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Welcome to December!

Wow! 2024 flew by with all of the fun and excitement we've had with the weather, the fact that it's an election year, and some dynamic movement in mortgage and real estate. We've seen ups, downs, and even a few other directions and made it through just fine.

The Christmas holiday season is a time to settle down for the new year, eat turkey and ham, and watch a little football with my best gal! Renee will be home

(Continued on back page)

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Keep It Simple – A Reverse Mortgage

Let's try and see it as a simple solution, words matter and often people get confused. Did you know that surveyed retirees feel their number one goal in retirement was to ensure a comfortable standard of living, while only 4% are concerned about leaving a financial legacy to their heirs.

With that in mind, let's look at how a reverse mortgage may help you in retirement.

A reverse mortgage is a financial product that allows homeowners, typically aged 62 or older, to convert part of the value of their home into cash. If you have a mortgage, it must first be paid off with the loan proceeds; otherwise, the funds can be used for anything you wish—or held in a line of credit to be used when needed.

The maximum loan amount is based on the value of the home, the homeowner's age, and current interest rates.

Reverse mortgages are primarily used to provide retirees with extra income, helping them cover living expenses, healthcare costs, pay off bills, pay off a current mortgage, home improvements, or other financial needs. Let's be clear, a reverse mortgage does not eliminate debt, it simply restructures debt but there are no required monthly payments – any payment is optional.

A simple example would be to use a reverse mortgage to pay off a traditional mortgage, turning a required monthly payment into an optional monthly payment, thus increasing your monthly disposable income.

Funds from a reverse mortgage are tax-free and can be used for any purpose. The



loan is repaid when the homeowner sells the home, moves out, or passes away.

It's important to note that the homeowner retains the title to the home. If the homeowner passes away or sells the property, the loan must be repaid, typically from the sale proceeds.

But when the loan is repaid, any remaining equity in the home belongs to their heirs.

Reverse mortgages help to relieve financial stress with older homeowners who have spent years building equity in their homes, only to find out they cannot access the equity without incurring a monthly payment or selling their home.

Don't fear what you don't understand; learn about it. Granted, the current reverse mortgage program is a different concept than what we all grew up learning when you borrow money, you repay it, and repayment is typically monthly.

Now turn your thinking cap around and learn something you don't know. Knowledge is free; you owe it to yourself. Stay safe everyone, and may God bless you all - David Stacy

Merry Christmas!

How to Save a Little and a Lot on Your Electric Bill!

You may know to turn the lights off when not in use, but with these simple tricks, you can save *even more* on your monthly electric bill.

Save a Little

Use your curtains. During cold months, leave them open during the day to allow sunlight in. During the summer, keep the curtains shut in rooms where the sunlight hits, thus keeping the room cooler longer.

Install motion detectors on lights in kids' rooms. The lights will never be left on by accident.

Save a Little More

Insulate your hot-water heater. If it's more than seven years old, wrap it in a pre-cut jacket or

blanket (available at most hardware stores).

Use a programmable thermostat. Set it to raise or lower the temperature setting automatically when you're not at home.

Use electronics wisely. Unplug them when not in use; they draw power even if they're in the off position. And use a laptop on a hard, flat surface, rather than a soft, cushy one, such as a bed or a carpet. The latter can block airflow and lead to overheating.

Clean your electric heating system or air conditioner's filter and fan. It's best to do this once a month, but even twice a year will make a big difference.

Launder everything in cold water. Ninety percent of the energy used by a top-loading washing machine is for heating water.

Save a Lot More

Use a low-flow showerhead. A low-flow showerhead uses less than 2-1/2 gallons a minute, compared with a whopping seven gallons a minute for old models, which means less water to heat.

Enroll in a "cycling" program, if available. Your utility company will use a radio signal to shut off your heating system or air-conditioning periodically during peak-usage times on weekdays, say, for 15 minutes over a three-hour period.

It's best to do this once a month, but even twice a year will make a big difference.

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From the Inside

"If I cash out some of the equity in my home, will that raise my mortgage payment?"

refinancing your mortgage for more than you currently owe and "cashing out" the difference. Whether that results in a higher monthly payment is up to you.

It's possible to cash out some of the equity you've built up in your home if you've been paying down

Cash-out refinancing is a popular way of freeing up cash to put toward a major purchase, such as a home renovation or new vehicle. It involves

your mortgage for some time and the principal has shrunk to less than it was when you first took out the mortgage. This buildup of equity enables you to request to withdraw funds when you refinance. The amount you withdraw is simply added back onto your mortgage principal.

Let's consider an example: Imagine that your home is valued at \$200,000 and that you have a 7 percent fixed-rate mortgage with a 15-year term. You've been paying \$1,400 a month for five years, and your principal is down to \$120,000 with 10 years to go before it's paid off. This means that your equity in the home is now \$80,000 (\$200,000 minus the \$120,000 you

still owe).

Now imagine you have an opportunity to refinance at 6 percent, and you'd also like to cash out \$30,000 of your equity to put in a swimming pool. That would increase your mortgage principal to \$150,000 (the \$120,000 you still owe plus the \$30,000 you wish to take out) and reduce your equity to \$50,000.

You now have a choice about how you want to pay your loan back. If you want to continue making roughly the same monthly payment as before, it will take longer to pay off the loan, since the principal is now higher. On the other hand, if you want to stick to your original schedule, you will have to increase your monthly payments.

The choice is up to you. But keep in mind that the longer you take to pay off your loan, the more interest you also will have to pay.

How does the math work out? In our example, to pay off your loan in 10 years your monthly payment would need to increase to \$1,665. If you were to keep paying \$1,400 a month, the new loan would take 12 years and nine months to pay off. And, because lenders don't typically offer 12-year mortgages, in reality, the closest you could get would likely be a 15-year term (*see your lender*). This would mean your monthly payment would actually fall to \$1,265.

The choice is up to you. But keep in mind that the longer you take to pay off your loan, the more interest you also will have to pay. In this example, taking an extra five years to pay off the loan would cost around \$28,000 extra in interest payments. As a general rule, provided you can afford it, it's therefore usually better to pay a little more each month and pay your loan off faster.

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The Greatest Stories Never Told

Buchanan's Blunder: The pre-Civil War civil war

In 1857, President James Buchanan declared the Mormons in the Utah Territory to be in rebellion. There had been a growing conflict over federal jurisdiction in the territory, and Buchanan decided it was time for a show of force. He appointed a new governor and dispatched a force of twenty-five hundred troops to restore order.

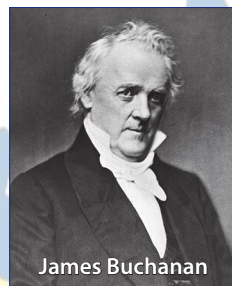
When Mormon leader Brigham Young got the word, he began preparing for war. He declared martial law, called up the militia, and began gathering arms. Three years before the Civil War, it looked as if the United States was headed for... a civil war.

The American troops that Buchanan sent ran into all sorts of trouble. They got a slow start and ran into fierce winter weather. Mormon raids on their supply wagons forced them to hole up for the winter on starvation rations. Back east, criticism began to mount over how Buchanan was managing things. Newspapers began to refer to the venture as "Buchanan's Blunder." It was proving a huge embarrassment to the administration.

Eventually negotiators worked out a settlement, and conflict was averted. The army entered Salt Lake City peacefully, and the new governor installed. But the expedition cost Buchanan a huge amount of political capital. It crippled his ability to deal with the looming crisis between North and South. When Southern states began to secede, he refused to send troops — perhaps mindful of the criticisms he had borne for the Utah effort.

As a result, the Southern rebellion remained unchecked until Abraham Lincoln took office. The American Civil War that followed eventually cost the lives of more than a million Americans (both military and civilian).

Source: Excerpted from "The Greatest Presidential Stories Never Told" by Rick Beyer



James Buchanan

5 DON'TS for Do-It-Yourself Home Improvements

Do-it-yourself (DIY) home improvement projects can be the most cost-efficient way to repair or add value to your home. By taking on a DIY project, you can completely eliminate the contractor costs, which usually account for the largest portion of a repair or upgrade invoice.

However, greed can set in once you start saving money and persuade you to cut additional corners in hopes of saving even more money. These shortcuts can compromise the structural integrity of your DIY project *and* cost you even more money for repairs in the future.

In an effort to guide you away from the common pitfalls of do-it-yourself upgrades, here are five DON'TS of DIY home improvements.

Never lay ceramic tile without the proper amount of grout.

It's a terrible idea to cut corners by trying to eke out enough grout from a five-ounce container when laying ceramic tile in three rooms and a hallway. While the finished tile work might shine like sparkling new porcelain veneers when finished, the new tiles can quickly crack from the pressure of being walked upon, and an insufficient amount of grout holding the pieces together. Make sure you have more than enough grout to do the job right *the first time*.

Never start a DIY plumbing project without proper tools and supplies.

Plumbing projects often require tools and supplies you never would have thought you needed *before* you started the project.

You can easily start a plumbing DIY project believing all you have to do is go in and tighten a nut or a screw to stop a leak, and end up stripping or breaking a water pipe that leaves your home

flooded like a shoreline during a full moon.

To prevent this from happening, it's imperative that you either do serious research or ask a plumber what tools and supplies you will need for a specific project so you can create a detailed list.

Some of the more common tools you may need for a DIY plumbing project include:

- Pipe cutters
- Solder equipment
- Emery cloth
- Pipe locator accessories
- Pipe freezing equipment
- Pipe thawing equipment



Plumbing repairs or plumbing projects can be daunting to the inexperienced. Consider hiring a professional.

Never re-sod your lawn without marking underground electrical lines.

It's extremely important that you call your electric company to locate and flag areas where underground electricity lines may lie.

While state codes mandate that underground electrical cables are buried at least two feet deep, rough storms and weathering can loosen the soil allowing underground wires to gradually surface.

By flagging or marking areas on your lawn where electrical lines lie buried, you will take the necessary precautions to preventing an electrical accident when you re-sod your lawn. As always, *call before you dig*.

Never skip a step when replacing damaged dry-wall.

When replacing damaged drywall, it's best to follow the procedure entirely, so your quick fix doesn't quickly unravel.

Given the fact that drywall is lightweight and fairly inexpensive, many people falsely assume that there is no need to seek instruction when attempting to replace damaged or unfit drywall. Yet, improperly replacing drywall can compromise the structural setup of your wall, which may lead to the wall unexpectedly collapsing. Also, heavy picture frames or mirrors attached to a compromised piece of drywall can fall and shatter as well.

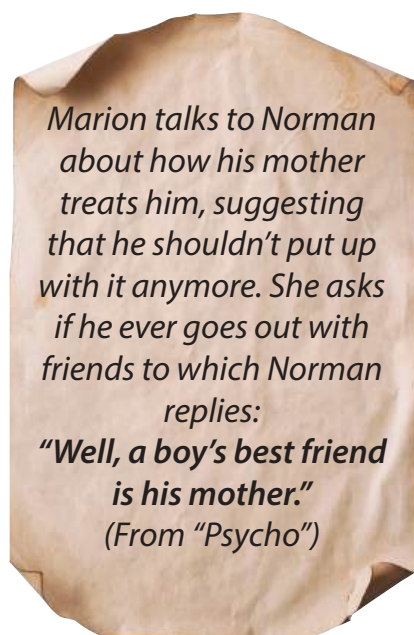
Never compromise the structural frame of your home.

It may be tempting to engage in a DIY home project, such as making a room larger via knocking down a wall, to add to your home's resale value. However, a project such as this may actually compromise the structural integrity of your house. To avoid any future problems with the frame or foundation of your home, contact an engineer or a certified contractor *before* you remove a wall or add a room to your house.

Also, be aware of the specific building permits you may need to obtain *before* you make any structural changes to your home.

By avoiding some of the do-it-yourself pitfalls described above, you can rest assured that your frugal home improvement efforts won't end up costing you extra money in the long run.

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AFI's Top 25 Movies of All Time

At #14, *Psycho* is a 1960 American horror film produced and directed by Alfred Hitchcock. The screenplay, written by Joseph Stefano, was based on the 1959 novel of the same name by Robert Bloch. The film stars Anthony Perkins, Janet Leigh, Vera Miles, John Gavin, and Martin Balsam. The plot centers on an encounter between on-the-run embezzler Marion Crane (Leigh) and shy motel proprietor Norman Bates (Perkins) and its aftermath, in which a private investigator (Balsam), Marion's lover Sam Loomis (Gavin), and her sister Lila (Miles) investigate her disappearance.

Psycho was seen as a departure from Hitchcock's previous film *North by Northwest*, as it was filmed on a lower budget in black-and-white by the crew of his television series "Alfred Hitchcock Presents." Initially, the film divided critics due to its controversial subject matter, but audience interest and outstanding box-office returns prompted a major critical re-evaluation. *Psycho* was nominated for four Oscars, including for Best Director (Hitchcock) and for Best Supporting Actress (Leigh).

Psycho is now considered one of Hitchcock's best films, and is arguably his most famous and influential work. It has been hailed as a major work of cinematic art by international film critics and scholars who praise its slick direction, tense atmosphere, impressive camerawork, memorable score, and iconic performances. Often ranked among the greatest films of all time, it set a new level of acceptability for violence, deviant behavior, and sexuality in American films, and has been considered to be one of the earliest examples of the slasher film genre.

In 1992, the Library of Congress deemed the film "culturally, historically, or aesthetically significant" and selected it for preservation in the United States National Film Registry.

The American Film Institute (AFI) is an American nonprofit film organization that educates filmmakers and honors the heritage of the motion picture arts in the United States.



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for the Christmas Holiday, and I'm looking forward to it because this house is much more of a home when we're both under the same roof.

Coming out of Thanksgiving, there's plenty to be thankful for. Renee was home for about 10 days, and I mentioned, *"We could slip away for a little vacation."* To which she replied, *"Are you kidding me? I haven't been home in so long. I want to sleep in my bed."* I agree!

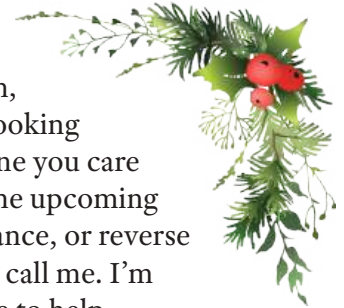
Speaking of Vacation, recently, we made our way through the Grand Canyon, and I wanted to take a moment to mention that the pictures you see and what is seen in film and video aren't quite the same as being there. We had an incredible time, and I was in awe of the beauty and majesty of the Grand Canyon. If you have the opportunity to go, I suggest you do so. It's an amazing experience.

"Are you kidding me? I want to sleep in my own bed."

With the year winding down, 2025 looks stellar, and I'm looking forward to it. If you or anyone you care about has questions about the upcoming year, its implications for finance, or reverse mortgages, don't hesitate to call me. I'm always available to help.

See you in 2025!

— David



David Stacy

"Mortgages for every stage of your life."

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