

From: ClinnonAlexander@aol.com on 04/08/2008 01:05:00 AM

Subject: Regulation Z

SENIOR HOMEOWNERS ARE AT PARTICULAR RISK BECAUSE THERE IS NO PRODUCT SUITABILITY STANDARD TO PROTECT THEM. All lenders and brokers who seek to offer home financing to homeowners age 62 and older should be required by law to advise the senior of the existence of the FHA-insured Home Equity Conversion Mortgage, the US government's reverse mortgage program. Other industries have product suitability standards. Why doesn't the mortgage industry?

With the reverse mortgage programs, the senior does NOT have to qualify with income or credit rating and does NOT have to make any repayments as long as the home is their principal residence. **There can be no foreclosure for failing to make monthly payments because there are no monthly payments due on a reverse mortgage.**

If the senior instead gets a regular "forward" mortgage with monthly payments, it can be a prescription for foreclosure. Ninety percent of seniors rely primarily on social security income. If they qualify for a mortgage based on this income, one thing is certain: one of the partners will predecease the other, and half the social security income will go. This leaves the survivor with too little income to continue the monthly payments and foreclosure will follow.

The many rules and regulations on the books now have done little to deter the irresponsibility, fraud and stupidity that led us into the current mortgage crisis. Consumers must take more responsibility for their own borrowing decisions, including the loss of their home if they cannot afford to remain there.

But seniors, who are at the end of their productive lives, cannot easily bounce back from foreclosure. This is why it is critical to mandate that all lenders and brokers give the senior a government brochure on reverse mortgages before proceeding with a loan program that could cost them their homes late in life. **IT IS BETTER TO SAVE A SENIOR'S HOME AT THE OUTSET WITH A REVERSE MORTGAGE THAN IT IS TO LET LENDERS AND MORTGAGE BROKERS OFFER THE PROGRAMS THAT PAY THEM THE MOST MONEY.**

Most seniors now facing foreclosure would have chosen the foreclosure-proof reverse mortgage program in the beginning had they been told it existed. **PLEASE MANDATE THAT ALL LENDERS AND MORTGAGE BROKERS MUST GIVE SENIORS INFORMATION ABOUT THE US GOVERNMENT'S REVERSE MORTGAGE PROGRAMS BEFORE THEY ARE SOLD A PRODUCT THAT WILL RESULT IN FORECLOSURE.**

**Regards,
Clinnon**

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