

## Downsizing for Dollars- Example

### Step One: Sell existing home:

Sale Price	2,800,000
Pay off existing mortgage	1,000,000
Sale fees	168,000
Capital gains	estimated (check with your tax advisor)
<b>Net Cash left over from sale</b>	<b>1,632,000</b>

### Step Two: Purchase a new home and increase investable assets:

Cost of new home	1,400,000
Lifestyle Loan proceeds	481,000 +/- depending on age and interest rate at time of application
Down Payment	919,000 from cash on hand (out of \$1,632,000 net cash at closing of Step 1: Sale of former home)

### Cash left over after purchase to save or invest 713,000!

NO MONTHLY MORTGAGE PAYMENT / Never pay rent ever / Revolving Line of Credit (ARM) or Fixed-rate / Credit-line increases monthly even if home value declines

No Prepayment Penalty / Proceeds are Non-taxable\*\* / Federally-guaranteed to be there when you need it most / non-cancellable / non-reducible / non-freezable / non-recourse\*

Home remains in buyers name and can be sold or refinanced at anytime with no prepayment penalty. Loan is due when last remaining borrower permanently vacates the home.

### This Buyer has completely changed their financial position by:

1. Eliminating a monthly mortgage payment for life
2. Putting \$713,000 to work Creating More Income for Retirement
3. Increasing Cash-flow during Retirement

\* borrower must pay property taxes, homeowner's insurance and homeowner association dues (HOA dues if applicable) on a timely basis to keep loan in force.

\*\* Consult a tax advisor

**Mary Jo Lafaye** / HECM for Purchase Specialist / nmls# 246222 /Mutual of Omaha, nmls # 1025894 / 415-259-4979 / 1000 Fourth Street, Suite 875, San Rafael, CA 94901