

Reverse Mortgage Loan Comparison Worksheet

Use this worksheet to compare different reverse mortgages. The spaces in this chart are for your notes and to mark if the loan has these options and features.

	Lender 1	Lender 2	Lender 3
Reverse Mortgage Payment Options (Consumers can typically change their payment option any time for a fee.)			
Lump Sum Benefit Option			
Tenure Option Monthly benefit option for as long as borrower lives in the property that is the principal residence.			
Term Option Monthly benefit option for a fixed period of months selected by borrower.			
Line of Credit Option With payments at times and amounts at the borrower's choosing until line of credit exhausted)			
Modified Tenure Combination of line of credit and monthly benefit option for as long as the borrower lives in the home.			
Modified Term Combination of line of credit and monthly benefit option for a fixed period of months selected by borrower.			

continued

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Reverse Mortgage Features			
Debt Limit or Amount You Can Borrow Based on your age, home equity, value of your home, interest rate, and loan limit rules of the lender.			
Type of Interest Rate (Fixed or Adjustable)			
Annual Percentage Rate (APR)			
Interest Rate Charged on the outstanding balance and added to amount owed each month.			
Upfront Costs (Usually include the origination fees, mortgage insurance premiums, third-party closing costs, broker's fees or commissions, and HECM counseling agency fees. These can be paid or financed by the loan's proceeds, but this will reduce the available net loan amount to the consumer.)			
Origination Fee Pays a lender for preparing paperwork and processing the loan.			
Mortgage Insurance Premium (MIP) HUD HECM requires loan to be federally insured. A one-time non-refundable initial mortgage insurance premium assessed by FHA.			
Third-Party Closing Costs These are costs for a variety of services such as appraisal, title search, insurance, surveys, inspections, recording fees, mortgage taxes, credit checks, and others.			
Broker's Fees or Commissions Some reverse mortgage loans have broker fees or commissions. It depends on the type of HECM loan the consumer applies for.			
HECM Counseling Agency Fees Most fees are \$125 which can be paid from loan proceeds.			

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Reverse Mortgage Ongoing Costs			
Monthly Mortgage Insurance Premium Besides the upfront one-time mortgage insurance premium, FHA also charges a monthly mortgage premium based on the loan balance.			
Monthly Interest Charges There are monthly interest charges, usually adjustable interest, that are added to the borrower's loan balance.			
Lenders Monthly Service Fees during Term of Reverse Mortgage Lenders add a monthly service fee during the entire term of the loan. The service fee cannot exceed \$30 per month for a fixed-rate or annually adjustable loans and \$35 per month for monthly adjustable loans.			
Helpful for HECM Comparisons			
Total Annual Loan Cost (TALC) This disclosure is all the reverse mortgage's projected costs combined into a single annual average rate called the Total Annual Loan Cost. The TALC is a useful tool for the consumer to compare reverse mortgages. TALC's will show the consumer the true, total cost of a reverse mortgage loan and how it can vary a lot from one another.			

For educational purposes, consumers can also get approximate estimates for insured reverse mortgage costs by using the AARP helpful resource tool called a "reverse mortgage calculator" which is found at this Website: http://rmc.ibisreverse.com//rmc_pages/rmc_aarp/aarp_index.aspx. AARP does not endorse any specific reverse mortgage lenders or products.

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