HECM EXAMPLES

HECM for Purchase (Downsize/Right-size): Mr. and Mrs Marin (Age in a New Place)

- Youngest Borrower: 75 years old
- Exit Home Sale Price: 2,000,000
- Exit Home Mortgage Balance: 775,000
- Sale Fees: 120,000
- Sale Proceeds: **1,105,000**

- New Home Purchase Value: 750,000
- HECM loan proceeds: 301,000 deferred-repayment, non-recourse loan
- Borrower's Down Payment: 449,000 (from sale of 2 million dollar home)
- Cash Left over to save or invest: **656,000**

Silver Divorce: Take a look at the recently published IDFA article on my blog regarding older Americans and how you can help them weather the financial hardship of a divorce in later years, without decimating their retirement portfolio. See how both parties can live out their retirement years as homeowners, never make a mortgage payment, never pay rent, and not have to take a draw from their invested assets to achieve this: 62CashFlow.com/Published

Jumbo Loan to Payoff Mortgage (Age in Place): *A strategy to avoid capital gain tax*

- Youngest Borrower: 73 years old Home Value: $2,000,000 Mortgage Payoff: $664,000
- Jumbo Loan amount fixed-rate: $744,000
- Cash out at Closing for future needs: $80,000 and NO MORE MORTGAGE PAYMENTS
- When the first spouse passes, the remaining spouse can sell at the new "stepped-up basis" without incurring capital gain tax*

A HECM Line of Credit (To pay for in-home care)

- Youngest Borrower: 85 years old
- Home Value: 750,000
- Principal Limit: 355,222
- Monthly Payment to homeowner: 8,000 for 4.5 years

*Consult a tax advisor

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