

LIBERTY BANK REVERSE MORTGAGES

REVERSE MORTGAGES ARE AN INCREASINGLY POPULAR SOLUTION FOR SENIOR HOMEOWNERS TO ADD TO THEIR FINANCIAL SECURITY AND PEACE OF MIND.

A REVERSE MORTGAGE GIVES YOU ACCESS TO CASH FROM THE EQUITY IN YOUR HOME. THERE ARE NO MONTHLY PAYMENTS AND YOUR HOME STAYS IN YOUR NAME. HOW?

THAT'S WHERE LIBERTY BANK CAN HELP. OUR REVERSE MORTGAGE SPECIALISTS ARE EXPERIENCED PROFESSIONALS.

WITH YEARS OF EXPERIENCE SOLELY IN THE REVERSE MORTGAGE FIELD, WE HAVE THE MOST COMPLETE ARRAY OF REVERSE MORTGAGES LOANS AVAILABLE. IN ADDITION TO THE POPULAR FEDERALLY INSURED PROGRAMS, WE ARE AMONG A SMALL GROUP OF LENDERS THAT OFFER FIXED RATE AND JUMBO PLANS.

THIS BROCHURE WILL HELP YOU GET STARTED AND ANSWER MANY OF THE MOST FREQUENTLY ASKED QUESTIONS ON REVERSE MORTGAGES.

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>> REVERSE MORTGAGES FREQUENTLY ASKED QUESTIONS

Q WHAT IS A REVERSE MORTGAGE?

A It's a way to tap into the equity you've built in your home and turn it into cash that you can use to make your life easier and more fulfilling.

Q WHY SHOULD I CONSIDER A REVERSE MORTGAGE?

A You plan to stay in your home for the foreseeable future and want financial peace of mind. Here are some common uses for a reverse mortgage:

- >> Supplement your income
- >> Pay off existing mortgage
- >> Renovate, repair your home
- >> Purchase a new car
- >> Healthcare expenses

Q WHAT ARE THE MONTHLY MORTGAGE PAYMENTS?

A That's the best part - there aren't any. That's why it's called a "reverse" mortgage. Unlike traditional loans, with a reverse mortgage, the bank pays the borrower.

Q WHO IS ELIGIBLE?

A To be eligible, you and any other owners of your home must be 62 years or older, and live in your home as your principal residence.

Q WILL I STILL OWN MY HOME?

A Absolutely! Like a conventional or forward mortgage, you maintain ownership of your home and you can continue to live in it as long as you want. When the house is sold, the loan is repaid along with the accrued interest. You or your heirs keep any remaining money.

Q HOW MUCH MONEY CAN YOU GET?

A The amount you can borrow depends on several factors: your age, the type of reverse mortgage, current interest rates, the appraised value of your home and FHA's lending limits for your area.

Q HOW CAN YOU RECEIVE THE MONEY?

A There are a range of options:

- >> All at once in a lump sum
- >> Monthly payments
- >> A line of credit, which allows you to take funds at times and in amounts of your choosing
- >> A combination of the above

Q WHAT IF YOU STILL OWE MONEY ON A FIRST OR SECOND MORTGAGE?

A You may still be eligible for a reverse mortgage. The funds from the reverse mortgage are used to pay off existing mortgages.

>> REVERSE MORTGAGES FREQUENTLY ASKED QUESTIONS

Q CAN A REVERSE MORTGAGE BE REFINANCED?

A Yes. Refinancing is an option, especially if interest rates drop or your home increases in value.

Q HOW CAN I USE THE MONEY?

A Anyway you see fit. Some people use it to cover monthly living expenses. Others retain it as a cushion for unexpected expenses such as auto repairs or healthcare. While others use it to enjoy some of life's pleasures such as travel or for a special treat. It's up to you.

Q WHAT ARE THE TAX IMPLICATIONS?

A The money is generally tax-free. It's not considered income.*

Q WILL IT AFFECT YOUR GOVERNMENT BENEFITS?

A The funds from a reverse mortgage generally do not affect regular Social Security or Medicare benefits.*

Q HOW IS IT DIFFERENT THAN A HOME EQUITY LOAN?

A Reverse mortgages require no monthly mortgage payments. There are no income requirements and credit history is not a factor.

Q WHEN DOES THE LOAN BECOME DUE?

A When the last surviving borrower permanently moves out of the home or dies. The loan balance including interest and fees needs to be repaid. This is usually paid from the sale of the house or other assets of the estate.

Q CAN I WIND UP OWING MORE THAN THE HOME IS WORTH?

A No. Reverse mortgages are "non-recourse" loans which means the property alone stands for the loan amount to be repaid. In the unlikely event that the value of your home decreases, the amount you owe will be adjusted accordingly.

Q ARE REVERSE MORTGAGE INTEREST RATES FIXED OR VARIABLE?

A Most reverse mortgages have variable rates that vary according to market conditions. However, Liberty is one of the few lenders that offer fixed-rate reverse mortgages.

Q ARE THERE FEES ASSOCIATED WITH REVERSE MORTGAGES?

A Most reverse mortgages have an origination fee, closing costs, mortgage insurance, and a monthly servicing fee. These costs are normally added to the principal and paid when the loan becomes due.

* Borrowers are encouraged to seek professional advice from qualified tax advisors, attorneys or benefits specialists for guidance as it pertains to their own unique situation.

>> REVERSE MORTGAGES WHY CHOOSE LIBERTY BANK

LOAN SELECTION

Liberty Bank is committed to offering a range of flexible yet proven reverse mortgage products. We'll be able to help you find the loan that best suits your situation. Beyond the standard HECM, we will continue to offer innovative new products to serve an increasing array of customers and needs.

REVERSE MORTGAGES WE CURRENTLY OFFER:

Home Equity Conversion Mortgages (HECM)

These are the federally insured, adjustable rate loans that are used by about 90% of reverse mortgage borrowers.

Fixed Rate HECMs

Liberty is one of only a few lenders to currently offer this federally insured fixed rate option. This is a good choice for borrowers that prefer to accept a lower loan amount for the comfort of having a fixed interest rate.

Jumbo Reverse Mortgages

These loans are designed for borrowers living in high-valued homes. At Liberty, jumbo reverse mortgages are available with fixed or adjustable rates. There are even no closing cost options!

REVERSE MORTGAGE SPECIALISTS

Our Reverse Mortgage Specialists have years of experience helping hundreds of individuals improve the quality of their lives with reverse mortgages. Our specialists are dedicated and available to answer any questions and will ensure the loan process is comfortable from beginning to end.

SERVICE

Liberty Bank partners with the leading names in the reverse mortgage industry. We'll help you determine if a reverse mortgage is right for you and if that answer is yes, we'll guide you toward the best options for your individual circumstances. Then we'll get you your money fast so it can begin changing your life!

REPUTATION

Established in 1825, Liberty Bank has developed a reputation of trust. It is Connecticut's oldest mutual bank, with more than \$2.5 billion in assets and 34 banking offices throughout the central, eastern, and shoreline areas of the state. Rated outstanding by federal regulators on its community reinvestment efforts, Liberty maintains a longstanding commitment to superior personal service and unparalleled community involvement.

>> REVERSE MORTGAGES GETTING STARTED

The process for getting a reverse mortgage from Liberty Bank is straightforward:

1. Contact a Reverse Mortgage Specialist at Liberty Bank. You can call toll free at 800-433-3656 or have your local branch help you make that contact. Our specialists will answer your questions and can even estimate how much money may be available for you.
2. Arrange a visit. You may prefer a face-to-face meeting. This informal conversation can be held in your home or at one of our 34 offices. There is never any pressure or obligation. It's simply an opportunity to understand your financial options and see if a reverse mortgage might be right for you. We think it's a great idea to invite a relative or family friend if you wish.
3. Independent Counseling. This is a consumer protection required by the government to make sure you've had all your questions answered by an objective third party and that there's no confusion. This can be done in person or by phone and our specialist will give you a list of local counseling agencies.
4. Home appraisal. This is a standard procedure for any home loan. It will determine your home's value.
5. Loan closing. You decide how you would like to receive your funds and final papers are signed. As another consumer protection, you have three full days after the closing to reconsider and even cancel the transaction if you like.

*To learn more or get started,
call 800-433-3656*