

Certificate of HECM Counseling

U.S. Department of Housing
and Urban Development
Office of Housing

OMB No. 2502-0524 (expires xx/xx/xxxx)

Provision of this information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless the form has a currently valid OMB control number.

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Homeowner(s) Name(s): _____

Power of Attorney (if present) _____

Property Address City/State/Zip _____

The U. S. Department of Housing and Urban Development (HUD) requires that homeowner(s) interested in pursuing a Home Equity Conversion Mortgage (HECM) receive information about the implications of and alternatives to a reverse mortgage. The HECM counselor must adhere to all of FHA's guidelines regarding information that must be provided to the potential HECM mortgagor and must tailor the session to address the unique financial circumstances of the household being counseled.

Counselor Certification:

In accordance with Section 255 of the National Housing Act and 24CFR 206.41, I have discussed in detail the following items with the above referenced homeowner(s)

- Options other than a Home Equity Conversion Mortgage that are available to the homeowner(s), including other housing, social service, health and financial options.
- Other home equity conversion options that are or may become available to the homeowner(s), such as other reverse mortgages, HECM for Purchase, sale-leaseback financing, deferred payment loans, and property tax deferral.
- The financial implications of entering into a Home Equity Conversion Mortgage.
- A disclosure that a Home Equity Conversion Mortgage may have tax consequences, affect eligibility for assistance under Federal and State programs, and have an impact on the estate and heirs of the homeowner(s).
- Whether the homeowner has signed a contract or agreement with an estate planning service firm that requires, or purports to require, the mortgagor to pay a fee on or after closing that may exceed amounts permitted by the Secretary or in Part 206 of the HUD regulations at 24 CFR.
- If such a contract has been signed, the extent to which services under the contract may not be needed or may be available at nominal or no cost from other sources, including the mortgagee.
- The Home Equity Conversion Mortgage will be due and payable when no remaining borrower lives in the mortgaged property, or when any other covenants of the mortgage have been violated. (Borrowers are those parties who have signed the Note and Mortgage or Deed of Trust.)

I hereby certify that the homeowner(s) listed above have received counseling according to the requirements of this certificate and the standards of the U.S. Department of Housing and Urban Development, as described in mortgagee letters, handbooks, regulations, and statute. This interview was held: Face-to-Face Telephone and the amount of time required to cover the above items was as follows: _____.

This certificate was not prepared before the counseling session occurred.

Counselor's Name (Printed): _____

HUD-Approved Counseling Agency Name: _____

Counselor Name (Signature & Date): _____

Address (City/State/Zip) _____

Telephone No: _____

Agency Housing Counseling System ID: _____

X

HomeOwner Certification: I/we hereby certify that I/we have discussed the financial implications of and alternatives to a HECM with the above Counselor. I/we understand the advantages and disadvantages of a HECM and each type of payment plan, as well as the costs of a HECM and when the HECM will become due and payable. This information will enable me/us to make more informed decisions about whether I/we want to proceed with obtaining a HECM. I/we understand that I/we may be charged a counseling fee that may be paid upfront to the counseling agency or if I decide to proceed with a HECM loan, financed into the mortgage and payment under any of these methods will be reflected in the 800 series on the HUD-1 settlement statement in accordance with HUD's Real Estate Settlement Procedure regulations at 24 CFR part 3500 (see 24 CFR 3500.8).

HECM for Purchase Certification: I/we certify that I/we have been informed the HECM for Purchase program requires a significant monetary investment which will be applied to satisfy the difference between the HECM principal limit and the sales price of the property, plus any HECM loan related fees that are not financed in the loan, minus the amount of earnest deposit. I/we further understand that these funds must come from cash on hand or cash from the sale or liquidation of my/our assets and that the lender will verify the source of the monetary investment.

Homeowner Signature & Date: _____

Homeowner Signature & Date: _____

X

X

POA Signature & Date _____

(All homeowners shown on the deed must sign the mortgage and this counseling certificate.)

Upfront Fee for Counseling Session: _____ Financed Fee for Counseling Session: _____ Fee Waived: Yes No

Date Counseling Completed: _____ Certificate Expiration Date: _____ (180 days from date HECM counseling completed)

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