

REVERSE MORTGAGE FEES

- ▶ In most cases, the following fees are financed into the Reverse Mortgage

Origination Fee

- ▶ Your lender or broker will charge a loan origination fee ranging between \$2,500 and \$6,000 depending on the home's property value.



Mortgage Insurance Premium (MIP)

- ▶ Mortgage insurance protects both the borrower and the lender from risk. At closing, you'll pay an up-front mortgage insurance premium equal to either 0.5 percent or 2.5 percent of the lesser of the property value or \$636,150 depending on how much you borrow in the first year. After that, you'll pay an annual MIP of 1.25 percent.

Third Party Charges

- ▶ These fees cover services involved in processing your loan, such as title insurance, a credit report, the appraisal cost and others.



Servicing Fee

- ▶ Currently, most lenders don't charge a servicing fee; however, if your lender charges a servicing fee, it covers the cost of sending account statements and distributing payments.

Interest

- ▶ Interest accrues on the portion of the reverse mortgage you have used and is added to the total loan balance.



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