

SEPTEMBER 2009

IS A REVERSE MORTGAGE RIGHT FOR YOU?

LAST CHANCE TO TAKE *MONEY & DEBT* PSYCHOLOGY

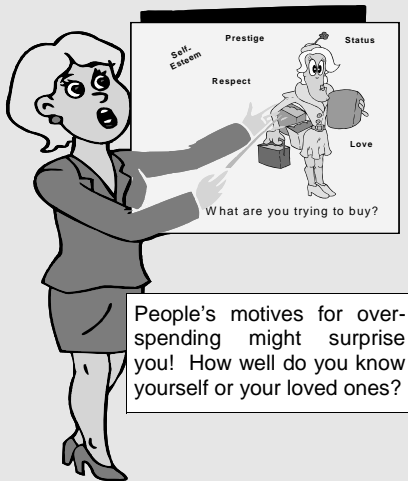
OCTOBER CLASSES

PLAN AHEAD FOR HOLIDAYS

The Counselor

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IS A REVERSE MORTGAGE RIGHT FOR YOU?

CCCS of Greater Dallas, a HUD-accredited counseling agency, is seeing more consumers interested in reverse mortgages or **Home Equity Conversion Mortgages (HECMs)**.

“Reverse mortgages can be an invaluable tool for seniors finding themselves short on retirement funds,” said Todd Mark, CCCS vice president of education. “As more consumers reach their retirement years with reduced savings or income, they are turning to reverse mortgages to tap the equity in their homes and live out their golden years the way they had expected.”

According to the National Reverse Mortgage Lenders Association (NRMLA), reverse mortgages are one of the few areas of growth in the mortgage industry. In Fiscal Year 2008, NRMLA reported 112,100 HECMs compared to 107,558 in Fiscal Year 2007. This number has tripled since 2005, when only 43,131 were reported.

CCCS educates consumers on what they should know before considering a reverse mortgage. Some of this information

includes:

Definition of a Reverse Mortgage Loan



A reverse mortgage is a loan against one's home that requires no repayment for as long as the homeowner resides there. It allows the homeowner to convert the equity in their home into tax-free income without having to sell the home, give up the title, or take on a new or additional monthly payment.

Eligibility and Qualifications

To be eligible for most reverse mortgages, the homeowner must be 62 years of age or older, have paid off all or most of the mortgage, and the home must be the owner's primary residence, which means they must live in the home more than six months out of the year. Homeowners are also required to see a HUD approved reverse mortgage counselor before becoming eligible for a reverse mortgage.

(Reverse Mortgages continued on page 2.)

LAST CHANCE TO TAKE *MONEY & DEBT PSYCHOLOGY* CLASS SPECIALIST KAREN KELLEY LEAVING CCCS

Join our last class of *Money & Debt Psychology* on Saturday, October 3, 2009, from 9:00 a.m. to 12:00 p.m. Let's give our expert teacher, psychotherapist Dr. Karen Kelley, LPC, a rousing farewell send-off!

Dr. Kelley has taught this unique class at CCCS for 14 years helping students, especially couples, understand how their attitudes toward money affect not only their finances, but also their relationships and families. Our education program has benefited from the *Money & Debt Psychology* class. One student even confided that this class saved his marriage!

Anyone is welcome to attend this final free class. If you have already taken the class, you may come again for a refresher course. Please register to guarantee your seat by calling Peggy Bridges in the Education Department at 214-540-6862. Dr. Kelley will continue her private practice.



Karen Kelley

Many thanks to Karen Kelley for 14 great years at CCCS!

OCTOBER 2009 CLASSES

(Reverse Mortgages, *continued.*)**Expected Payment**

In a reverse mortgage, instead of making payments to the lender each month, the lender makes payments to the homeowner. The amount you can borrow depends on the age of the owner, appraised value and location of the home, and current interest rates. The oldest borrowers generally receive the highest payment when living in homes of great value and when interest rates are low. The least cash generally goes to the youngest borrowers living in homes of lower value. Once the loan is taken out, borrowers can choose to receive their money in a lump sum, as a monthly cash advance, or as a line of credit that allows you to decide when and how much to use. One may also opt for a combination of these payment methods.

Income from a Reverse Mortgage Payment

The borrower can use the payment from a reverse mortgage however they choose. While many will use the money as additional income for basic living expenses, such as food and healthcare, the money can also be used to pay off existing debts, or for major purchases.

Paying Back the Reverse Mortgage

While the homeowner is responsible for continued maintenance and upkeep of the home, as well as taxes and insurance, no payments toward the reverse mortgage are required while occupying the home as their primary residence. The amount borrowed, the accrued interest, service fees and any other financed fees will be repaid upon the sale of the home or the homeowner passing away. If the homeowner passes, the home becomes the bank's property or those responsible for the estate can pay off the loan to keep ownership of the home.

How to know if a Reverse Mortgage is Right for You

Use caution when deciding to take out a reverse mortgage. A reverse mortgage can be an expensive way to borrow money and is

not the best answer for all homeowners, especially those without an immediate need for additional income. The idea of the loan is that the homeowner is slowly selling the property or home back to the bank, leaving few options to the homeowner's heirs upon move-out or death. Family members can receive the equity that remains on the home, pay back the loan, or take out another mortgage to re-purchase the home.

"The average candidate for a reverse mortgage is someone with a regular need for additional funds, lives on a fixed income, relies on their home as their only asset and has no children or beneficiaries to leave the home to," Mark said. "There are new loan limits, as well as additional requirements for HECMs, and with the ever-changing economy, it's critical that consumers become educated on reverse mortgages."

For More Information

To learn more about reverse mortgages or schedule an introductory class to reverse mortgages for your organization, contact Linda Davis at 800-249-2227. Additional information can also be found at AARP – www.aarp.org/money/revmort/, The National Reverse Mortgage Lenders Association – <http://www.reversemortgage.org> and HUD – <http://www.hud.gov/offices/hsg/sfh/hecm/rmtopten.cfm>.

About CCCS of Greater Dallas

Established in 1974, CCCS Dallas and its affiliate offices provide financial education and counseling to consumers in-person, by phone, or internet through their 24 locations in four states. CCCS Dallas is a HUD accredited counseling agency and serves as one of nine counseling agencies supporting the national **888-995-HOPE Hotline**. The agency is also a member of the National Foundation for Credit Counseling (NFCC), the nation's largest and longest serving national non-profit credit counseling network.

To learn more about our free seminars and services, visit www.cccs.net or call **(866) 881-2227** toll free.

Most CCCS classes are **FREE & open to the public**. There is a small fee for bankruptcy classes. **NO CHILD CARE AVAILABLE**. *Limited seating, please call to reserve a place.*

DALLAS**So You Want To Be A Home Owner**

Prepares prospective home owners for mortgage readiness, their responsibilities and the home buying process.

English

Saturday, October 3, 8:30 a.m.-4:30 p.m.

Spanish

Saturday, October 24, 8:30 a.m.-4:30 p.m.

Money & Debt Psychology—Final Class!

Examines different money attitudes and habits which can contribute to financial difficulties

Saturday, October 3, 9:00 a.m.-12:00 p.m.

Managing Your Money & Credit

Teaches basics of money & credit in 4 steps.

Saturday, October 17, 9:00 a.m.-12:00 p.m.

Understanding & Improving Credit

Explains how credit bureaus work. Shows consumers how to improve their own credit scores.

Saturday, October 17, 12:30-2:30 p.m.

Pre-Discharge Bankruptcy Class (\$)

(Pre-requisites: Complete counseling session and bring case number to class.) Certificate.

Saturday, October 24, 9:00 a.m.-12:00 p.m.

To Register, call the Education Department:

(214)-638-2227, Ext. 6862,

toll free at (866) 881-2227 or online at

www.cccs.net**AUSTIN****So You Want to Be a Homeowner**

Saturday, October 17, 9:00 a.m.-3:30 p.m., (Parts 1 & 2)

Managing Your Money & Credit

Thursday, October 6, 5:30-7:30 p.m.

Understanding and Improving Credit

Tuesday, October 20, 5:30-7:30 p.m.

Pre-Discharge Bankruptcy Class (\$)

Thursday, October 22, 5:30-7:30 p.m.

All classes are taught at **CCCS Office**, Twin Towers, Suite 490W, 1106 Clayton Lane.

Please register by calling (512) 447-0711.

COLORADO SPRINGS**So You Want To Be A Homeowner**

Wednesday, October 14, 5:30-10:30 p.m.

Money Matters

Monday, October 21, 5:30-6:30 p.m.

Tuesday, October 22, 12:00-1:00 p.m.

Personal Money Power

Thursdays, October 8, 15, & 22, 6:30-9:00 p.m.

Pre-Discharge Bankruptcy Class (\$)

Monday, October 19, 1:00-3:00 p.m.

All classes are held at CCCS, 1233 Lake Plaza Dr., Suite A. Please register at (719) 576-0909 or (800) 798-3328, Ext. 237.

PUEBLO**Pre-Discharge Bankruptcy (\$)**

Wednesday, October 14, 1:30-4:00 p.m.

Classes meet at CCCS, 200 W. 1st St., Suite 302. Please register by calling (719) 542-6620 or (888) 218-5741.

Mortgage: A device that speeds up the months and slows down the years.

Plan Ahead for Holidays

Fall is just around the corner. Halloween starts the long holiday season. If you have not started saving for the upcoming celebrations, start now. Discuss with your family ways to enjoy the special seasons without breaking the bank.

One novel idea for holiday giving suggests that each family member buy one gift he or she wants, gift wrap and label it to themselves from the rest of the family. When the gifts are opened, everyone receives what he or she wants and the rest of the family gets a surprise to see what gifts they "gave" the others!

