



CELEBRATING
125
YEARS OF TRADITION

RETHINKING HOME EQUITY LOANS
FOR SENIORS

Frequently Asked Questions

What are Home Equity Retirement Loans?

For individuals age 62 or older Amboy's Home Equity Retirement Loans can let you access your home equity without having to sell your home or make loan payments each month. Maybe you want money for emergencies, consolidate debt or do something that makes you happy. The loans provide different ways to receive your funds, but common to all is there are no monthly payment requirements. You make payments if and when you want or wait until you leave your home. So you don't have to upset your current budget.

How do I qualify?

- All homeowners must be age 62 or older and occupy the property as their principal residence.
- Your home must be owned free and clear or have a small outstanding mortgage balance that can be paid off with the Home Equity Retirement Loan.
- The property must be a single-family or a two-to-four unit dwelling. (Townhomes, detached homes, condominium units, planned unit developments (PUDs) and some manufactured homes are eligible.).
- There are no FHA restrictions or requirements.
- The maximum amount that can be borrowed is based on the age of the youngest homeowner, the appraised value of your home and the current interest rate. Generally, the more your home is worth, the older you are and the lower the interest rate, the more you can borrow.
- There are no credit requirements and generally no income requirements

What are the different Home Equity Retirement Loans?

Amboy offers different loan solutions to fit your needs:

- **Home Equity Retirement Income Loan (HERIL).** You can receive monthly payments for as long as you live in your home. Plus, you can add a small line of credit for emergencies.
- **Retirement Line of Credit.** Provides a line of credit with access to a substantial amount of cash with out using your saving or other assets.
- **Home Equity Retirement Option (HERO).** Provides a line of credit up to \$50,000 with little or no closing costs. You simply write a check when you want.
- **Reverse Mortgage Fixed Rate.** Like a regular mortgage you get all of the funds at closing. Plus you lock in a fixed rate. Eliminates monthly payments to free up more cash.

How does a Retirement Loan compare to a traditional home loan?

- Mortgage and note. With both types you obtain a mortgage on your home with a promise to repay the loan with a note that outlines all of the specific terms of your loan agreement.
- Always retain ownership. Like a traditional home loan you always own your home.
- Expenses. For both types of loans there are upfront expenses or closing costs. These expenses will be covered in detail so you understand all of your options. For Amboy's Retirement Loans a free custom comparison report is available for the asking. Any upfront fees can be financed as part of your retirement loan.
- Most Retirement Loans are variable rate loans. A variable rate loan is based on an index where the rate can change during the loan.
- Monthly Payments. With a traditional home loan you are required to make monthly or bi-weekly payments. With a Retirement Loan there are no payment requirements until you leave your home. If you wish, you can make payments at your own pace.
- With a Retirement Loan, you can never owe more than your home's value. You always own your home. When you leave your home you or your heirs need to repay the loan balance. The remaining equity in your home, if any, belongs to you and your heirs. None of your other assets are affected by the loan. This debt will never be passed along to the estate or to your heirs.

What restrictions apply to the cash I receive from a Retirement Loan?

All cash advances are actually loan distributions and are not considered income. The cash advances are tax-free. You should always consult your tax advisor.

What are my responsibilities after the closing?

Just like any mortgage where you retain title you are expected to:

- Pay property taxes
- Keep adequate property insurance up-to date.
- Maintain your home

When do Retirement Loans need to be paid off?

There are no monthly payments required. You make payments when you want or if you want or wait till you leave your home.

Who do I deal with before and after closing the loan?

As a local community bank, you always deal with Amboy bankers. We take the time to listen to our clients and discuss their best options. At Amboy you receive ongoing service. We don't sell our loans so we are here for you from start to finish.

What if I'm not sure about another loan?

For your benefit, as part of the process, you are required to attend a consumer education session with an Amboy Bank consultant. The consultant will explain the obligations of the senior retirement loan and outline any alternatives you may have. This counseling session will help to ensure you are making the right decision. After the session has been completed, you are given a Certificate of Borrower Counseling, which is valid for 180 days following the session.

What are the next steps if I am interested in a Amboy Home Equity Retirement Loan?

- Give us a call and we'll review your options and answer any questions you have.
- Counseling. For your benefit you are required to attend a consumer education session with an Amboy counselor to make sure a loan is right for you.
- Fill out an application. Amboy's application is simple. You can even do it over the phone.
- Schedule time for an appraisal. It's a standard procedure for any mortgage.
- Review and provide proof of your home and title insurance programs.
- Schedule a closing. Have it at the Amboy Branch closest to you or even at your home.