Montana's

REVERSE ANNUITY MORTGAGE (RAM)

THE FACTS

PURPOSE

Many senior citizens in Montana own their own homes and have little or no remaining mortgage debt. Many of these homeowners are persons of lower income who would benefit from an additional income source from the use of equity in their homes. Reverse annuity mortgage loans allow senior homeowners the financial flexibility to stay in their own homes and continue life on their terms.

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INTEREST RATE	**5.0%**
AGE REQUIREMENTS	All borrowers must be 68 years of age or older.
INCOME LIMIT	The borrower's annual family income must not exceed the following: 1-person household: $ 23,760 2-person household: $ 32,040 3-person household: $ 40,320
PROPERTY ELIGIBILITY	The home must be located in Montana. The borrower(s) must be the owner and occupant of a single-family dwelling that is unencumbered by any prior mortgage, lien or pledge. A single-family dwelling means a one-to-four family living unit. A single-family dwelling must meet minimum FHA property standards as determined by an FHA appraisal. Excludes: Mobile and manufactured homes.
LOAN AMOUNT	The loan amounts range from a minimum of $15,000 to a maximum of $150,000. The maximum loan amount is determined based on 80% of the FHA-determined property value.

PAYMENT TERMS

The net loan proceeds are advanced monthly to the borrower(s) based on a 10-year term.

LUMP SUM ADVANCES

Lump sum advances are available at loan closing. Ten thousand dollars is available for payment of prior mortgages, liens and pledges, or for needed repairs to the home. Some exceptions may be considered. An advance is available for loan closing costs. Lump sum advances reduce the amount of the monthly loan amount.

COUNSELING

Potential borrowers must attend a reverse annuity mortgage counseling session in order to submit an application. The counseling network is provided through the Montana Aging Services Network.

Applications may be completed during the required reverse annuity mortgage counseling session or by contacting one of the following:

1. Montana Board of Housing
   PO Box 200528, Helena MT 59620-0528
   1-800-761-6264 or (406) 841-2840

2. Montana Aging Services Bureau
   PO Box 4210, Helena MT 59620-4210
   1-800-332-2272 or (406) 444-7784

For more information, go to:

housing.mt.gov

100 copies of this public document were published at an estimated cost of $0.21 per copy for a total of $21.00, which includes $21.00 for design and printing and $0 for distribution.

EQUAL HOUSING OPPORTUNITY

Alternative accessible formats of this document will be provided upon request.

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