

Reverse Mortgage Fees

*In most cases, the following fees are financed into the reverse mortgage.



Origination Fee

Fee charged by lender to process the HECM loan. The value of the home determines the origination fee (minimum \$2,500; maximum \$6,000).

Mortgage Interest Premium (MIP)

The MIP guarantees that the borrower will receive the expected loan advances. The upfront charge is either .5 or 2.5 of the maximum claim amount.

MIP

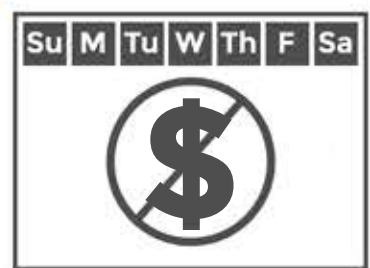


Third Party Charges

Third Party charges can include an appraisal, inspection, title search, recording fee, survey, mortgage taxes and other fees.

Servicing Fee

Throughout the life of the HECM, lenders or their agents provide servicing such as sending account statements and distributing payments. At this point, most lenders do not charge a servicing fee.



Interest

Interest (annual or monthly) is charged on the funds received. The loan balance increases by the amount of compound interest accrued.

