

LIFESTYLE
HOME LOAN



REAL ESTATE PROFESSIONAL'S GUIDE

For those who want to work with
buyers age 62+



Mutual of Omaha
MORTGAGE

This guide is intended for realtors. Not intended for consumer use.

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**Learn a little
known strategy
to increase
your business**

The Big Question: If you're not working with Boomer Buyers, then what's stopping you?

During a recent conversation with a successful Real Estate broker a disturbing fact was revealed. The broker stated one of the primary reasons they don't do more business with us is because the Lifestyle Home Loan is confusing. The lending industry uses a lot of specialized words, but there really isn't anything mysterious or complicated about what those words mean. Because we use a lot of acronyms and words like positive and negative amortization every day, we assumed everyone understood them.

We made a **big mistake!** If Real Estate professionals don't know what the Lifestyle Home Loan is and how it works, then they aren't likely to recommend the program to their clients. "So what?" you ask. Well, here's what - if your baby boomer client's age 62+ could increase their purchasing power and buy a home they really want without depleting their nest egg, wouldn't that be a win-win for them and you?

If you want to **sell more homes to baby boomers**, then you owe it to yourself to learn about a powerful financing program that will **open up new sales opportunities**. You're about to discover a little-known strategy that Real Estate professionals have been using since 2009 to sell dream homes to Boomers age 62+.

Introducing the **Lifestyle Home Loan**. With this age-based financing program you can attract baby boomer buyers and **sell them a home they really want**.



Increase their purchasing power and buy a home they really want without depleting their nest egg



2 BIG REASONS YOU SHOULD LEARN ABOUT THE LIFESTYLE HOME LOAN

1. Increase Your Business

With the Lifestyle Home Loan, you can increase your business, assist seniors by offering them more home buying solutions, and distance yourself from your competitors. Most Real Estate Professionals are unaware of this loan and are missing an opportunity to provide seniors with a powerful home purchase option. Offering this loan as an option to your senior clients allows them to leverage their purchasing power and potentially acquire the dream home that previously seemed out of reach.

2. Create Consistent Lead Flow

Baby Boomers make up the fastest growing demographic in the U.S., and according to a 2010 U.S. Census Bureau population survey, the number of Americans age 55+ is 76.7 million. 52 million of these Boomers surveyed are not living in a home that meets their lifestyle plan. The two reasons are: *"I don't have enough cash to afford a new home"*, and *"I can't qualify for a traditional mortgage."* These aging Boomers are looking for a professional like you to help them upsize, downsize or rightsize. The marketplace is huge, and **the demand for creative purchase solutions is growing** as these aging boomers navigate the real risk of outliving their money during their retirement years.

How the Loan Works: Three Purchase Options

Downsize: Purchase a smaller home with low maintenance.

Upsize: Purchase a more expensive home with more options.

Right Size: Purchase a home at the same price point but with different amenities like single story, low maintenance, lifestyle community.



Use the matrix on the last page.

Simply match an age with a purchase price to see what the one-time down payment would be.

Example:

Tom and Sarah want to sell their home and purchase a new home. They are both 70 years of age.

Sell existing home for:	\$400,000
Pay off existing mortgage:	-\$50,000

Cash left over after sale: \$350,000

Now they can purchase a new home using the Lifestyle Home Loan

	Downsize	Upsize
Cost of new home:	\$350,000	\$600,000
Loan Amount:*	\$168,500	\$296,000
One-time down payment amount:	\$181,500	\$304,000

Cash left over after purchase: \$168,500 \$46,000

Tom and Sarah now live in a new home with no mortgage payments and they have a significant amount of cash left over for future needs.

*Borrower age of 70. Calculations based on a 1-year cmt, monthly adjusting program with an initial interest rate of 2.79%. maximum apr 7.79% as of 1/1/22. Loan becomes due and payable upon a maturity event such as no longer maintaining the home as your primary residence or failure to remain current on property taxes, homeowners insurance, or condo fees.

Let's Do the Math

Tom and Sarah use the \$350,000 net proceeds from the sale of their existing home to purchase a \$600,000 dream home. They significantly increased their purchasing power and you increased your business by offering an alternative to paying cash or traditional financing!

Down Payment Matrix

Purchase Power Leverage

Using the matrix below, simply match an age with a purchase price to see what the one-time down payment would be.

	Age of youngest borrower ▶▶▶▶▶					
PURCHASE PRICE	62	65	70	75	80	85
\$350,000	\$199,350	\$192,700	\$181,500	\$172,750	\$159,800	\$142,300
\$400,000	\$226,400	\$218,800	\$206,000	\$196,000	\$181,200	\$161,200
\$450,000	\$253,450	\$244,900	\$230,500	\$219,250	\$202,600	\$180,100
\$500,000	\$280,500	\$271,000	\$255,000	\$242,500	\$224,000	\$199,000
\$600,000	\$334,600	\$323,200	\$304,000	\$289,000	\$266,800	\$236,800
\$700,000	\$388,700	\$375,400	\$353,000	\$335,500	\$309,600	\$274,600
\$800,000	\$442,800	\$427,600	\$402,000	\$382,000	\$352,400	\$312,400

DOWN PAYMENT ▶▶▶▶▶

Calculations based on a 1-year cmt, monthly adjusting program with an initial interest rate of 2.79% maximum apr 7.79% as of 1/1/22. Loan charges will include origination fees, mortgage insurance premiums, and settlement costs which are to be determined. Estimated fees, including upfront FHA mortgage insurance premium, range from \$11,000 to \$16,447 depending upon the value of the home (included in mortgage). Closing costs vary from state to state and can affect down payment. Please check with your Loan Officer for actual figures. Fixed rate options also available. Mutual of Omaha Mortgage, Inc., NMLS ID 1025894. These materials are not from, or approved by, HUD, FHA or any Government Agency. Subject to credit approval. www.nmlsconsumeraccess.org



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