



David Stacy

Director of Reverse Mortgage Lending



Welcome to October!

October brings many things, notably Renee and my wedding anniversary. We decided this year to do a bit of travel. I'll fly to Texas to spend two weeks with Renee there. In the middle of that trip, we'll take four or five days to see the Grand Canyon and relax. From there, we're grabbing a rental car and heading northwest to San Francisco. We may even stop off at Hoover Dam on the way up north.

I often talk of flying to Texas to see Renee, and some wonder what that's all about. Renee is a Comptroller for a worldwide

(Continued on back page)

Phone: (843) 491-1436
Toll Free: (855) 491-1436
Cell: (843) 267-6789
Email: DStacy@NewFed.com
Web: www.Reverse-Info.com

UPDATE: Rates have fallen to an 18-month low, pushing loan amounts higher.

If you've looked at a reverse mortgage within the last year and haven't proceeded due to loan proceeds, you may want to look again.

What is a Debt Consolidation Reverse Mortgage?

During the Federal stimulus response to COVID-19, consumer debt decreased, and personal savings rates increased – in the beginning. However, that was temporary. Savings then plummeted, and debts became higher than ever.

For homeowners aged 62 and older, the government-insured HECM (reverse mortgage) is the most common reverse mortgage product. The HECM has become popular for retirees seeking assistance with cash flow, liquidity, tax planning, and even enhancing their net worth; however, the greatest potential may be debt consolidation.

Debt Consolidation is a financial strategy that combines multiple debts into a single loan, often with better terms like lower interest rates and payments. This can make debt management easier and save you money.

HECM Debt Consolidation uses a reverse mortgage to leverage housing wealth to pay off existing mortgages, installment and revolving debt. You can consolidate all these loans into one single loan without a required monthly payment. Simply occupy the home and pay all property-related expenses like property taxes and homeowners insurance.

The amount you borrow plus interest is paid off when you permanently move from the home.

Note: The HECM will not pay off consumer debt directly at closing. Instead it provides the funds to you, and you pay the debts directly yourself.



Foreclosure: This may lead many to wonder why the CFPB feels that mortgage debt consolidation increases the risk of foreclosure. Well, it does, with traditional lending. But here we are using a HECM, which does not require monthly payments, thus reducing the risk of foreclosure.

Debt: Dave Ramsey supporters will tell you to steer clear of this strategy because "all debt is bad." **However, two things need to be noted:**

1. *Dave's "debt snowball system" is terribly ineffective in paying revolving debt of 20%-30%.*
2. *Dave doesn't deal with fixed-income clients often.* It takes years for Ramsey's followers to complete his suggestions.

Homeowners who implement the HECM debt consolidation strategy are thrilled to have a mortgage without a monthly payment. If they are concerned about the growing balance, they can always make payments to stay on top of the interest accumulation – of any amount they choose, voluntarily.

In today's high-rate environments, a reverse mortgage should be used for a wide spectrum of financial planning purposes like tax strategies, ROTH conversions, Social Security filing decisions, long-term care planning, portfolio optimization, and yes, debt consolidation.

However, you must have discipline and a solid plan to prevent consumer debt from accumulating again. Stay safe, everyone, and may God bless you all.

— David Stacy

Getting Pre-Approved Takes On New Importance!

If you're getting ready to buy a new home, you probably already know that we are in the midst of a strong seller's market and that demand for homes is high. But did you also know that getting pre-approved for a mortgage can help you find a home that's right for you? Here's why:

Find out how much you can afford to spend

It's no secret that lenders have tightened their standards or that loan qualifications now tend to be stricter than they were a few years ago. Lenders today will want to review your income, debts and credit score, *and* they'll expect documentation that shows your income and assets.

By getting pre-approved for a loan, you'll be able to find out whether you'll be able to qualify and how much you'll be able to borrow. Since you'll

know how much you can afford to spend *before* you start looking for a home, you won't get your heart set on a home that's too pricey or miss out on a home you thought you couldn't afford. Instead, you'll be able to limit your search to homes that meet your needs *and* budget. By getting pre-approved, you'll also get a good-faith estimate of your closing costs, so you won't be surprised by those expenses later on.

Find out your interest rate & monthly payment

Getting pre-approved for a loan will also introduce you to the loan application and approval process. You'll find out the types of loans, interest rates and monthly payments that may be offered to you, depending on your income, credit score and other aspects of your personal situation. And when you find a home you want to buy, you'll

be ready to make a serious offer without delay. A pre-approval letter from a lender will help make a good impression on home sellers, too. Home sellers will know that you're serious about buying a home and that you won't have to struggle to get financing. That might even improve the odds that the seller will accept your offer!

How to get pre-qualified AND pre-approved

To get "pre-qualified" for a home loan, you'll need to answer some basic questions about your financial situation. After that, the lender will review your paycheck stubs, bank statements and other requested documents, and then you'll be "pre-approved" for your loan. Be aware that pre-qualified and pre-approved are preliminary; your loan will still need to receive final approval before you can buy your new home.



From the Inside

"How do I know if I can qualify for a home loan?"

Mortgage lenders will look at your ability to repay the loan when qualifying you for a loan.

Qualifying for a home loan is perhaps the most important step in buying a home. Understanding the process can help ensure that you are able to qualify for the home loan that you need.

Lenders look at two important things when determining if you are able to qualify for a

home loan: your *ability* to repay the loan and your *willingness* to repay it.

Ability to Repay

The first thing that a lender wants to know is if you are able to repay the loan for which you are applying. The lender looks at your current employment. Have you been in the same job for at least two years or at least the same line of work for a few years? This shows the lender that you have steady employment, and it's a great plus in qualifying for a home loan.

The lender also looks at your total income

and compares it to your debts, adding in your proposed monthly mortgage payment. You must have sufficient income to comfortably make these payments. This reflects your ability to *repay* the loan when qualifying for a home loan. If the lender believes your debt load is too high, you may have to qualify for a smaller loan and likely be charged a higher mortgage interest rate. Therefore, it makes sense to pay off as much debt as possible before applying for a home loan.

Willingness to Repay

The next step in qualifying for a home loan is determining your *willingness* to repay the loan. Lenders determine this by looking at how you have paid off debt in the past, and it is one reason why lenders check your credit report. If you have faithfully made on-time payments toward your past debts, it helps you when qualifying for a new home loan. The lender also looks at how you intend to use the property that you are buying. If you plan to live there, it is more likely that you will repay the loan.

If the lender believes your debt load is too high, you may have to qualify for a smaller loan and likely be charged a higher mortgage interest rate.

The lender will ask you for a very complete financial picture of your life—your income, assets, credit report, etc.—when qualifying for a home loan. Once you provide all of this information and the lender is able to verify it, it demonstrates to the lender your ability *and* willingness to repay the loan. The lender is then able to help you qualify for a new home loan.

The Greatest Stories Never Told

Remembering a president that history left behind

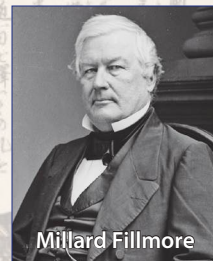
Every time we buy a product that's made in Japan—a car, a camera, a digital chip—we would do well to reflect on the overlooked American president who made it possible.

Millard Fillmore is perhaps the most obscure chief executive of the United States. He was a little-known ex-congressman from New York when selected as Zachary Taylor's running mate in 1848. Taking over after Taylor died in office in 1850, the thirteenth president served two and a half years and never ran for reelection. He is generally remembered for being just another in a series of inept presidents unable to stop the country's drift toward Civil War.

But Fillmore did one thing that did change the world.

For centuries the Japanese had closed off their country, discouraging trade or any kind of relations with the rest of the world. Fillmore wanted to open up trade with Japan and secure permission for U.S. ships to obtain supplies there. After several other U.S. missions to Japan had failed, Fillmore decided an American show of force was necessary. He sent Commodore Matthew Perry and a fleet of warships to force a change. Commodore Perry sailed into Nagasaki harbor in four steam-powered warships that became known to the Japanese as the "Black Ships." Refused permission to land, Perry threatened a bombardment. The Japanese realized that they lacked the military power to resist.

Perry's mission eventually led to a treaty that established diplomatic relations between Japan and the United States. It also made the Japanese realize just how far behind the West they were, and led the country to embark on a crash course of modernization. Japan's subsequent rise to power, first through military might and later through its role as an economic powerhouse, is due in part to the American president who almost no one remembers.



Millard Fillmore

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

Closing-Day Fiascos: How to Prevent Them From Happening to You!

Surprises can be fun, but not when they pop up on the day your home is set to close. This article is designed to show you how you can help prevent closing-day fiascos from occurring in the first place.

Moving into a new home IS exciting. The closing process, however, can be intimidating for some. If you're unprepared, your closing may get delayed or, in the worst-case scenario, your deal may even fall through. *But don't panic.* Here are some common closing-day snafus, and a few tips on how you can avoid them.

You bring insufficient funds to cover the closing costs

Before your closing, you will receive a settlement statement that outlines the final costs associated with your mortgage. It's important to read this over carefully and compare these costs to those listed in the Good Faith Estimate you initially received from your lender. While usually the closing costs should not be significantly different from those initially quoted, sometimes there are valid reasons why they may be a little higher.

You need to pay these costs with guaranteed funds, so plan to get to the bank *before* the closing meeting and obtain a cashier's check (or certified check). You should also bring your personal checkbook or cash to pay any other small charges that may arise such as adjustment fees to cover the cost of prepaid taxes or utility bills. Finally, make sure to bring your driver's license or other photo ID, as the notary who witnesses the signing is required to ask for it.

Your final walk-through of the home reveals an unexpected problem or problems

About 24 hours *before* closing, you will have an opportunity to walk through the home to ensure that everything is in order. Sometimes you'll get an unexpected surprise. Maybe the sellers took an appliance or fixture that they were supposed to leave behind, or you suddenly discover the large painting they've removed from the dining room wall was hiding a gaping hole. You can head off some of these problems by ensuring that any items to be left behind are specified clearly in the purchase agreement. Hiring a home inspector before finalizing the offer may also allow you to spot hidden damage to the house. Unfortunately, there are some problems you can't anticipate, such as the seller leaving piles of garbage in the basement. If this happens, however, you are usually entitled to demand that the seller clean it up, or compensate you for having to do it yourself.

Finally, make sure to bring your driver's license or other photo ID, as the notary who witnesses the signing is required to ask for it.

The seller isn't finished completely moving out

As hard as it may be to believe, some buyers arrive at their new home only to find that the previous owners have not yet *completely* moved out. This is particularly common when the current occupants are tenants. If you're buying a home from a seller who is renting it out, request a copy of the lease and ensure that the tenant's

last day is *before* your move-in date. You might also add a clause in your purchase agreement that explicitly states that the seller is responsible for any expenses you incur if the home is not completely vacated.

You or your partner gets cold feet

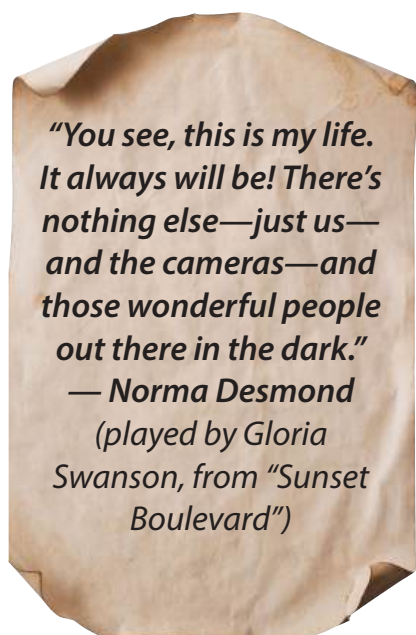
Buying a home is a big step in life, and there is nothing wrong with taking your time before signing the purchase agreement. But the day before closing is not the time to get cold feet about becoming a homeowner—or for your partner to decide the home advertised in Sunday's paper looks nicer than the one you are in the process of buying. Some buyers having second thoughts



may act in bad faith—for example, after the walk-through, they may exaggerate a minor problem to try to scuttle the deal. But be aware that there have been such cases where sellers have successfully sued for breach of contract.

Making sure you're well prepared ahead of time, both financially and mentally—by carefully thinking through all of the important steps—will help ensure you avoid any potential problems and have a smooth closing. Also, working closely with your lender and Realtor® (remember, they both do this for a living) will also help make sure that you are fully prepared and that everything goes as planned with no big surprises. You will be moving into your new home before you know it!

...



AFI's Top 25 Movies of All Time

At #16, *Sunset Boulevard* is a 1950 American black comedy film noir directed and co-written by Billy Wilder, and produced and co-written by Charles Brackett. The film stars William Holden as Joe Gillis, a struggling screenwriter, and Gloria Swanson as Norma Desmond, a former silent-film star who draws him into her deranged fantasy world, where she dreams of making a triumphant return to the silver screen.

In the late 1940s, many of the grand Hollywood mansions built along the infamous boulevard during the town's heyday in the 1920s still remained, and Wilder, then a Los Angeles resident, often wondered how those former stars still living in those houses spent their time now that "the parade had passed them by," and began imagining the story of a star who had long lost her celebrity and box-office appeal. The character of Norma Desmond mirrors aspects of the twilight years of several real-life faded silent-film stars, such as the reclusive existence of Mary Pickford and the mental disorders of Clara Bow. Some have asserted that the Desmond character is based on the actual silent-film star Norma Talmadge, and that the source of the Desmond character's name is that it is a combination of the names of silent-film actress Mabel Normand and director William Desmond Taylor, a close friend of Normand's who was murdered in 1922 in a never-solved case sensationalized by the press. Film critic Roger Ebert in 1999 wrote that the film remains the best drama ever made about the movies because "it sees through all the illusions."

Sunset Boulevard was nominated for 11 Oscars (including nominations in all four acting categories), and won three. It is often ranked among the greatest movies ever made. As it was deemed "culturally, historically, or aesthetically significant" by the U.S. Library of Congress in 1989, *Sunset Boulevard* was included in the first group of films selected for preservation in the 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.



Every effort has been made to verify the accuracy of the information herein, but it is not guaranteed and should not be relied upon without specific advice and/or consultation from a mortgage or real estate professional.
© 2024 Exodus Marketing. 2410



125 Palmetto Green Drive
Longs, SC 29568-9003



David Stacy
*Director of Reverse
Mortgage Lending*

Compliments of: David Stacy
NMLS #399069 • #1881



(Continued from page 1)

construction company, and she loves her job, so we arranged for her to live in Texas until she retires. In the meantime, I fly out to see her for about a week at a time, and she'll fly home for two or three days at a time. We talk daily, and she calls me every morning at 6 am to ensure I'm up and out of bed. Believe me, I miss her a lot when she's working.

My golfing buddies joke, saying, "You're the luckiest son-of-a-gun in the world." However, there are many positives to this. She loves her job, I love that she's happy, and the little time away from each other adds credence to the old saying, "Absence makes the heart grow fonder," and I assure you it does. All jokes aside, I AM the luckiest son-of-a-gun in the world. Since Renee works 10 to 12 hours a day, 5 to 6 days a week, she has all the space she needs to function without having me in the way. But all kidding aside, the quality time we spend together is incredibly meaningful.

Renee will be in Texas for about two more years until she retires. I will probably never retire because I love what I do. Helping people isn't hard work, and while I work

hard, I love every minute of it. It's incredibly fulfilling helping people make the best of their financial lives, finding solutions, and seeing people happy with the outcome. This is what drew me to Reverse Mortgages, and it's been a blessing and still is every single day that I work.

*"Absence makes
the heart grow
fonder..."*

There are lots of questions about Reverse Mortgages, and I always try to educate as many people as I can, so if you or anyone you care about needs some insights, feel free to call me; I'm always here to help

Until next time...

— David

David Stacy

"Mortgages for every stage of your life."

Toll Free: (855) 491-1436

Cell: (843) 267-6789

Email: DStacy@NewFed.com

Website: www.NewFedReverse.com

Licensed in Texas