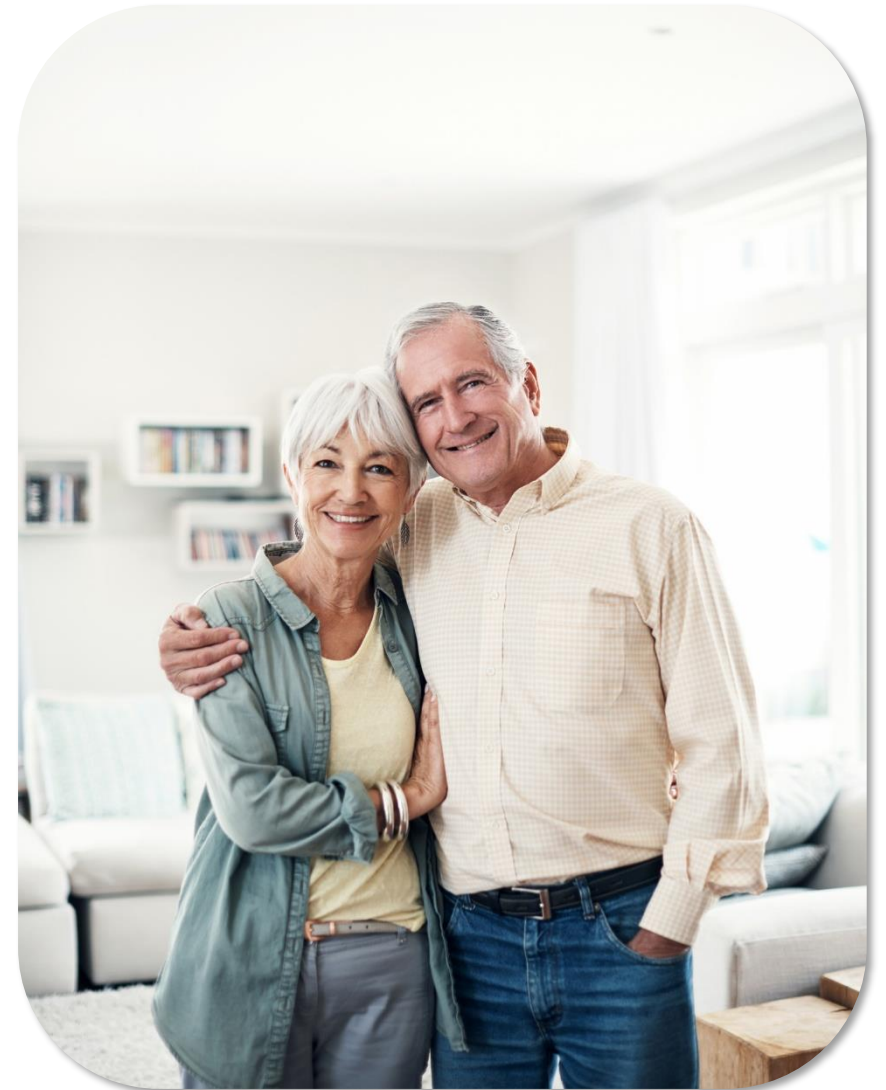
Unlike traditional home loans, no repayment of the HECM loan is required until the borrower no longer occupies the home as their principal residence.



At that time, the lender will declare the mortgage due and payable.



What is borrowed plus interest is due to the lender, any remaining equity remains with the estate.



Definition Explained



- Minimum age is 62, age of the youngest borrower is always used.
- No monthly mortgage payment - #1 reason borrowers get a reverse mortgage.
- Loan Maturity
 - No longer occupy the residence - (death, move out)
 - Failure to maintain property Taxes / Hazard Insurance
 - Failure to Reside in Subject for 12 months
 - Convey Title to someone else
 - General maintenance on the Property
 - Sells the home



Loan Maturity



What are the Family's Options at Loan Maturity?

1. Sell the Home – Satisfy the Reverse Mortgage – Retain remaining Equity
2. Estate can buy back the home at 95% of the home value at loan maturity
 - Great Option if the home is “upside down”
3. Deed In Lieu – Servicer takes responsibility
 - Great Option if the Family has no interest in the property “upside down”
 - Cash for Keys, case by case

Non-Recourse Loan! Borrower / Estate will never owe more than the value of the home.



Future Growth & Opportunity



- By 2030, all Baby Boomers will be older than 65
- By 2040, about 78.3 million people will be 65 or older
 - Projected to comprise 22% of the U.S. population
- For older people reporting income in 2022 (55.7 million)
 - 10% reported less than \$10,000
 - 58% reported \$25,000 or more
- Of the 14.8 million households headed by people 75 and older in 2021, 78% (11.5 million) owned their homes
 - Median construction of their home was 1974
- In 2023, 11.2 million (19.2%) Americans 65 and older were working or actively seeking work



Guidelines that Protect the Borrower



Non-Borrowing Spouse (NBS)* (ML 2015-02)

If the borrower is married, both individuals must be accounted for in the underwriting decision of a Reverse Mortgage. If the borrower's spouse was not of qualifying age when the reverse mortgage was taken out, this guideline prevents the mortgage from being called "due" in the event of the borrower's death. NBS and Non-Borrowing Occupant can remain on Title!



Income and Credit Underwriting (SEL 2015-10)

This guideline requires the borrower(s) to be subject to a credit and income underwriting decision. The intent of this guideline is to minimize property tax and insurance defaults and help to ensure the desired loan is a positive benefit for the borrower.



Limitations on Cash Out in the First Year (ML 2014-12)

Regardless of how much the borrower is eligible to borrow, the amount of loan proceeds they can access during the first 12 months after closing is limited to 60 percent of the loan amount. For example, if they are eligible for a \$100,000 reverse mortgage, they may only access \$60,000.



Principal Limit and Floor Rates (ML 2017-12)

This Mortgagee Letter increased the upfront Mortgage Insurance Premium (MIP) for many, lowered the annual MIP for all, as well as reduced the amount borrowers will be able to receive under the program. This change was to help ensure long term sustainability of funds available through FHA programs into the future.

*NBS is ineligible in Texas and Minnesota.

Initial Mortgage Insurance Premiums



FHA Guidelines:

- Flat 2% of the lesser of Maximum Claim Amount (MCA) \$1,209,750 appraised value, or purchase price
- Easy rule of thumb - 2% of the appraised value - cap at: \$24,195
- For example, \$700,000 appraised value x 2% = \$14,000 in upfront MI
- The interest charged to the borrower is the note rate plus the MI (0.5%)



Income Qualification



What does the calculation look like?

Documented Income - \$\$\$\$\$\$ (Assets = Asset Dissipation)

- Housing Expenses (Taxes and Insurance, HOA, Ground Rent, etc.)
- Sq. footage of subject @ .14 sq. ft.
- Liabilities from Credit Report

= Residual Income

***Cannot pay off debt to qualify

**Can be used as a compensating factor

***HECM proceeds can be considered as income

Based upon the residual income figures in Family Chart, is your Residual Income Greater or Less?

Pass or Fail?

Table of Residual Incomes by Region



Family Size	Northeast	Midwest	South	West
1	\$540	\$529	\$529	\$589
2	\$906	\$886	\$886	\$998
3	\$946	\$927	\$927	\$1,031
4 or more	\$1,066	\$1,041	\$1,041	\$1,160

Region	States
Northeast	CT, MA, ME, NH, NJ, NY, PA, RI, VT
Midwest	IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI
South	AL, AR, DC, DE, FL, GA, KY, LA, MD, MS, NC, OK, PR, SC, TN, TX, VA, VI, WV
West	AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

Example: Husband & Wife in California



Income:

Social Security (Cannot Gross Up!)	1,750.00
Pension	450.00
Social Security	750.00
Total:	2,950.00

Liabilities:

Property Taxes	800.00
Hazard Insurance	150.00
HOA	n/a
Utility Calculation (1,500 sq ft) @ .14	210.00
Liabilities from the credit report	700.00
Total:	1860.00

Residual $2,950.00 - 1,860.00 =$ 1,090.00
Pass (West, 2 Family Size) 998.00

Total: 92.00
PASS!!!!

Family Size	Northeast	Midwest	South	West
1	\$540	\$529	\$529	\$589
2	\$906	\$886	\$886	\$998
3	\$946	\$927	\$927	\$1,031
4 or more	\$1,066	\$1,041	\$1,041	\$1,160

Region	States
Northeast	CT, MA, ME, NH, NJ, NY, PA, RI, VT
Midwest	IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI
South	AL, AR, DC, DE, FL, GA, KY, LA, MD, MS, NC, OK, PR, SC, TN, TX, VA, VI, WV
West	AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

Example : Single Borrower (New York)



Income:

Social Security 1,750.00
Pension 450.00

Total: 2,200.00

Liabilities:

Property Taxes 800.00
Hazard Insurance 150.00
HOA 100.00
Utility Calculation (1,500 sq ft) @ .14 210.00
Liabilities from the credit report 1500.00

Total: 2760

Residual (2,200 – 2760) = - 560.00
Northeast: -540.00

Total: -1,100.00

Family Size	Northeast	Midwest	South	West
1	\$540	\$529	\$529	\$589
2	\$906	\$886	\$886	\$998
3	\$946	\$927	\$927	\$1,031
4 or more	\$1,066	\$1,041	\$1,041	\$1,160

Region	States
Northeast	CT, MA, ME, NH, NJ, NY, PA, RI, VT
Midwest	IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI
South	AL, AR, DC, DE, FL, GA, KY, LA, MD, MS, NC, OK, PR, SC, TN, TX, VA, VI, WV
West	AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

Credit Analysis



Plaza must examine the mortgagor's overall pattern of credit behavior to determine the borrower's ability to manage their financial obligations, not just an isolated instance.

Minimum Satisfactory Credit:



Mortgage and Installment Debt

- No lates last 12 months
- 2 x 30 last 24 months



Revolving Debt

- 30- or 60-day lates allowed
- 3 x 90 or more last 12 months - LESA
- 1 x 120 or more last 12 months - LESA

Credit Analysis



Collections and Charge Off Accounts

- Collections w/balance & no extenuating circumstance require LESA
- Collections equal to \$2,000 or more must either be: hit w/5% monthly payment, be in payment plan or be paid off before or at closing (cannot pay with HECM proceeds)
- No seasoning on the pay-off required of collection accounts
- Charge offs w/balance & no extenuating circumstance require LESA; excluded expense analysis (payoff not required & does not eliminate LESA)

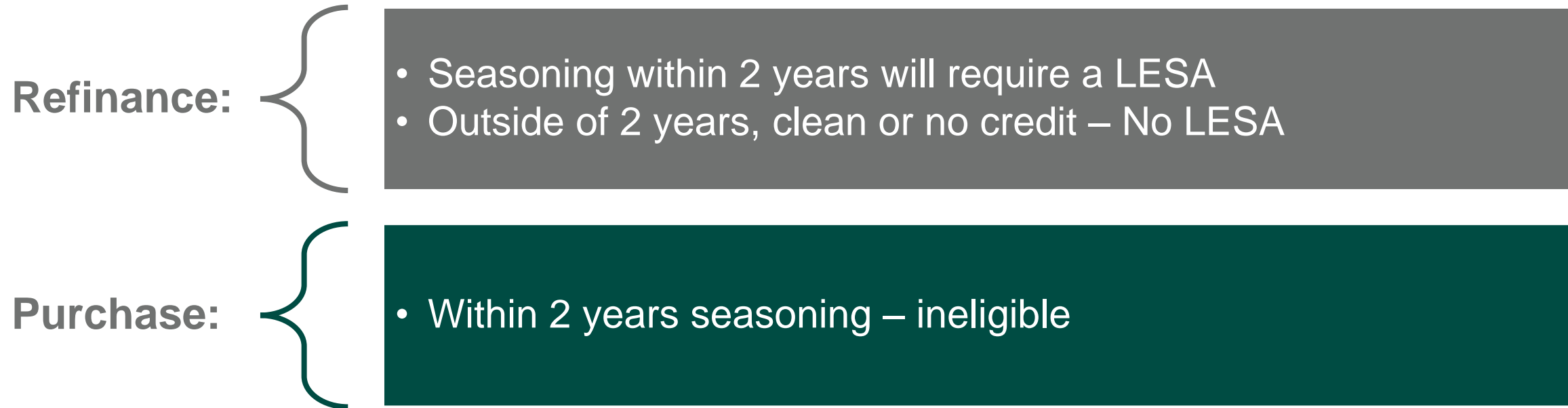
Judgements

- On Title – must be paid; typically, LESA can use loan proceeds
- Credit – must be paid or evidence of payment plan (90 days minimum)
- Federal judgements (nontax) on credit must be paid prior to application (10/8/2016)

Derogatory/Disputed Derogatory Credit w/ late payments within < 24 months

- Must provide documentation to substantiate the proof
- LOE on its own will not satisfy
- Disputed medical accounts excluded from credit analysis and residual income calculation

Chapter 7 & 13 / Mortgage Derogatories



Notice of Default, Deed in Lieu, Short Sale, & Foreclosure

- FHA: Minimum three years seasoning
- Refinance: < 2 years, LESA
- Purchase: Minimum two years seasoning to be eligible

Property Charge and Payment History



- **Property Taxes**
 - No property tax arrearages in the prior **24 months**
 - Preliminary Title Report or county print out will satisfy
 - If unable to provide proof, Plaza will order a tax cert in underwriting
- **Hazard and Flood**
 - Evidence of **12 months** of continued coverage
 - Will need a declaration page, payment history or letter from agent indicating 12 months of continued coverage
- **HOA and Other Assessments**
 - Must be paid on time for the last **24 months**
 - Statement from HOA, cancelled checks
- **Includes all REO!**
 - **12-month** history on mortgage, taxes, insurance, HOA, etc.

Most instances of LESAs conditioned in underwriting are a result of these deficiencies.
Don't forget about these!!!! These items are the biggest frustration for new Reverse Originators!

Set-Aside Requirements by Age – (LESA Table)



Age	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78
Years	21	20	19	18	18	17	16	16	15	14	13	13	12	12	11	10	10

Age	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95+
Years	9	9	8	8	7	7	6	6	6	5	5	5	4	4	4	4	3

Borrower: Joe Sample		Estimated Closing Date:	
Youngest Borrower's Birth Date:	01/01/1950	Product Selected:	Line of Credit
Estimated Home Value:	600,000.00	Initial / Expected Interest Rate:	4.063% 4.530%
Maximum Claim Amount:	600,000.00	Appreciation:	4.00%
Initial Principal Limit:	288,600.00	Ongoing Mortgage Insurance (MIP)	0.5%
Cash From Borrower	0.00	Monthly Servicing Fee:	0.00
Cash To Borrower:	0.00	Monthly Payment:	0.00
Lien Payoffs with Reverse Mortgage:	125,000.00	Initial Line of Credit:	24,362.00
Financed Closing Costs:	20,798.00	Repair Set Aside:	0.00
1 st Year Life Expectancy Set Aside:	3,000.00	Net Life Expectancy Set Aside:	34,707.19
Lender Credit	(0.00)	Beginning Mortgage Balance:	145,798.00



NOTE: Actual interest and property value projections may vary from amounts shown. Available credit will be less than projected if funds withdrawn from line-of-credit. Actual Life Expectancy Set-aside payments may increase or decrease from the amounts shown based on changes to the property charge costs. The Actual Life Expectancy Set-aside Balance may vary depending on the age of the youngest borrower, the interest rate and changes to the property charge costs. The projections are for illustrative purposes only.

Year	Age	Remaining Line of Credit	LESA Payment	Cash Advance	Service Fee	Interest + MIP	LESA Balance	Loan Balance	Home Value	Remaining Equity
0	68	105,095	0	0	0	0	37,707	145,798	600,000	454,202
1	69	110,505	3,000	0	0	7,543	36,610	156,341	624,000	467,659
2	70	116,193	3,000	0	0	8,086	35,456	167,427	648,960	481,533
3	71	122,174	3,000	0	0	8,657	34,244	179,084	674,918	495,835
4	72	128,463	3,000	0	0	9,257	32,968	191,340	701,915	510,575
5	73	135,076	3,000	0	0	9,888	31,627	204,228	729,992	525,764
6	74	142,029	3,000	0	0	10,551	30,217	217,779	759,191	541,413
7	75	149,340	3,000	0	0	11,249	28,734	232,027	789,559	557,532
8	76	157,028	3,000	0	0	11,982	27,175	247,009	821,141	574,132
9	77	165,111	3,000	0	0	12,753	25,536	262,763	853,987	591,225
10	78	173,610	3,000	0	0	13,564	23,812	279,327	888,147	608,820
11	79	182,547	3,000	0	0	14,417	22,000	296,743	923,672	626,929
12	80	191,944	3,000	0	0	15,313	20,094	315,057	960,619	645,563
13	81	201,824	3,000	0	0	16,256	18,091	334,313	999,044	664,731
14	82	212,213	3,000	0	0	17,247	15,984	354,560	1,039,006	684,446
15	83	223,137	3,000	0	0	18,289	13,768	375,849	1,080,566	704,717
16	84	234,623	3,000	0	0	19,385	11,439	398,235	1,123,789	725,554
17	85	246,701	3,000	0	0	20,538	8,990	421,772	1,168,740	746,968
18	86	259,400	3,000	0	0	21,749	6,414	446,521	1,215,490	768,968
19	87	272,753	3,000	0	0	23,023	3,707	472,545	1,264,110	791,565
20	88	286,793	3,000	0	0	24,363	859	499,908	1,314,674	814,766
21	89	301,556	881	0	0	25,756	0	526,544	1,367,261	840,717
22	90	317,079	0	0	0	27,104	0	553,649	1,421,951	868,303
23	91	333,401	0	0	0	28,500	0	582,148	1,478,829	896,681
24	92	350,563	0	0	0	29,967	0	612,115	1,537,982	925,868
25	93	368,608	0	0	0	31,509	0	643,624	1,599,502	955,878
26	94	387,583	0	0	0	33,131	0	676,755	1,663,482	986,727
27	95	407,534	0	0	0	34,837	0	711,592	1,730,021	1,018,429
28	96	428,512	0	0	0	36,630	0	748,222	1,799,222	1,051,000
29	97	450,570	0	0	0	38,515	0	786,737	1,871,191	1,084,454
30	98	473,764	0	0	0	40,498	0	827,235	1,946,039	1,118,803
31	99	498,151	0	0	0	42,583	0	869,818	2,023,880	1,154,062
32	100	523,794	0	0	0	44,775	0	914,593	2,104,835	1,190,242

Limitations On Cash Out / MI Schedule



- First 12 months only!
- 74-year-old Borrower
- Home is valued at: \$500,000
- Qualifies at 52.4% LTV
- HECM Principal Limit = \$262,000 (Loan Amount)
- Depending upon mandatory obligations (lien pay-off / closing costs) – How much can you access in the first 12 months?
 - < 60% (\$157,200)
 - > 60% (\$157,200) + \$26,200
 - Only access 10% of PL in the first 12 months (\$26,200) > 60% Utilization
 - No more restrictions accessing available funds after 12 months.

Fixed Rate HECM



- Rate is fixed.
- Borrowers would like to receive funds at closing, with no option of accessing additional funds at a later date.
- Most times these are best suited for high utilization loans where all HECM proceeds are allocated toward paying off an existing mortgage.
- There are no credit line and payment options with the Fixed.
- Fixed may be an inferior product when used as a financial tool



Adjustable Rate HECM



- Index is the 1 Year CMT + Margin = Note Rate
 - Adjusts monthly and has a 5% Lifetime CAP above initial Note rate
- Typically allows borrowers to receive the most funds
- Borrowers have flexibility in accessing the available funds
 - Cash at close
 - Monthly disbursement schedule (term payment)
 - Monthly payment for life (tenure)
 - Credit Line (access cash as needed)
 - These options are flexible; can be combined and changed at a later date
- Current market is 98% ARM vs. 2% Fixed

How Does the Credit Line Work?



- Funds left on the credit line do not incur interest until those funds are drawn upon
 - Prolongs the equity positioning in the home and protects the estate/inheritance
- Only the **available** line of credit will grow over time
- Funds on the credit line grow at the rate of the credit line growth rate
 - Growth rate is the Note rate + .5 (MI), calculated monthly (not daily)
- The credit line growth rate is not interest; it is simple, a built-in feature that allows future access to additional credit

Borrower: Lorrie Together and Matt Together		Estimated Closing Date:	
Youngest Borrower's Birth Date:	05/22/45	Product Selected:	Line of Credit
Estimated Home Value:	1,000,000.00	Initial / Expected Interest Rate:	6.730% 5.690%
Maximum Claim Amount:	1,000,000.00	Appreciation:	4.00%
Initial Principal Limit:	482,000.00	Ongoing Mortgage Insurance (MIP)	0.5%
Cash From Borrower	0.00	Monthly Servicing Fee:	0.00
Cash To Borrower:	0.00	Monthly Payment:	0.00
Lien Payoffs with Reverse Mortgage:	250,000.00	Initial Line of Credit:	48,200.00
Financed Closing Costs:	29,539.00	Repair Set Aside:	0.00
1 st Year Life Expectancy Set Aside:	0.00	Net Life Expectancy Set Aside:	0.00
Lender Credit	(0.00)	Beginning Mortgage Balance:	279,539.00

NOTE: Actual interest and property value projections may vary from amounts shown. Available credit will be less than projected if funds withdrawn from line-of-credit. Actual Life Expectancy Set-aside payments may increase or decrease from the amounts shown based on changes to the property charge costs. The Actual Life Expectancy Set-aside Balance may vary depending on the age of the youngest borrower, the interest rate and changes to the property charge costs. The projections are for illustrative purposes only.

Year	Age	Remaining Line of Credit	LESA Payment	Cash Advance	Service Fee	Interest + MIP	LESA Balance	Loan Balance	Home Value	Remaining Equity
0	78	202,461	0	0	0	0	0	279,539	1,000,000	720,461
1	79	215,355	0	0	0	17,803	0	297,342	1,040,000	742,658
2	80	229,070	0	0	0	18,937	0	316,279	1,081,600	765,321
3	81	243,659	0	0	0	20,143	0	336,421	1,124,864	788,443
4	82	259,177	0	0	0	21,426	0	357,847	1,169,859	812,012
5	83	275,683	0	0	0	22,790	0	380,637	1,216,653	836,016
6	84	293,240	0	0	0	24,242	0	404,879	1,265,319	860,440
7	85	311,916	0	0	0	25,785	0	430,664	1,315,932	885,268
8	86	331,781	0	0	0	27,428	0	458,092	1,368,569	910,478
9	87	352,911	0	0	0	29,174	0	487,266	1,423,312	936,046
10	88	375,387	0	0	0	31,032	0	518,298	1,480,244	961,946
11	89	399,294	0	0	0	33,009	0	551,307	1,539,454	988,147
12	90	424,723	0	0	0	35,111	0	586,418	1,601,032	1,014,614
13	91	451,773	0	0	0	37,347	0	623,765	1,665,074	1,041,309
14	92	480,544	0	0	0	39,726	0	663,490	1,731,676	1,068,186
15	93	511,149	0	0	0	42,256	0	705,746	1,800,944	1,095,198
16	94	543,702	0	0	0	44,947	0	750,693	1,872,981	1,122,289
17	95	578,329	0	0	0	47,809	0	798,502	1,947,900	1,149,399
18	96	615,161	0	0	0	50,854	0	849,356	2,025,817	1,176,461
19	97	654,338	0	0	0	54,093	0	903,448	2,106,849	1,203,401
20	98	696,011	0	0	0	57,538	0	960,986	2,191,123	1,230,137
21	99	740,337	0	0	0	61,202	0	1,022,188	2,278,768	1,256,580
22	100	787,487	0	0	0	65,100	0	1,087,288	2,369,919	1,282,631

Techniques to Improve Retirement Income Plan



Defer Social
Security Benefits

Reduce Sequence
of Returns Risks

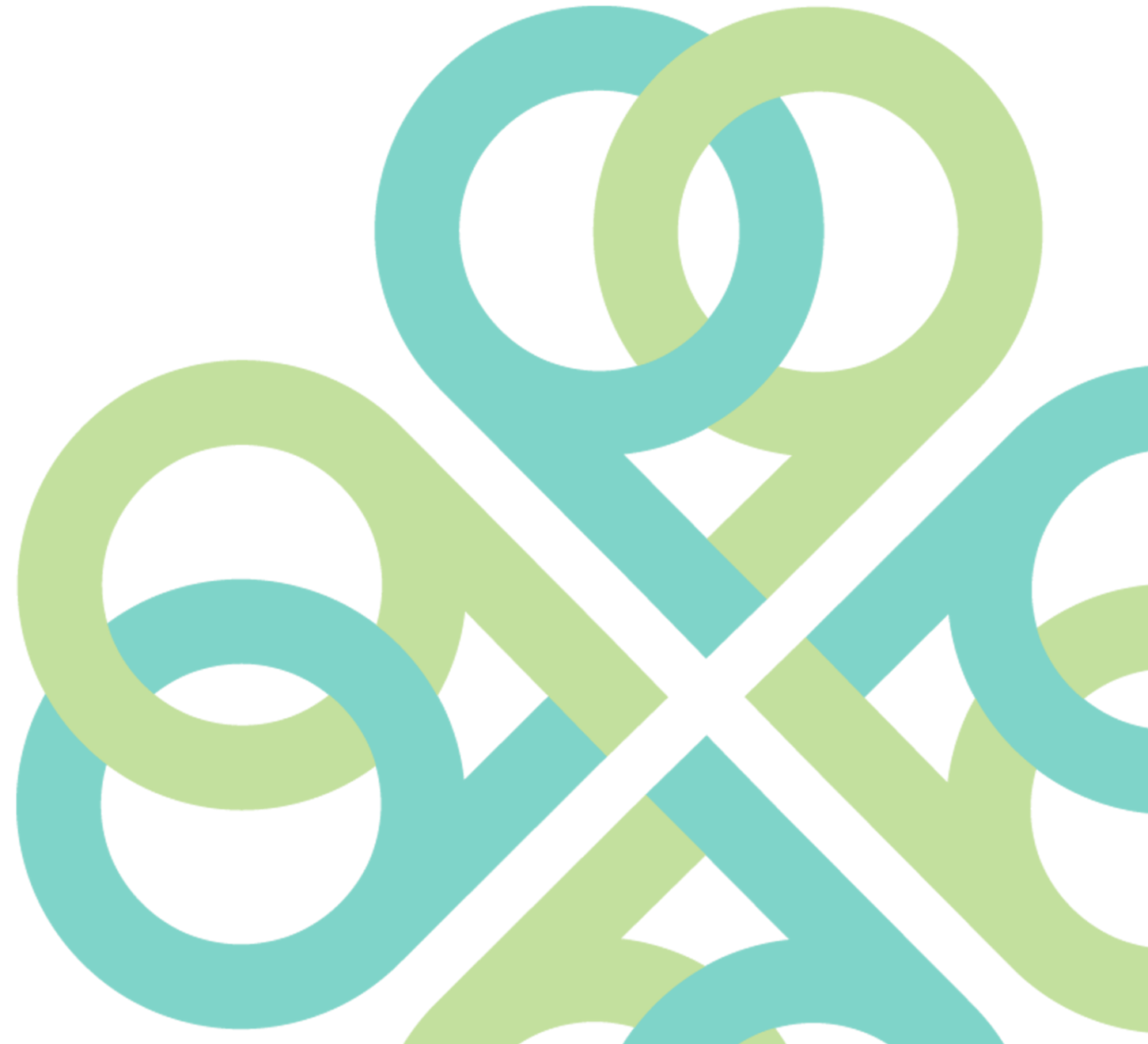


Impact on Taxes

Reduce Retirement
Expenses and
Cash Outflow



Compensation



How Will This Help My Business?



As a Financial Planners Tool to Assist Borrowers in Retirement

- Get the HELOC and Growth Rate to work for you as soon as you can!
- Wade Pfau - Reversing Conventional Wisdom
- Use Home Equity as part of an overall retirement plan
 - Defer SSI
 - Reduce Sequence of Return Risks

As a Purchase Vehicle

- Use the Reverse as a way to open up new markets with Realtors®
- Buy-Up & get more house than paying cash
- Retain key assets for retirement “living”
- Secure retirement living with the security of no mortgage payment

Eliminate Current Mortgage

- Retain cash in early retirement
- Enjoy your residence

Market Financially Sound Prospects

- With New PL Factors, LESA clients will struggle to cover the required equity

Broker Compensation



Adjustable HECM's

Adjustable HECMs are open-ended credit and are therefore not part of the Final Rule under Reg. Z. Broker's existing compensation plan on file with Plaza does not apply to adjustable HECM's. HECM compensation is set by FHA / RESPA. Brokers are allowed to charge an Origination fee based upon the schedule below, in addition to, any pricing as disclosed on this rate sheet. **The Pricing for all adjustable is paid on the amount of funds drawn at closing** (Line 220 on your HUD1). This would typically include any mortgages, liens, closing costs and cash taken at closing. Pricing would not be paid on funds left on the credit line to be accessed at a later date.

The **Origination Fee schedule set by FHA allows a broker to charge 2% of the appraised value for the first \$200,000 and 1% thereafter, capping the originator at \$6,000**. Plaza's reverse mortgage software, Bay Docs, will calculate the Origination and Pricing in any pre-qual produced. Brokers may reduce Origination and apply Pricing to off-set borrower's closing costs.

Fixed HECM's

All Fixed HECM's will be **lender paid compensation based upon established terms negotiated between the broker and Plaza Home Mortgage, Inc.** Fixed HECM's are considered closed ended credit and therefore they are included in Reg Z Final Rule. Fixed HECM's will be included in your company's pre negotiated compensation plan. Plaza Home Mortgage Inc. will credit the difference between our posted pricing on our rate sheet vs. the broker's compensation plan on all refinance transactions. The credit will be applied to the Upfront MIP and any additional lender and typical third-party charges until the credit is fully satisfied. Please note FHA prohibits any credit towards the FHA counseling fee. Also, FHA forbids any lender/broker credits to closing costs in purchase transactions. Pricing for all Fixed HECM's are paid on the amount of funds drawn at closing (Line 220 on your HUD1).

Compensation



- Adjustable HECMs are, by definition, open end credit and not subject to Reg Z's broker compensation rules
- Brokers comp plan on file with Plaza does not impact the Adjustable HECM
- Adjustable HECMs are not included in high-cost threshold
- Brokers can earn an Origination Fee based upon the appraised value in ADDITION to pricing on the "draw amount"
- Brokers have the ability to discount their Origination fee and offer pricing credit to other closing costs
 - FHA forbids pricing credits on Purchase HECM

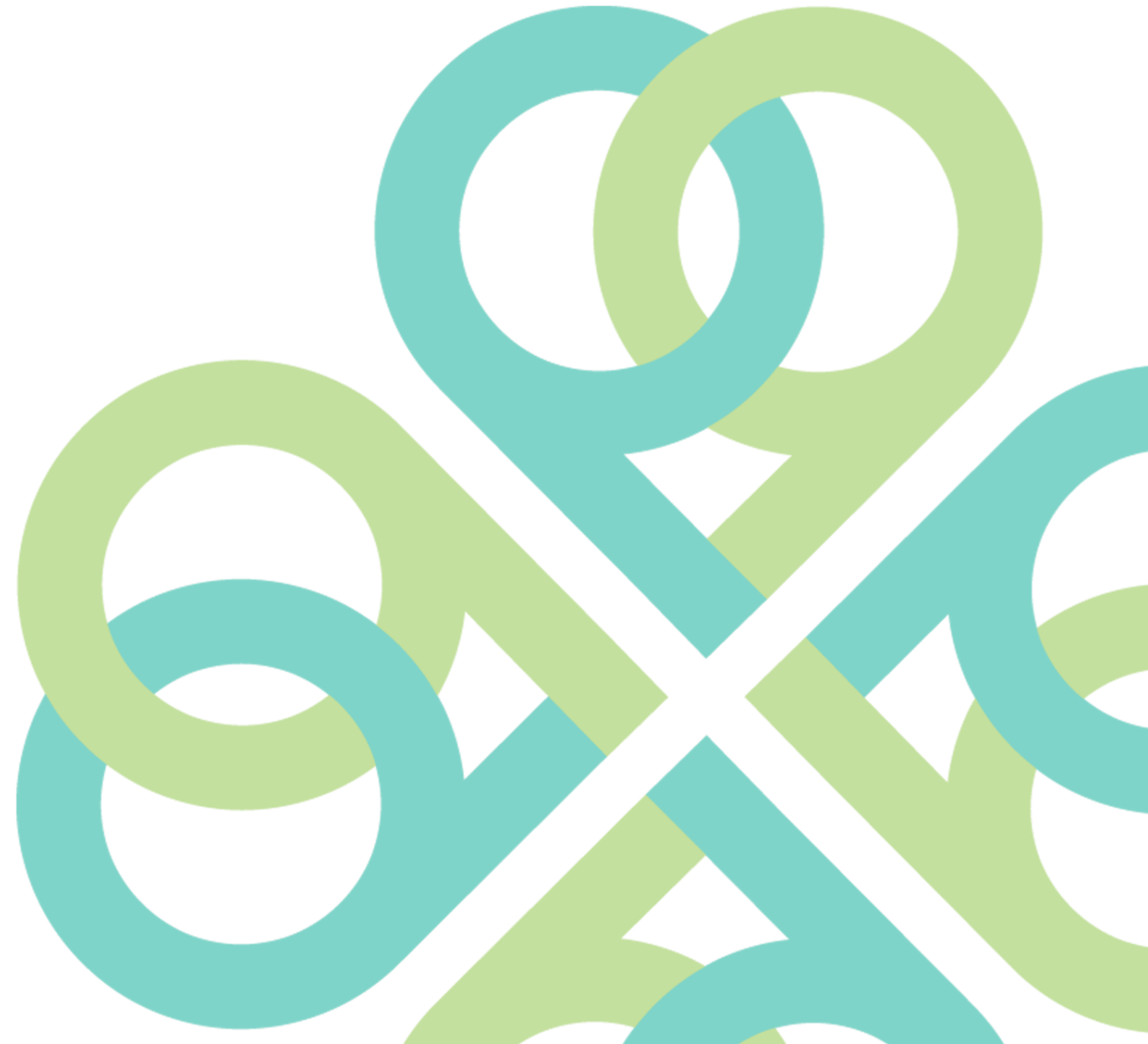


Compensation Notes



- Most loans now have an Origination Fee (ARM)
- Current HECM, Adjustable-Rate market is about 98%
- Loans with little to no mortgages (to pay-off) must rely on the Origination Fee for compensation
- Small draw amounts limit lender paid compensation
- EPO has never been an issue
- Pre-Pay can be (Page 17 Reverse User Guide and Broker Agreement):
 - In the event that any reverse mortgage loan Substantially Prepays, Broker agrees to pay Plaza a “Recapture Fee.” “Substantially Prepays” is defined as a Loan that within 6 months of closing of borrower(s) loan is paid down by:
 - 20% (twenty percent) or more of its unpaid principal balance (“UPB”); AND/OR
 - \$10,000

Origination



Complying with FHA's HECM Counseling Guidelines



The most important consumer protection built into the reverse mortgage program is the requirement that a prospective borrower must first meet with an exam-qualified, independent third-party counselor approved by the U.S. Department of Housing and Urban Development (HUD) before signing a loan application or incurring any fees.

Prior to the mandatory counseling session, HUD requires that all borrowers receive an information packet.

Plaza's Counseling Package from Bay Docs is compliant!

Plaza's Counseling Package from Bay Docs (Page 2) has an Access Code for the borrowers to give to the counseling agency.

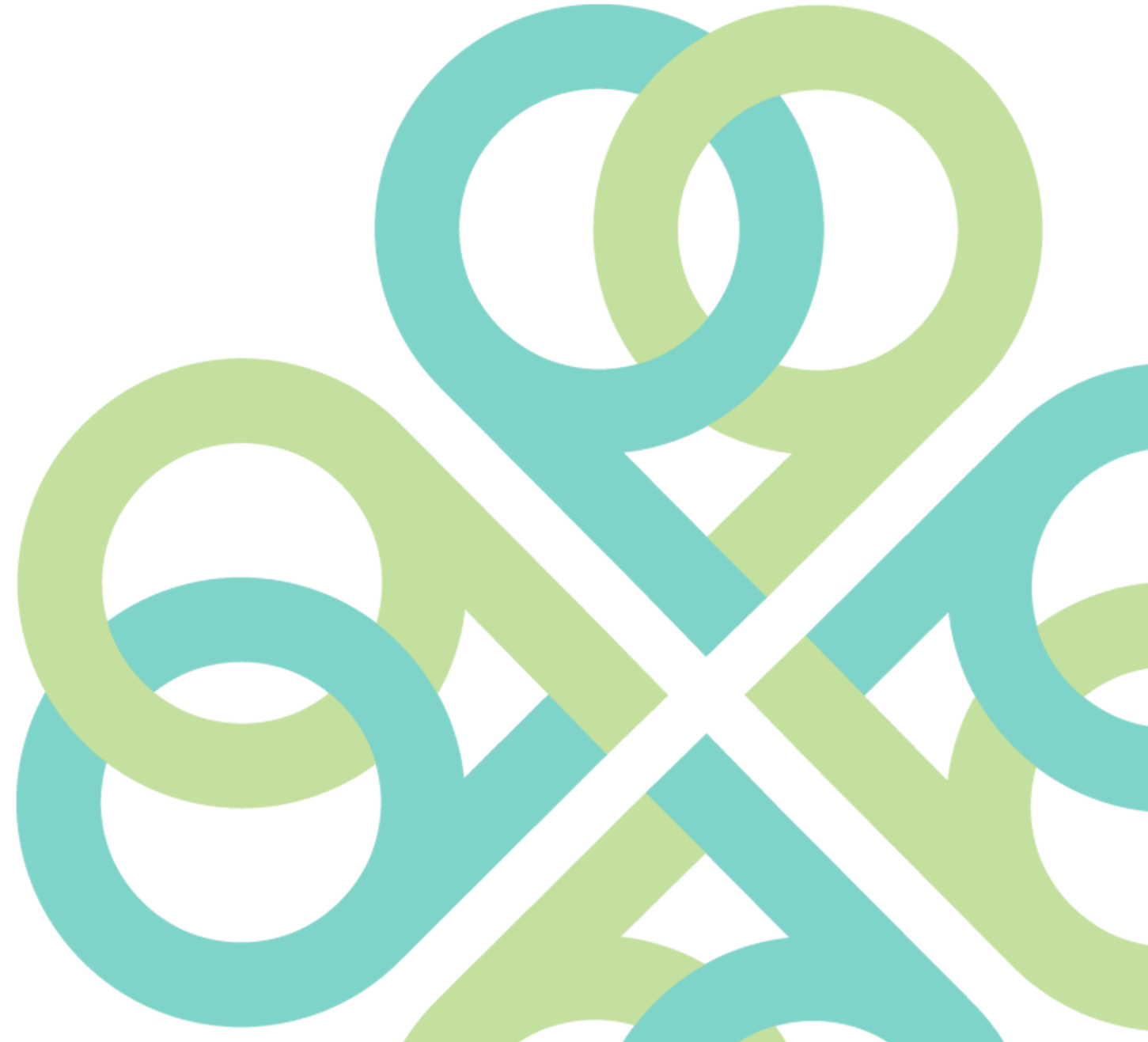
Complying with FHA's HECM Counseling Guidelines




- A Loan Originator may not steer, direct, recommend, or otherwise encourage a client to seek the services of any one particular counseling agency. This is Steering and is forbidden.
- Loan Originators are strictly prohibited from assisting a senior in scheduling counseling; borrowers are not to be pressured in any way and must contact a counseling agency at their own pace.
- As mandated by FHA, nobody that is a party to the transaction can pay for counseling.
- Upon completion, recommend that your borrower instruct the counselor to fax/email the completed certificate to your attention. Your borrower must independently provide the counselor with your information.
- Having Borrower's sign and date immediately is VERY IMPORTANT
- Counseling typically takes 60-90 minutes.
- Counseling can be done over the phone. This is the most popular method.
- Instruct your borrower to immediately sign and date the completed certificate.
- Contact your senior client after to discuss any questions that may have arisen during the session.

**Please Refer to the Counseling Information
in our Reverse Mortgage User Guide.**

File Flow




[Skip to Content](#)[BORROWER INFO](#)[GUEST LOGIN](#)[BROKER LOGIN](#)[MINI-CORRESPONDENT LOGIN](#)[REVERSE](#)

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Why Choose Plaza?

[Here's Why](#)



Plaza's Reverse Mortgage Website



Serving Reverse mortgage clients since 2008 and still going strong!



Reverse Mortgage Pre-Qual



Reverse Processing



Marketing Materials



Quick Quote Calculator



Forms



Training Center



Program & Guidelines



Turn Times



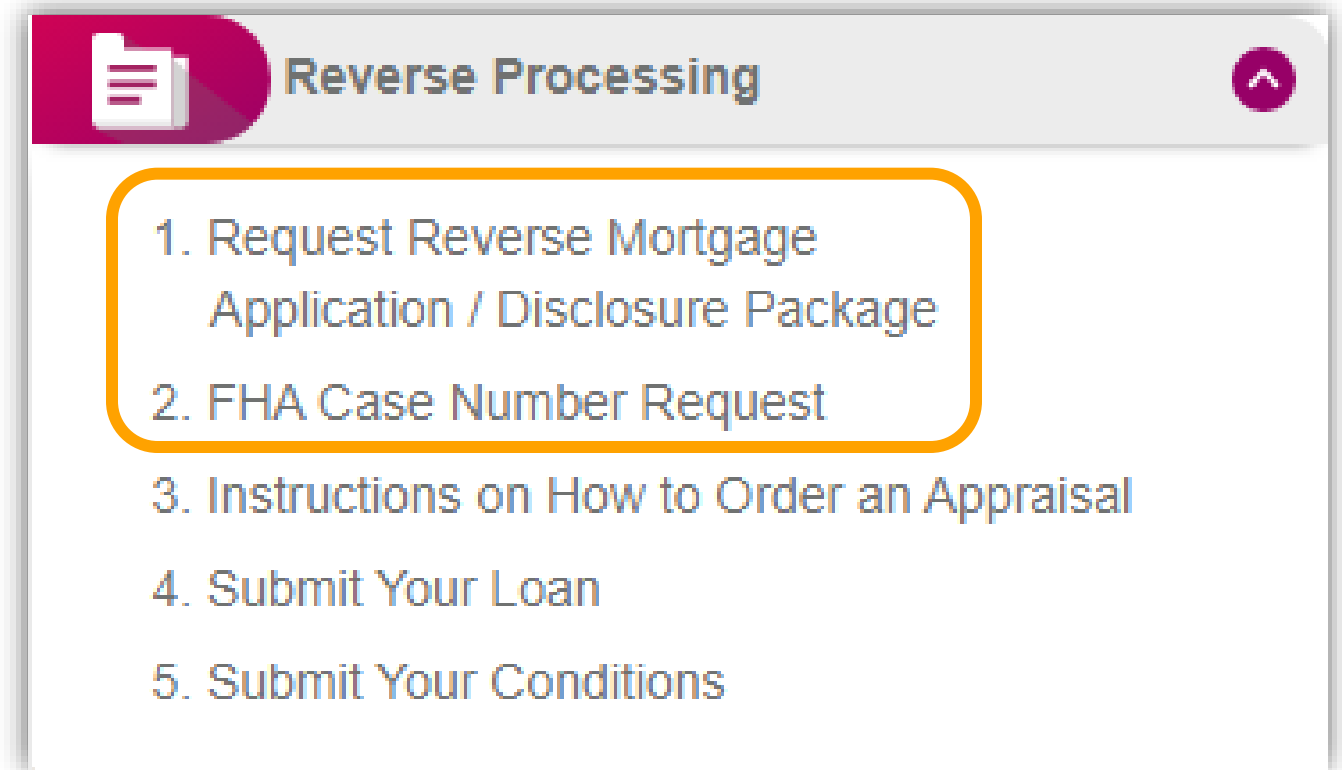
Tools



What is the Typical File Flow? (Steps 1-5)



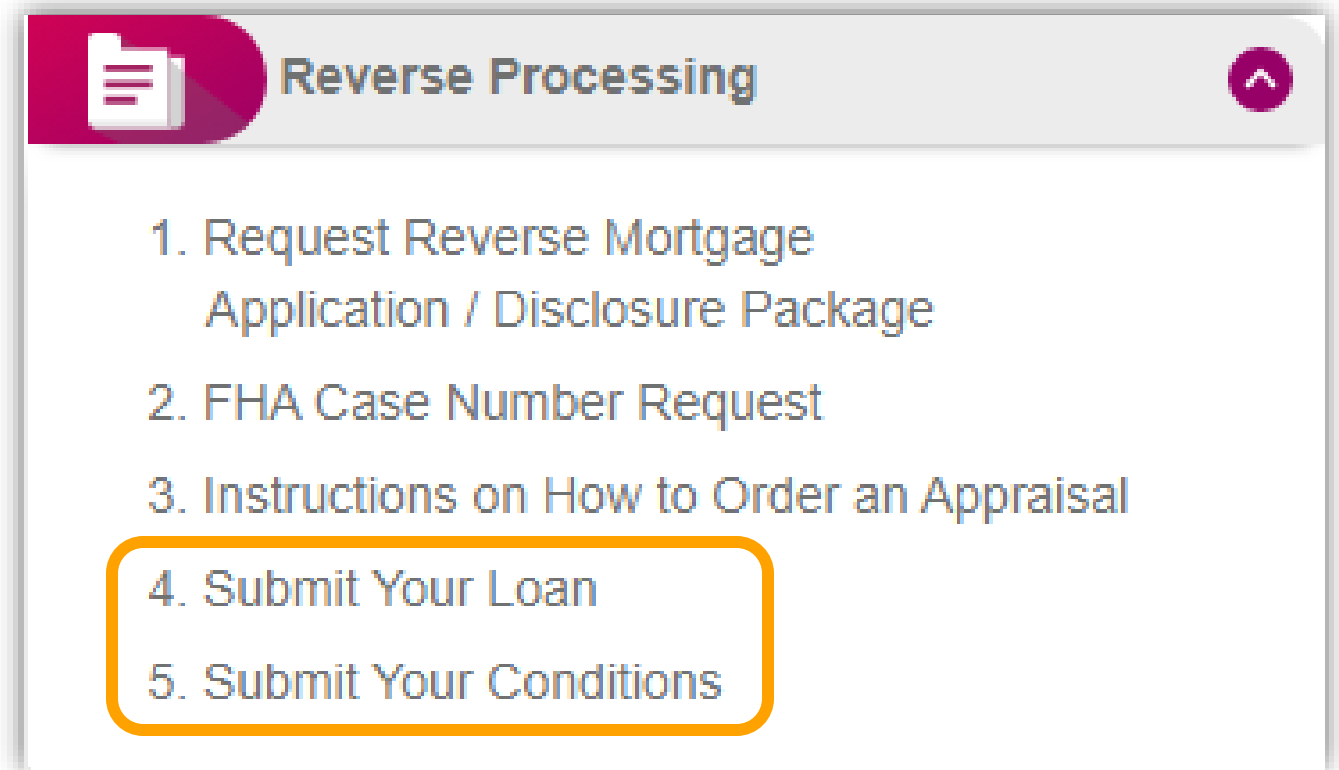
1. Pre-Qual
2. Satisfy question, process, etc.
3. Counseling - The pre-qual provides a compliant counseling package with numbers and procedure
4. Application and disclosures on the reverse web-site
 - Items needed for your Application disclosure package:
 - Completed 1003 (Unsigned)
 - Counseling Certificate - showing completion
 - Title / Closing agent fees - Title fees are based upon Maximum Claim Amount
5. Request your FHA Case Number – after the application package is signed by your borrower



What is the Typical File Flow? (Steps 6-11)



6. Plaza Reverse will provide detailed Appraisal Ordering Instructions upon completion of the Case Number Assignment
7. Begin to gather your submission items to avoid delays at set-up
8. Upon Completion of the Appraisal- Submit
 - We must have a completed appraisal report
 - We must have Title (#1 delay in setup)
9. Notification of Clear to Underwriting with posted Turn Times
10. Underwriter will send out the initial approval.
11. Conditions are uploaded in Reverse Processing

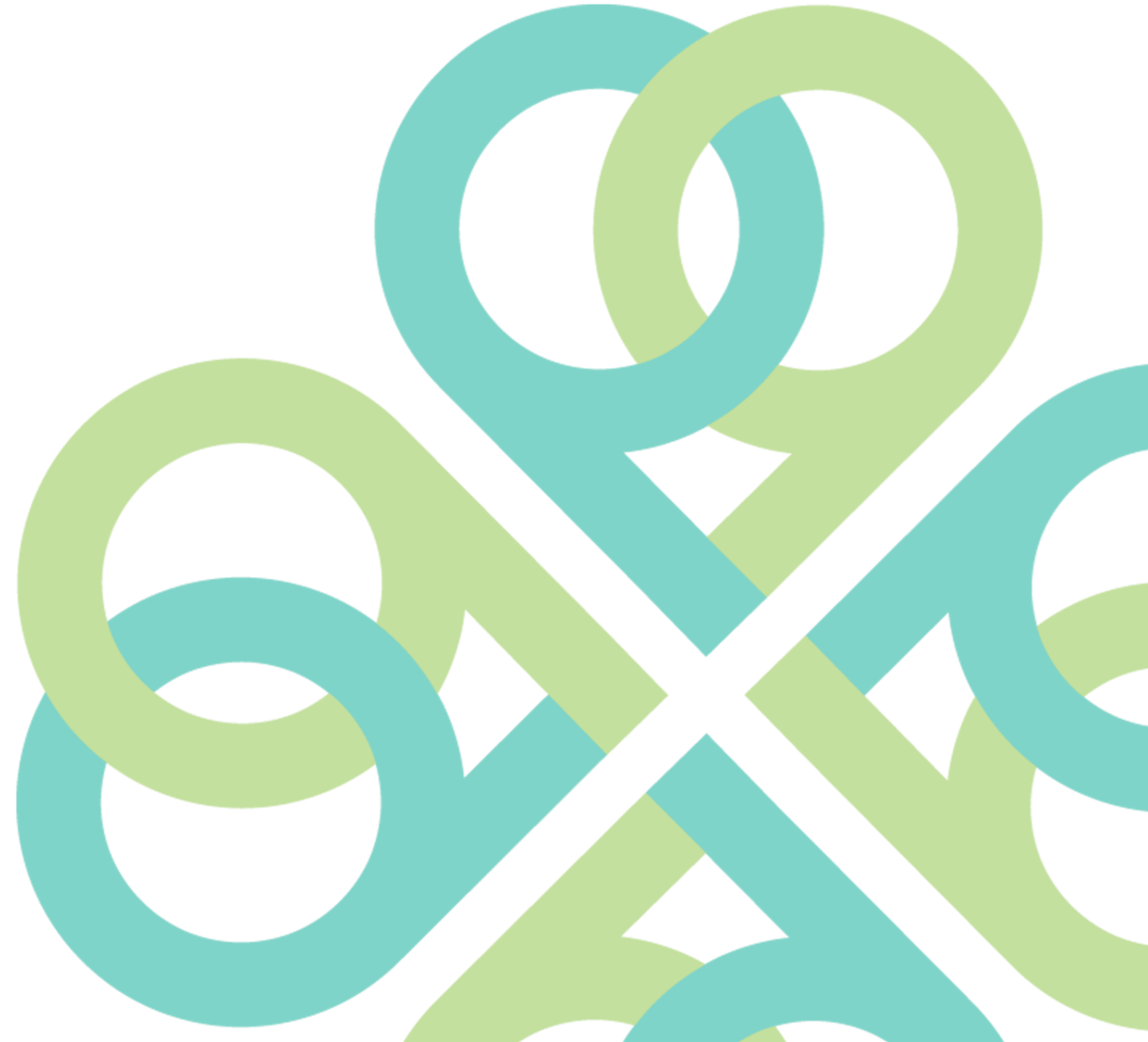


What is the Typical File Flow? (Steps 12-17)




12. Once Clear to Close - Doc Order / Fee sheets sent to your closing agent and verbally confirmed
 - Broker fees are sent to the broker for confirmation and loan is locked.
13. Plaza Draws docs according to posted times and closing schedule
14. Refinance – Three-day rescission period is enforced. Purchase – No rescission period
15. Plaza funds and disburses
16. Broker is provided a “sample servicing booklet” to forward to clients
17. Plaza will typically have the loan boarded with our Sub Servicer within 2 business days
 - Personalized Servicing Booklet will be mailed at that time

Resources






[Skip to Content](#)[BORROWER INFO](#)[GUEST LOGIN](#)[BROKER LOGIN](#)[MINI-CORRESPONDENT LOGIN](#)[REVERSE](#)

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Serving Reverse mortgage clients since 2008 and still going strong!



Reverse Mortgage Pre-Qual



Quick Quote Calculator



Program & Guidelines



Reverse Processing



Forms



Marketing Materials

Training Center

Bay Docs - Reverse Mortgage Software
Counseling Information
Reverse Market News

Suggested Resources





HECMWORLD.COM

Reverse mortgage news, commentary, and analysis for serious reverse mortgage professionals

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First Name*

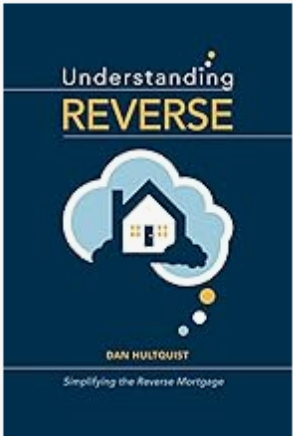
Last Name

Email*

SUBSCRIBE

*Plaza is not endorsing any third-party products or services.

Suggested Resources



Understanding Reverse: Simplifying the Reverse Mortgage

by Dan Hultquist | Feb 1, 2024

★★★★★ 13

Paperback

\$16⁹⁵

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Or fastest delivery **Wed, Jan 15**

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\$15.70 (6+ used & new offers)

Kindle

\$9⁹⁹ Print List Price: \$16.95

Reverse Mortgages: How to use Reverse Mortgages to Secure Your Retirement (The Retirement Researcher Guide Series)

Part of: The Retirement Researcher Guide Series (4 books) | by Wade D. Pfau Ph.D. | Feb 24, 2022

★★★★★ 209

Paperback

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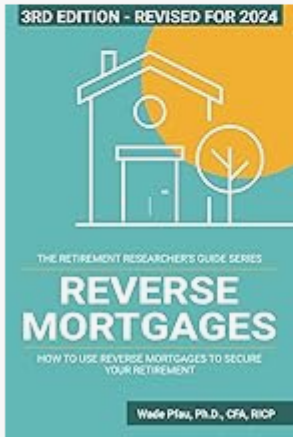
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Don't Miss Our Other Reverse Trainings!

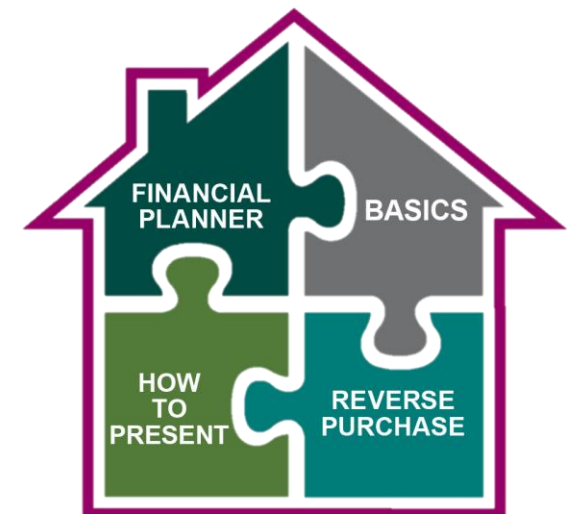


Click the links below to view the webinar recordings for our other trainings:

- [Plaza's Reverse Mortgage PreQual Borrower Counseling Package](#)
- [Reverse Mortgage Basics](#)
- [How to Use the Reverse Mortgage to Purchase a Home](#)
- [How to Present a Reverse Mortgage: The "Kitchen Table" Approach](#)
- [Originating a Reverse Mortgage with Plaza: File Flow from Start to Finish](#)
- [Financial Planners Guide to Reverse Mortgages](#)
- [The Impact of a Rising Rate Environment on Reverse Mortgages and Their Loan Amounts](#)
- [What is the Reverse Mortgage LESA?](#)

Upcoming Webinars: plazahomemortgage.com/calendar

Recorded Webinars: plazahomemortgage.com/training



Thank You for Attending!



Webinar recording, slide deck, and other resources will be emailed to you within the next 24 hours. Check your junk/spam folder if you do not receive the email.

Please let us know your thoughts on the survey form when you exit the webinar. We value your feedback!

If you have any questions or comments, please feel free to contact your Plaza Account Executive or mark.reeve@plazahomemortgage.com.