IMMEDIATE ACTION REQUIRED

Protect Your Non-Borrowing Spouse

Right to Remain in Property

Dear Reverse Mortgage Borrower,

In June 2015 HUD announced the *\*Non-Borrowing Spouse* of a reverse mortgage Borrower could remain in his/her property for his/her lifetime if they meet certain requirements.

This notice is to inform you of those requirements, so you can prepare a complete Application Packet now.

Requirements:

1. The Non-Borrowing Spouse’s Relationship to the Borrower:
2. Legally married at the time of loan origination and remained married until the time of the Borrower’s death. OR
3. A same sex couple who was in a committed relationship at the time of loan origination, were legally married prior to the death of the borrower AND
4. Continuously resided in the property as his/her primary residence since loan origination and until the death of the Borrower
5. Property and Legal Authority

* The Non-Borrowing Spouse must have aLegal Authority to represent the Borrower’s Estate
* Be on title or able to get on title to the property
* Property Taxes and Hazard Insurance are current
* NO liens on the property other than the reverse mortgage

Application Packet Contents:

1. Title to property (deed, quit claim deed, or other legal right to the property)
2. Copy of the Borrower’s Death Certificate
3. The Non-Borrower and Borrower’s Marriage Certificate or other legal validation of their marriage
4. *Social Security Card*

*Contact your Loan Servicer to see if they have any additional requirements.*

\*A Spouse who did not sign the original reverse mortgage loan documents as a Borrower is a ***Non-Borrowing Spouse***.

TIP: GET A TRUST

A Trust gives a Trustee or Successor Trustee legal authority and the ability to transfer title automatically. A *Trust* is valid in all 50 States.

This is how the Non-Borrowing Spouse Application process works:

1. When the Borrower dies, the Non-Borrowing spouse submits a completed “Application Packet” to the Lender within 120 days of the death of the borrower, no exceptions.
2. The Lender reviews and approves the “Application Packet”. The Lender grants a foreclosure deferment and submits the approved application to HUD.
3. HUD reviews the application packet and lender documents and accepts the assignment of the loan to HUD for servicing until the death of the Non-Borrowing Spouse.

FORECLOSURE ISSUES:

*Non-Borrowing Spouse foreclosures are completely preventable by preparing the “Application Packet” in advance of the Borrower’s death.*

*Concern: Due to no fault of their own, a Non-Borrowing Spouse will not be able to comply with the six-month absolute deadline because high costs and delays of probate or other legal proceedings needed to obtain the title and/or authority over the property that regularly take more than 120 days to complete.*

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