

Reverse Mortgages

Looking for Peace of Mind?

With a Reverse Mortgage, you're able to convert your home equity into a line of credit that provides you with a ready source of tax-free funds.

You can request single disbursements from the line of credit similar to loan advances from a home equity loan, set up monthly payments, or establish a combination of both. Best of all, Reverse Mortgage advances are completely tax free and, in most cases, will not impact your Social Security or Medicare eligibility.

With a Reverse Mortgage, you're able to turn a large illiquid (non-cash) asset into a liquid source of tax-free cash.

Unlike home equity loans, there are NO monthly loan payments. Repayment is due when the borrower moves or upon the death of the surviving borrower. Also, you retain the title to your home, and when the home is finally sold, any excess sales proceeds over the outstanding loan balance goes to you or your heirs.

Home Office

PO Box 3000J, Harbor, OR 97415
16147 HWY 101 S
541-469-7700

Branch Locations

Harbor, OR

16147 HWY 101 S 541-469-7700

Brookings, OR

729 Chetco Ave 541-469-7700

Brookings-Harbor High School

Gold Beach, OR

29620 Ellensburg Ave 541-247-7081

Gold Beach High School

Port Orford, OR

1000 Oregon St 541-332-3711

Bandon, OR

1010 First St SE 541-347-9155

Crescent City, CA

660 "L" St 707-465-5624

Del Norte High School

Smith River, CA

301 Fred Haight Drive 707-487-3003

Klamath, CA

219 Salmon Blvd. 707-482-0474



Chetco Federal Credit Union

*Peace of Mind...
In your Golden Years*



www.chetcofcu.org



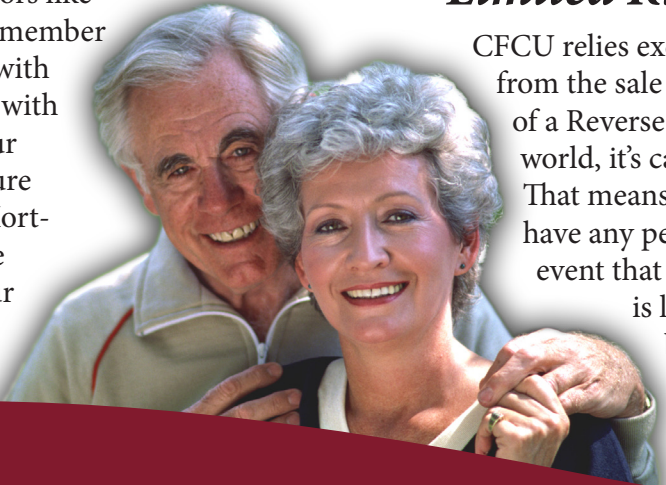
"Dedicated to Helping People."

Reverse Mortgage Choices

Every Chetco Federal Credit Union member has different financial needs and goals. Just as you would expect a restaurant to offer more than one entree, you should have a choice of products from your Reverse Mortgage lender.

CFCU offers the FHA's Home Equity Conversion Mortgage (HECM) and its own proprietary Reverse Mortgage called Reverse Equity Mortgage...Payment Freedom for Seniors (REM). Both offer a line of credit, a monthly cash distribution, or a combination of both. However, you will pay mortgage premiums to FHA with a HECM because the line of credit will, in most cases, be higher than that of the REM.

Our Reverse Mortgage Specialist can calculate the line of credit amounts of both programs and provide you with a side by side comparison. Also, we will give you names of independent Reverse Mortgage Counselors who are trained to discuss both programs with seniors like yourself. The thing to remember is that you have choices with CFCU and we will work with you, your family and your outside counselor to assure you select the Reverse Mortgage that is most suitable and advantageous to your unique needs and circumstances.



Your Responsibilities

As stated previously, you are not obligated to make monthly loan payments against your Reverse Mortgage balance while living in your home. Repayment of the loan is required only under two circumstances:

1. You move and the home is no longer your primary residence
2. You pass away

As with a conventional mortgage, you are required to pay your property taxes, keep the home insured and make certain it is properly maintained. If you fail to meet these obligations, the loan may be terminated requiring the balance to be paid in full immediately. Failure to do so may result in you losing your home. But these are the same responsibilities as any homeowner has with a mortgage. You've likely had to abide by these rules for most of your life.

Limited Risk or Liability

CFCU relies exclusively on the proceeds from the sale of your home for repayment of a Reverse Mortgage. In the lending world, it's called a non-recourse loan. That means neither you nor your heirs have any personal liability. Plus, in the event that the market value of the home is less than the outstanding loan balance when it's sold, neither you nor your heirs are liable for the deficiency.

Steps for Getting Started

- **PLAN the use and purpose of the money from a Reverse Mortgage.**

You are borrowing money. Even though there is limited personal liability, the loan is a mortgage on your home. Do you just need a reserve fund for emergency, or a monthly income stream to supplement your retirement savings?

- **LEARN all about Reverse Mortgage terms, benefits, costs and liabilities.**

You should never be "sold" a Reverse Mortgage. CFCU's Reverse Mortgage Specialist and outside independent counsellors are good sources for learning the ins and outs of Reverse Mortgages. You are also encouraged to ask for help from friends and relatives. Take time to understand the terms. Know your options.

- **WEIGH the costs and other options.**

Is a Reverse Mortgage the most appropriate loan or funding source to provide the cash you need to meet your needs? Ask yourself: Do I plan to remain in my home for at least 5 years? Do I need the larger line of credit with an HECM? Do I understand the costs of a Reverse Mortgage and my responsibility to maintain taxes and insurance? Have I studied other options?

*Call your local CFCU branch
to get started today!*

Convert the equity in your home to a reliable, steady source of tax-free cash!