



# THE \$4.3 TRILLION SALES OPPORTUNITY: YOU CAN WRITE REVERSE MORTGAGES!



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# A Little About The Reverse Mortgage Market

**The Reverse Mortgage Market is a Growth Market for 40 years as Baby Boomers will be turning 62 for the next 20 years and living longer than ever before.**

“Nearly a third – 25 Million boomers – have less than \$10,000 in cash or funds for retirement”

“All they have is the equity in their homes, if that, Boomers are good spenders, not savers”

“What’s more, the huge transfer of wealth that was supposed to occur when boomers received their inheritance is fantasy, An estimated \$41 trillion has dwindled to \$7 trillion, as boomer parents live longer and spend their savings on health care.”

Matt Thornhill founder/President of The Boomer Project

A marketing, research and consulting company

# A Little About The Reverse Mortgage Market

- Historically there has been 31 Conventional Mortgages concluded for every Reverse Mortgage implemented.
- The American Bankers Association projects that in the next few years that ratio will change to 9 Conventional Mortgages concluded for every 1 Reverse Mortgage implemented...
- **Meaning the Reverse Mortgage Market will be experiencing tremendous growth for the rest of your career!**

**Write Reverse Mortgages, and Keep Your Day Job!**

**What if I told you that  
you could purchase long-term  
care insurance today, without  
touching  
a PENNY of your savings,  
investments, or current  
income. Would you want to  
know more?**

**Write Reverse Mortgages, and Keep Your Day Job!**

# **Reverse Mortgage Basics**

- Seniors age 62+
- Federally regulated and backed by HUD.
- Seniors own their own home.
- Non-recourse loan.
- Interest rates determined by the federal government.
- Cash from reverse mortgages can be used for any purpose- especially long-term care and estate planning objectives.

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## **Reverse Mortgages Used with LTC Planning**

- Seniors can use the equity in their home to pay long-term care insurance premiums.
- Seniors can now afford long-term care insurance without touching a PENNY of their savings, investments or current income.
- Reverse mortgage proceeds can fund traditional long-term care insurance, or asset based LTCi.

# Write Reverse Mortgages, and Keep Your Day Job! Used To Purchase Traditional LTCi

**Couple, both 65 years old, own a home worth \$200,000.  
5 year plan, \$150/day, 90 day EP, Inflation Protection.**

- Annual LTCi premium total for both: **\$5460**
- Reverse Mortgage = **\$605.61** per month for life, or a lump sum of **\$99,657.03**, or any combination of the two.
- **\$99,657.03** can remain in a line of credit that currently grows at a rate of **\*6.35%**. (all numbers from August 2006)
- They could take approximately **\$6328.22** annually out of their line of credit to pay for their long-term care insurance premium.
- Alternatively, they could pay their monthly premium of **\$455.00** with the **\$605.61** monthly check
- Either way, they have protected themselves from the catastrophic expense of long-term care, without touching a penny of their savings, investments, or current income.

## **Write Reverse Mortgages, and Keep Your Day Job!**

### **Used To Purchase Asset-Based LTC**

**Jane, 70 year old, owns a home worth \$250,000.  
\$122,000 in equity available to her by using a reverse mortgage.**

- Takes \$100,000 of equity out and buys single premium asset based LTCi plan
- Now has \$412,101 available to pay for LTC if needed. (\$190/day for 6 years)
- Death benefit is \$137,367 if never uses the LTCi.
- Original \$100,000 premium is available to be transferred back at any time if Jane changes her mind.
- If Jane died at age 86 and never used her LTCi plan, she would have \$137,367 to pass on to her heirs, PLUS \$154,517 in retained equity in her home, **for a total of \$291,684 in inheritance.**

# **Write Reverse Mortgages, and Keep Your Day Job!**

## **Used To Pay For Long-Term Care Costs**

**Mr. and Mrs. Davis, 82 and 80 years old, owns a home worth \$300,000. \$213,000 in equity available.**

- **Mr. Davis needs in-home care that the couple will privately pay for.**
- **They do not have LTCi, and do not qualify for LTCi.**
- **The national average hourly rate for home health aides is \$19. For 5 hours of care 7 days per week, the monthly average cost is \$2660 per month or \$31,920 annually.**
- **Using a reverse mortgage, the Davis family can afford to pay privately for care for approx. 6 years...depending on the level and severity of need.**

# **Industry Update: Annuity Sales and Reverse Mortgages**

- **NGFS policy states that Reverse Mortgage proceeds may not be used to FUND annuity products.**
- **Media issues.**
- **AARP?**
- **NRMLA**

## **Write Reverse Mortgages, and Keep Your Day Job!**

### **In the Past...**

Referred your client to a captive “reverse mortgage specialist” to write the business.

If all went well, the client came back to you to finish the case design strategy.

If all didn't go well your client may have invested their equity dollars with someone else.

How many times has the “reverse mortgage specialist” referred business to YOU?

# **Write Reverse Mortgages, and Keep Your Day Job!**

## **Moving Forward....**

**Today, YOU can write the reverse mortgage.**

**You can keep the commissions on the reverse mortgage sale, and all other products that you write as a result.**

**Add a “tool” to your belt that most financial advisors and insurance agents don’t have!**

**Set your self apart from the rest.**

**Be the “Financial Planning Hero” in your community.**

# Write Reverse Mortgages, and Keep Your Day Job!

## Moving Forward....

### What's Your Unique Selling Proposition?

Adding the reverse mortgage to your suite of services opens many doors:

- You can help the wealthy with advanced case design strategies.
- You can help the not-so-wealthy live the retirement they always dreamed of.
- You can help families in crisis.
- You can help families plan ahead.
- You become the “Financial Planning HERO” in your community.

# **Write Reverse Mortgages, and Keep Your Day Job!**

## **Requirements: How to Proceed Method #1**

- **Must attend our sales and marketing training in person.**
- **Must become a part-time W2 employee of a HUD approved lender (1<sup>st</sup> Mariner Bank). (It's the law!)**
- **No further licensure or E&O required.**
- **No requirements to change contracting on insurance products. Stay with your own FMO/MGA if you prefer.**
- **Visit [www.ngfs.net](http://www.ngfs.net) for training dates, locations, and pre-training required paperwork.**
- **Call 877-203-5667 for information and FREE AUDIO CD.**

# **Write Reverse Mortgages, and Keep Your Day Job!**

## **Requirements: How to Proceed Method #2- Mentoring Program**

- **Join via the “Mentoring Program”**
- **Must become a part-time W2 employee of a HUD approved lender (1<sup>st</sup> Mariner Bank). (It’s the law!)**
- **No further licensure or E&O required.**
- **No requirements to change contracting on insurance products. Stay with your own FMO/MGA if you prefer.**
- **Fill out all employment paperwork at [www.ngfs.net](http://www.ngfs.net) and agree to a drug screen and background check.**
- **A mentor will be assigned to you. You will split commissions 50/50 with your mentor.**
- **After 3 loans, should you decide to join us and stop using a mentor, you can attend training for free (except airfare and hotel).**

# Is There Really A Difference Between Lenders?

- When a senior does their Reverse Mortgage loan through NGFS they immediately receive:
  - A copy of “The Senior Solution: A Family Guide to Keeping Seniors Home for Life!” (which spurs LTCi sales.)
  - \$5000 Tuition Rewards for any grandchildren or great-grandchildren at no charge. (no limit)
  - They do not pay an upfront appraisal fee. (usually runs \$300-\$450)
  - They are guaranteed to close within 30 days of application or NGFS takes \$1000 off their closing costs.
  - NGFS pays all of the attorney fees in order to reduce closing costs even further. (\$750)

# Compensation

## The Loan Consultant – Level I

Production Requirement – *1 Loan In A Month*

Compensation - **30%** of the Origination Fee

Home Value	\$125,000	\$250,000	\$375,000
Origination Fee	2.0%	2.0%	2.0%
	\$2,500	\$5,000	\$7,500
LC Comp	<b>\$750</b>	<b>\$1,500</b>	<b>\$2,250</b>

### **Annual Potential At**

<b>1 Loan Per Mo</b>	<b>\$9,000</b>	<b>\$18,000</b>	<b>\$27,000</b>
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# Compensation

## The Loan Consultant – Level II

Production Requirement – 2-4 Loans In A Month

Compensation - **40%** of the Origination Fee

Home Value	\$125,000	\$250,000	\$375,000
Origination Fee	2.0%	2.0%	2.0%
	\$2,500	\$5,000	\$7,500
LC Comp	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$3,000</b>

### Annual Potential At

2 Loans Per	\$24,000	\$48,000	\$72,000
4 Loans Per	\$48,000	\$96,000	\$144,000

# Compensation

## The Loan Consultant – Level III

Production Requirement – 5-9 Loans In A Month

Compensation - **50%** of the Origination Fee

Home Value	\$125,000	\$250,000	\$375,000
Origination Fee	2.0%	2.0%	2.0%
	\$2,500	\$5,000	\$7,500
LC Comp	<b>\$1,250</b>	<b>\$2,500</b>	<b>\$3,750</b>

### Annual Potential At

5 Loans Per Mo.	\$75,000	\$150,000	\$225,000
9 Loans Per Mo.	\$135,000	\$270,000	\$405,000

# Compensation

## The Loan Consultant – Level IV

Production Requirement – 10+ Loans In A Month

Compensation - **60%** of the Origination Fee

Home Value	\$125,000	\$250,000	\$375,000
Origination Fee	2.0%	2.0%	2.0%
	\$2,500	\$5,000	\$7,500
LC Comp	<b>\$1,500</b>	<b>\$3,000</b>	<b>\$4,500</b>

### Annual Potential At

**10+ Per Mo.    \$180,000+    \$360,000+    \$540,000+**

# Write Reverse Mortgages, and Keep Your Day Job!

## Presenting “The Senior Solution”

- Advisors learn how to market and sell reverse mortgages in combination with estate planning objectives.
- Marketing options, pieces, and presentations are already designed and ready for your use.
- Selling more LTCi becomes part of each appropriate case design strategy, assuming the client qualifies health-wise.
- ReverseVision illustration software shows advisor and client how estate planning strategies work together with reverse mortgages.
- Advisors also learn how to help ANY senior, even if they do not qualify for long-term care insurance.
- Be the financial planning “hero” in your community.
- [www.ngfs.net](http://www.ngfs.net)