



Chapter 1

The Love between Mother and Daughter Endures (Story told by Sam Collins, Reverse Mortgage Professional)

I am often asked if the children of parents who do a reverse mortgage agree with their parent's decision. I have found that when children understand the benefits of this powerful program, they are very supportive of their parents. Ultimately, children of parents who qualify for a reverse mortgage want what is best for their Mother and Father. They want their parents to be worry free and enjoy their golden years.

Joyce (daughter) and Christine (mother) are two clients whose story I want to share with you and is a wonderful example of how a reverse mortgage can benefit both mother and daughter.

Almost four years ago, while driving her Mother, Christine, from her home in Delaware back to Joyce's home in Florida, Joyce began to notice that her Mother was acting out of character. Joyce used her good judgment, turned her car around and headed back to Delaware. She immediately took her mother to the hospital, where she was admitted. Joyce later discovered her Mother was experiencing mini strokes, but unfortunately the next day, her mom, Christine,

experienced a stroke. The stroke left Christine partially paralyzed on her right side and her speech was also impaired.

Joyce told me that she and her mother both felt lucky. Joyce said if she had not returned to Delaware, the outcome could have been a lot worse for her Mother. Also, returning to Delaware enabled her Mother to be near her friends and stay in the home where she felt most comfortable and where she had lived for the past 50 years.

Joyce was now left with a major decision. She was the only child and realized her mother needed her to stay in Delaware and provide the best quality life and care possible. After living in Florida for 38 years, Joyce decided the decision was clear; she would return to Delaware and help care for her mother. Joyce was not exactly sure how her and her Mother would make ends meet financially but, were determined to find a way. This was after- all, her mother and nothing was going to stop her from providing the best possible care for her.

Joyce had heard about reverse mortgages from television and other advertisements but, did not quite understand exactly how they worked or how the reverse mortgage might work for her situation so, she decided to do some research. Based on her initial research, Joyce thought a reverse mortgage might be a good alternative to relieve their financial stress and discussed the possibility with her mother. Her mom agreed it made sense to pursue the option of doing a reverse mortgage, but wanted more facts.

I first spoke with Joyce when she called our office and requested more information about reverse mortgages. I immediately went to see her and her mother the next day and hand delivered an informational video, which explained the in and outs of a reverse mortgage.

Our first meeting was wonderful. If you are having a bad day, you might consider giving Joyce and Christine a visit. They have got to be two of the most positive and upbeat people I have ever met. They were laughing from the time I arrived until the time I left. Considering the financial strains they were under, I was even more impressed with their positive outlook on life.

When income is constrained, it doesn't take long for time to eat away at every possible asset. Soon when debt exceeds income, each month becomes more and more difficult. Joyce and Christine were managing, but barely. They had little money left over at the end of each month and absolutely no money available to make repairs or home improvements.

Sometimes things have a way of working out. During my visit I found out Joyce (daughter) was also 62, which made it possible for her, as well as her Mother, to also qualify for a reverse mortgage. Mrs. Stephenson (Mother) decided she wanted to add her daughter to the deed which in essence made her an equal owner of the home and since she was 62, she was eligible to do a reverse mortgage, along with her Mother. Since both Mother and daughter were eligible to do a

reverse mortgage, this turned out to be a very beneficial solution for Joyce and her Mother. Joyce was now able to stay in Delaware, take care of her Mother, and stay in the home they both owned for as long as either of them wanted to live and stay.

When we reviewed the different reverse mortgage options, we realized Joyce and Christine were again very fortunate. There was a considerable amount of equity in their home. Mother and daughter were going to be able to payoff a small home equity loan (2nd mortgage), payoff all their credit card debt and still have a considerable amount of money left over. Our Mother and daughter team had plans to replace their kitchen, dining, room and family room flooring and paint all three rooms.

The benefits continue to get even better for our Mom and daughter team. Our analysis showed when they paid off their home equity loan and credit card debt that it made a huge impact on their monthly and annual increase in cash. Their annual additional increase in cash flow amounted to approximately \$10,000. The increase in spendable income represented a large portion of their current income. Once the reverse mortgage was completed they could afford to do things they wanted without the worry of just scrimping by from month to month.

Joyce said she highly recommended more that seniors should consider the benefits they can get by doing a reverse mortgage. She said she has recommended a reverse mortgage to several of her friends. "Most seniors I know are slow to go ahead, but when they truly understand, they may change their mind." Joyce said. "You need

to enjoy everyday of your life, don't wait, so why not use your home to help you, and the best part is you get to stay in the home you love."

The most impressive part of having done this reverse mortgage was to see the love and trust that was evident in this great relationship between a Mother and her daughter. Joyce is to be admired for walking away from 38 years of her life in Florida and devoting herself to her Mother's care.

"Daughters understand as they grow older, they become good friends." *Catherine Pulsifer*