

The Changing Face of Reverse Mortgages 2016

A SOLUTION FOR THE GLOBAL RETIREMENT CRISIS?

November 2011

Financial Planning

U.S. News & World Report

How to Turn Your Home into a Pension

By PHILIP MOELLER

Financial Planning
INVESTED IN ADVISORS

DAY 12

Journal of Financial Planning

The 6.0

by Gerald C. Wagner, Ph.D.

<http://www.fpanet.org/journal/The6PercentRule/>

THE WALL STREET JOURNAL

Advisers Reverse Thinking on Reverse Mortgages

June 16, 2012, 8:18 p.m. ET

By TOM LAURICELLA

Using your nest to help with your nest egg is becoming a more common way to round out a financial plan during retirement.

Even after the bursting of the housing bubble, the biggest financial asset many retirees have is their home because that means it's tied up in the equity of the home. It's an investment that has been difficult to access.

Forbes / Personal Finance

OCT 7, 2015 @ 10:52 AM 16,463 VIEWS

Reverse Mortgages Can Be A Retiree's Saving Grace



Jamie Hopkins
CONTRIBUTOR
I cover retirement income.

According to the Employee Benefit Research Institute (EBRI), Americans are vastly unprepared for retirement to the tune of roughly \$4.13 trillion. EBRI projects that the retirement savings shortfall would be much worse if Social Security benefits are reduced or fully eliminated.

Retirement Risks: An eBook From Forbes

Don't risk your golden years. This book will help you plan around roadblocks that can derail your retirement.

Executive Summary

Wealth Management.com

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Withdrawal Reverse Mortgage

and Harold Eversley, CFP®, AIF®

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Investment News

January 16, 2011

McClain The Leading News Source for

Investment Insights

Reverse mortgages should be

Vehicle may be the best way to stretch a retirement portfolio

December

THE WALL STREET JOURNAL

Reverse Mortgage Helps Client Buy a Home

Tuesday, January 29, 2013 By JACOB LEVENSON

The recently widowed client, in his mid 70s, had given up hope of selling his home and buying a new house closer to his grown children south of Sacramento.

He owned his \$250,000 home outright. But the median house price near his children was nearly \$600,000. Scott Hanson, a partner at Hanson McClain Advisors in Sacramento, whose firm manages a portfolio of 3,000 clients on a fee basis, suggested the man sell some assets from his \$600,000 portfolio of Social Security and wasn't relying on the portfolio for his living expenses," Mr. Hanson says.

But the client said no. He had cared for his wife during a prolonged illness before her death. He had significant assets on hand to ensure that his children would never have to look after him if he died at the same time he was lonely without his family nearby," Mr. Hanson says.



Scott Hanson The adviser saw an opportunity to tap an unusual solution: a reverse mortgage to fund the purchase of a new home near his kids. "Typically when people are running out of money and they're out of options," Mr. Hanson says.

His client was not in that position at all. But under a relatively new Federal Home Equity Conversion Mortgage for Purchase program, an older person can take out a reverse mortgage at the same time, if they use the loan to buy a new home.

THE WALL STREET JOURNAL

Reverse Mortgages Can Benefit Retirees, Both Wealthy and Not

How Can Help Retirees Keep Investments Until Right Time to Sell



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A Safer Way to Tap Home Equity

REVERSE MORTGAGES, ONCE SUSPECT, CAN BE A USEFUL SOURCE OF CASH IN RETIREMENT. by Donna Rosato

Mortgages?

The View From

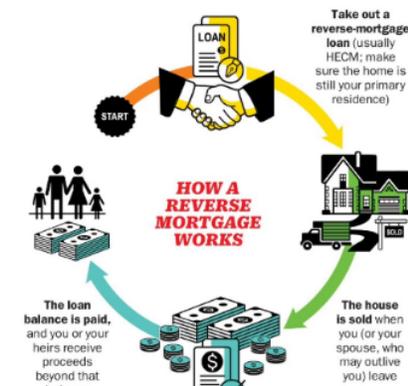
Retirees' biggest asset may be hiding in plain sight

By Dan Kadlec

IF YOU ARE NEAR RETIREMENT AGE AND WATCH EVEN A LITTLE TV, you've almost certainly seen Henry Winkler or the late Fred Thompson promote reverse mortgages. You may also have heard watchdog groups blast both actors for hawk- ing a complicated product to seniors in need of cash. What you likely haven't heard is that the reverse mortgage has gotten a substantial makeover since the financial crisis.

Experts now argue that this type of loan can be safe and even wise—as well as a key source of income that homeowners short on savings and planning to stay put should set up the minute they become eligible at age 62. "The strategic use of home equity in a retirement-income plan is the next hot topic," says Wade Pfau, professor of retirement income at the American College of Financial Services and retirement-research director for an asset-management firm.

About 36% of owner-occupied homes are mortgage-free, according to the Census Bureau. The share jumps to 65% for homes owned by folks ages 65 and older. Many other home-



Forbes / Retirement

FEB 11, 2016 @ 08:00 AM 980 VIEWS

Wise Reverse Mortgages Can Be the Saving Grace Retirees



If, after considering other housing options, you have decided to remain in an eligible home, you may want to consider a Home Equity Conversion Mortgage (HECM), more commonly known as a reverse mortgage – as a source of retirement income.

The vast majority of reverse mortgages in the United States are HECM reverse mortgages, regulated and insured through the federal government by the Department of Housing and Urban Development.



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Cash-strapped boomer? You can retire using home equity

COMMENTARY

Jamie Hopkins, retirement income program co-director at The American College of Financial Services

4 Hours Ago



As the baby boomer generation moves into retirement, there is significant concern that many of them will be unable to meet their basic retirement needs.

In fact, the Employee Benefit Research Institute says that the boomers are woefully unprepared for retirement. In order to meet their income needs, baby boomers need to rely upon three major sources of wealth: retirement savings, Social Security and home equity.

“Retirees simply cannot afford to continue to ignore home equity as an income source and still meet their retirement goals”

— By Jamie Hopkins, retirement income program co-director at The American College of Financial Services

Hot Off the Press

The image is a screenshot of a web browser displaying an article on the InvestmentNews website. At the top left is the 'InvestmentNews' logo in a red box. To its right is a navigation menu with links for 'NEWS & FEATURES', 'VIDEO', 'DATA & RESOURCES', 'RESEARCH', and 'EVENTS'. Further right are icons for search, user profile, and 'SUBSCRIBE'. Below the navigation is a blue banner for 'W&S Financial Group Distributors' featuring a photo of Cris Collinsworth and the text 'Our Playbook has it all.' and 'We have more products than ever in our Playbook.' with a 'LEARN MORE' button. The main article title is 'Changes in reverse mortgages give advisers new tools in retirement planning' in large black font. Below the title is a subtitle: 'Loans help planners deploy strategies to ensure clients won't outlive their money'. The article is dated 'Jun 12, 2016 @ 6:00 am' and written by 'Mary Beth Franklin'. There are social media sharing icons for Twitter, LinkedIn, Facebook, Email, Print, and a document icon, along with a '30 Shares' counter. At the bottom right, there is a 'PNC Multi-Factor Small' advertisement with a 'ROLL OVER FOR DETAILS' button.

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Cris Collinsworth Western & Southern Spokesperson

Changes in reverse mortgages give advisers new tools in retirement planning

Loans help planners deploy strategies to ensure clients won't outlive their money

Jun 12, 2016 @ 6:00 am

By **Mary Beth Franklin**

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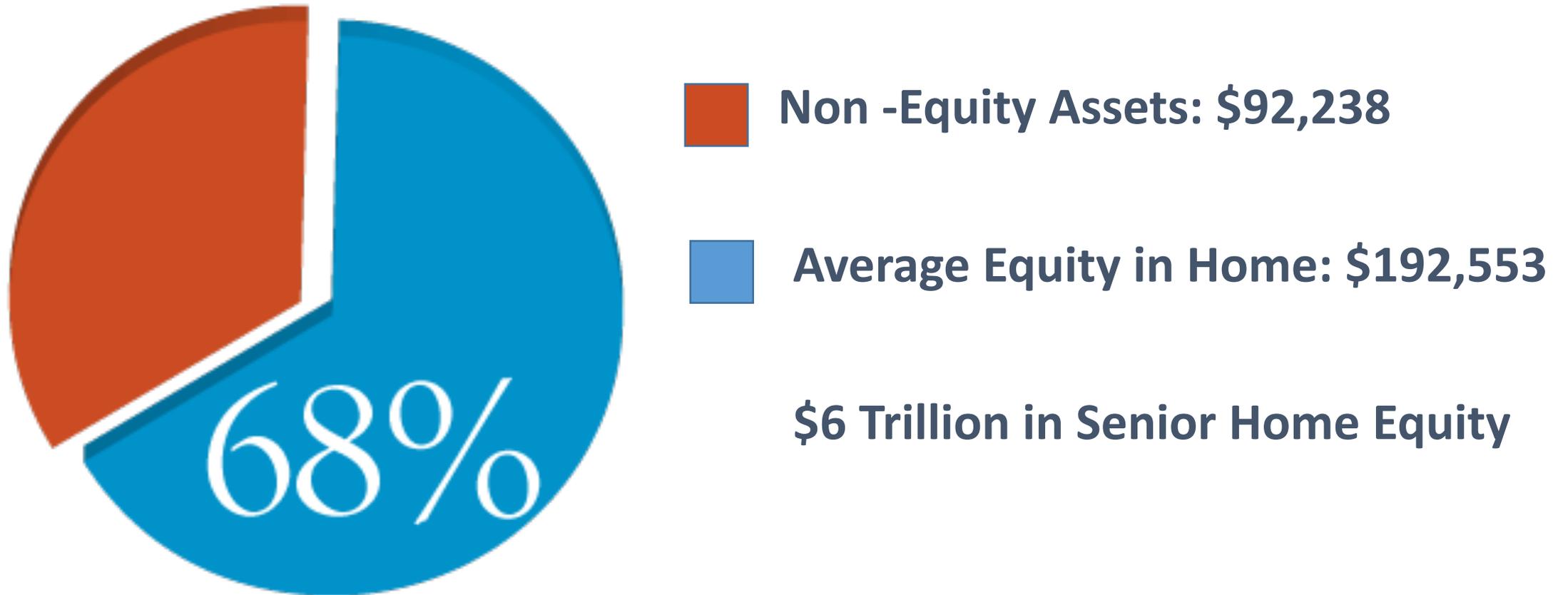


Baby Boomer Facts:

- Born Between 1946 and 1964
- 10,000 a Day Turn 62
- Will Live Longer than Previous Generations
- 75% Have Not Saved Enough to Sustain Their Retirement
- 68% Will Carry Mortgage Debt
- 87% Will Own a Home

THE **NEW** FACE OF RETIREMENT

Equity and Non-Equity Assets for Average Married Couple at Age 65



- Source: U.S. Census Bureau, Survey of Income and Program Participation, 2008 Panel, Wave 10



Typical Retirement Planning Picture



Income

Investments

Insurances

39 Modern Retirement Income Planning Techniques

By Wade Pfau, Ph.D., CFA | April 28, 2016 | Published Articles, Retirement Income Frameworks, Retirement Risks, Safety-First Retirements, Sustainable Spending



the 4L's

GOALS

Longevity

Will I Have Enough to Meet my **Basic Living Needs**

Lifestyle

Will I Have Enough Maintain my **Standard of Living**

Legacy

Will I Leave a **Lasting Impact**

Liquidity

Will I Have Access to Tax Advantaged **Money When I Need It**

Is There an Ideal Borrower?

✓ Improving Retirement Plans:

A client has a workable or nearly workable retirement plan, but desires an improvement. Increased retirement spending is an example of improved plan, as is planning to age in place at home.

✓ Increasing Contingency:

A client has a workable retirement plan but little contingency for the unexpected and undesirable: prolonged poor markets, health-related costs, or the need for home modifications or in-home assistance.

✓ Rescuing Retirement Income:

A client's retirement plan needs a rescue. Something they didn't plan for happened – perhaps a spouse planned to work longer but couldn't, or a spouse took a single life pension payout and now wishes they had elected 100% Joint and Survivor payout.

✓ Constrained:

Clients are in dire circumstances and have no other assets or income left.



Ways to Implement:

1. **At Every Client Meeting Talk about Housing Wealth as Part of a Comprehensive Financial Plan**
 - ✓ Cash Flow Creation
 - ✓ Portfolio Preservation
 - ✓ Rightsizing and Re-Balancing
 - ✓ Having a Backup Plan for Risk and Volatility