

Federal Reserve Bank of Philadelphia
Issues and Challenges Facing LMI Homeowners on
Reverse Mortgages
The Ever Changing HECM Market Place

Tuesday, July 12, 2016

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The
Trident Group



BERKSHIRE HATHAWAY |
HomeServices

Fox & Roach,
REALTORS®

The Changing Face of the HECM Program

Old Players/Actors

- Lenders
 - Wells Fargo
 - Bank of America
 - MetLife Bank
 - Financial Freedom
- Actors / Spokesperson
 - Robert Wagner
 - Sen. Fred Thompson
 - James Garner
 - Henry Winkler

New Players/Actors

- Lenders
 - AAG
 - Liberty
 - One Reverse
 - Reverse Mortgage Funding
- Actors / Spokesperson
 - Henry Winkler
 - Tom Selleck
 - Jane Bryant Quinn
 - Wade Pfau
 - Don Graves



The Press is catching on

From: Loan of last Resort

- We were too busy picking low hanging fruit to see the rest of the options.
- Housing Market downturn greatly reduced our market and increase defaults.
- Financial Assessment implemented to correct Tax & Insurance Default issues.
 - Capacity & Willingness to pay T&I

To: A Financial Tool to leverage House Wealth into an overall plan

- Positive Articles in Kiplinger, Forbes, WSJ, Money & other Magazines as well as TV interviews on major & local networks. Almost all now focused on using the HECM program as a financial planning option to help mature adults use all their available asset classes to enjoy a better retirement.



Issues & Opportunities

Issues

- Some prospects fall out before application
 - Not enough Residual Income
 - History of late payment of T&I or mortgage payments
- Many don't like LESA
- Hard to teach old dogs new tricks
- Boiler Room “high pressure” tactics

Opportunities

- Working with Financial Professionals, Estate Planning Attorneys and other professionals
- HECM for Purchase business
- Educating the Media to Educate the Market Place
- Helping the clients determine the right housing choice

The Future



Change won't be easy

- “The secret of change is to focus all of your energy not on fighting the old, but on building the new.”
 - Socrates