

REVERSE MORTGAGE TERMS	
HECM	Home Equity Conversion Mortgage.
Loan Products	Fixed, Libor, Annual Libor.
HECM	Traditional HECM, HECM TO HECM, HECM For Purchase.
1009	Application.
Maximum Claim	Appraised Value, Purchase Price or Lending Limit, whichever is less.
Lending Limit	Maximum \$679,650
Principal Limit	Set at origination, determined by multiplying the maximum claim amount by a factor prescribed by HUD based upon the Expected Average mortgage interest rate and the age of the youngest borrower or non-borrowing spouse.
IMIP	Initial MIP. Calculated on the Maximum Claim, determined by the initial distribution amount. 2% of Maximum Claim Amount
Mandatory Obligations	Total of Origination Fee, IMIP, closing costs, liens and mortgage.
Initial Disbursement Limit	60% of Principal Limit OR Mandatory Obligations + 10% of PL (up to Total Principal Limit).
Initial Loan Balance (UPB)	Mandatory Obligations + Cash request.
Payment Plan	<p>Six payment plans are available to HECM borrowers:</p> <ul style="list-style-type: none"> • Single payment at closing (lump sum). • Line of credit payments. • Term payment plan provides for equal monthly payments to the borrower over a fixed term agreed to by the lender and the borrower. • Modified term payment plan combines the characteristics of a term payment plan with a line of credit payment plan. • Tenure payment plan provides for equal monthly payments to the borrower for the life of the loan. • Modified tenure payment plan combines the characteristics of a tenure payment plan with a line of credit payment plan.
Maturity Event	<p>Loan repayment is due when any of the following occur:</p> <ul style="list-style-type: none"> • The borrower(s) sells the home or vacates the home for more than 12 months (medical or other reasons) • Last borrower on title passes away. • Borrower/ Eligible Non-Borrowing Spouse fails to pay property taxes or homeowner's insurance and/or maintain the home according to FHA requirements. <p>As long as one borrower or NBS remain in the home, the loan will not become due and payable.</p>

