

Case Studies



Directors Mortgage HECM Helps Sports Executive Achieve Optimal Retirement Financial Scenario

Mortgage Lender

Directors Mortgage is an Oregon-based, Pacific-Northwest focused full service mortgage banking firm that offers the Home Equity Conversion (HECM) reverse mortgage.

Borrower Objective

A sports executive's vision for his retirement involved living with his wife in his remodeled high-end Portland, Oregon condominium while maintaining a high-profile presence at as many games as possible. In addition to owning the condo outright, he had adequate financial resources for secure retirement income, but he preferred to update his home without tapping into his savings, 401k, stocks, and other financial resources.

He was aware that reverse mortgages were a way to tap into home equity without selling the home, but he was also attracted to the fact that he could do so without being required to make loan payments. He understood that if he

ever wants to pay back any or part of the funds, he could, but he liked that it was an option, but not a condition of the HECM.

Upon research and discussion, his CPA referred him to Directors Mortgage Reverse Mortgage Manager Larry Melton to verify that a reverse mortgage could serve this purpose.

Solution

An avid Portland sports fan, Melton not only recognized the prospective borrower, but also the objectives he brought to the table: a homeowner with ample sources of retirement income who could use achieve a more comfortable retirement by using a reverse mortgage to fund updates to their home.

Although the condominium was not FHA approved, its homeowners association soon approved and supported the decision. Thirty brief days later, the condo became FHA approved. The adjustable rate, line of credit HECM was completed soon thereafter, and followed by the desired remodel, allowing the homeowner to remodel it while continuing to attend his favorite sporting events and enjoying his retirement – all without a mortgage payment, or tax implications.

Results

Now, as the homeowner and his wife enjoy his remodeled condominium while continuing to attend his favorite sporting events, they are experiencing an even more financially secure retirement since they have applied the HECM as a resource, with no payment and no costly impact on investment resources.

Contact Us:

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