

WHAT IS GOLDEN EQUITY?

LHFS Golden Equity is our non- FHA reverse mortgage program for borrowers with high-value homes or condominiums that may not qualify for a traditional Home Equity Conversion Mortgage (HECM). We have a fixed-rate program for borrowers looking for a full draw at a low, fixed rate. We also offer an adjustable line of credit program for clients who want some upfront cash now- and a reusable, growing line of credit for the future.

GOLDEN EQUITY FEATURES

- FHA lending limit does not apply- borrowers with high-value homes are able to access more of their equity & receive increased funds with Golden Equity
- Non-recourse- this loan is not FHA-insured but it still has the non-recourse feature. This feature ensures that borrowers or their heirs will not be responsible for loan balances higher than the appraised home value at the time the loan is called due & payable
- No Mortgage Insurance Premium- unlike the traditional HECM product, borrowers do not have to pay Initial or Annual Mortgage Insurance Premiums

WHO CAN BENEFIT FROM GOLDEN EQUITY?

- Borrowers with high-value homes looking to access more of their equity
- Borrowers looking to refinance their current HECM & access appreciated home value
- Borrowers who live in non-FHA approved condo projects (condos will still have to undergo a review for the Golden Equity product)
- Borrowers younger than 62 looking to get a reverse product- Golden Equity is available for borrowers 55+ in select states

STATE ELIGIBILITY

- Fixed Rate: AL, AZ, CA, CO, CT, DC, FL, GA, ID, IL, LA, MI, MO, NJ, NM, NV, OH, OK, OR, PA, SC, TX, UT, VA, & WA
- Adjustable Rate: AZ, CA, CO, CT, DC, FL, ID, IL, MI, NJ, NV, OH, OR, SC, TX, UT, & VA

**** All borrowers must be 60+ in LA & NJ**

****All borrowers must be 62+ in TX & UT**

BORROWER ELIGIBILITY

- Minimum borrower age = 55 (age 60 in LA & NJ and age 62 in TX & UT)
- Minimum FICO score = 600 (550 for TISA loans)
- Ineligible Non-Borrowing Spouses are permitted
- Underwriting will perform a Financial Assessment that reviews past payment history, credit, & income

PROPERTY ELIGIBILITY

- Minimum Home Value= \$970,800
- No maximum home value (maximum loan amount of \$4 million)
- Property must be primary residence of borrowers
- Eligible Property Types:
 - Single Family Residences
 - Modular Homes
 - 2-4 unit properties (one unit must be owner-occupied)
 - Town homes
 - Condos (condos will go through a required review)
 - Solar lease with UW approval
 - Log Home w/ comparable sales

FIXED RATE VS. ADJUSTABLE RATE

FIXED RATE

- Access to lump sum cash at close
- No line of credit available
- Access to a greater amount of cash at close compared to the adjustable product
- No IMIP fee
- No monthly servicing fee

ADJUSTABLE RATE

- 5% lifetime cap
- Line of Credit (LOC) feature allows borrowers to leave available funds in a growing LOC to access when desired
- Funds left in the LOC grow at the rate of the loan
- No IMIP fee
- \$20 monthly servicing fee

GOLDEN EQUITY EXAMPLE

- Borrowers own a home worth **\$1.5 million** with a mortgage payoff of \$150,000.

TRADITIONAL HECM

Principal Limit	\$474,721
IMIP	(\$19,416)
Other Closing Costs	(\$9,618)
Payoff of Existing Mortgage	(\$150,000)
Available Principal Limit	\$295,697

➔ **Home value of \$1.5 million is limited by FHA's lending limit of \$970,800. Borrower's Principal Limit is based on the lending limit of \$970,800- NOT the full home value.***

GOLDEN EQUITY

Principal Limit	\$759,000
IMIP	N/A
Other Closing Costs	(\$9,618)
Payoff of Existing Mortgage	(\$150,000)
Available Principal Limit	\$599,382

➔ **Golden Equity Principal Limit is based on the full home value of \$1.5 million***

*Principal Limits are based on age of youngest borrower or eligible non-borrowing spouse, current rates, & home value

