

**REVERSE ANNUITY MORTGAGE (RAM)  
Counselor Verification Certificate**

The following information has been provided and explained to me (the applicant) by a certified RAM counselor. I understand this information and my responsibilities if I choose to participate in the RAM program.

Check box if applicant indicates satisfactory knowledge of this issue.

- 1. A RAM participant will still own their home. However, the Montana Board of Housing will have a lien in the form of a first mortgage on the home.
- 2. The loan must be repaid upon the death of the last borrower residing in the home or by the permanent (180 days) vacating of the home by the borrower(s). This is normally from the proceeds of the sale of the home. For this reason the RAM participant's heirs will not receive the home free of debt unless the loan is paid from other resources.
- 3. Loan interest payments will be automatically accounted for in calculating the monthly payment. After the 10 year period in which the RAM participants receives monthly payments is over, the loan will continue to accrue interest until the reverse mortgage loan is repaid.
- 4. Since interest is automatically accounted for in each monthly check, the total of the money received over a 10-year period will equal the total loan amount minus the interest equals total principal to be received.
- 5. Any absence from the home by the borrower(s) for 180 consecutive days will indicate that the RAM participant no longer resides in the home. At this time their monthly payments will stop and the loan must be repaid.
- 6. It is the responsibility of the borrower to maintain insurance on the home, keep property taxes and SIDs current and provide proof of payment of each to the MT. Board of Housing annually. The borrower must keep the home in good repair. Failure to do so may result in required repayment of the loan.
- 7. A RAM participant will receive checks for a 10-year period. At the end of the 10-year period payments will cease. The RAM participant may continue to live in the home as long as he or she wishes and is able. Interest will continue to accrue on the outstanding balance of the loan.

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Applicant Checklist  
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- 8. A RAM participant may prepay the loan at any time without penalty. This is the only way to terminate the loan and stop the accrual of interest.
- 9. One-time closing costs of approximately \$1400.00 are the responsibility of the RAM participant. Lump sum advances are available at the beginning of the loan period to cover these costs.
- 10. If the property is a condominium the FHA\VA Condominium Number must be submitted with the application. The homeowner should have a membership with Homeowners Association.
- 11. Complete the Medical Worksheet if applicant has on going medical expenses.
- 12. Applicable exceptions if any. ie: Cash Advance Exception, Age Waiver

Applicant's Name \_\_\_\_\_  
Date \_\_\_\_\_  
Signature \_\_\_\_\_

Co-Applicant's Name \_\_\_\_\_  
Date \_\_\_\_\_  
Signature \_\_\_\_\_

Counselor's Name \_\_\_\_\_  
Date \_\_\_\_\_  
Signature \_\_\_\_\_