

About the Home Equity Conversion Mortgage

What is a Home Equity Conversion Mortgage (HECM)?

A HECM is a mortgage that is insured by the federal government and regulated by Federal and Massachusetts laws. It gives you cash from your home, without ever having to make monthly loan payments.

Who can benefit from a HECM?

Anybody 62 or older who owns a qualifying house or condominium can apply for a HECM.

Who is the typical HECM customer?

Currently, several hundred thousand homeowners benefit from a HECM. They are from all walks of life. Your neighbor might be a HECM customer. What they all have in common is that they are 62 years or older and want to get some cash from their home. Many HECM customers use their proceeds to pay off their conventional mortgage.

What does government-insured mean for me?

You are protected until you turn 150 years old! Your HECM will continue even if the balance of your loan exceeds the value of your home. The line of credit will still be available and you will continue receiving monthly disbursements you may have set up. The lender will never ask you for money to cover possible losses or reduce disbursements to you.

Who owns the home?

With a HECM, you continue to own the home. However, you pledge the home as collateral.

How does a HECM compare to a conventional mortgage or HELOC?

Conventional mortgages and HELOCs all have a due date. You have to pay off the conventional mortgage through monthly payments or a balloon payment by a certain time.

With a HECM, there are no monthly loan payments required for you, ever. (The usual property expenses such as taxes, insurance, maintenance and others still are due). The loan becomes due when you and your eligible spouse no longer live in the property.

I do have a "conventional mortgage;" can I still get a HECM?

This is a typical situation. All other mortgages can and must be paid off with the HECM. Actually, most HECM customers use part or all of the HECM proceeds to do just that, thus eliminating monthly payments for their mortgage.

What restrictions apply to cash I receive?

It is your money; you can do whatever you want to do with it.

Mutual of Omaha Mortgage, Inc. does not make any recommendation on how you use your money. However we urge you to be careful when making financial investments. A Certified Financial Planner may be a good source for advice.

What tax implications apply to the cash I receive?

There is no income tax on the cash you receive from a HECM, nor does it affect Social Security or pension payments. However we suggest you talk to a certified public accountant or certified financial planner to determine the effect on other benefits you may be receiving.

When does the HECM become due and payable?

When you and your spouse no longer live in the property or if both of you have passed away, the HECM becomes due. In that case, you or your heirs have two options:

1. Pay off the HECM, including the accrued interest. You or your heirs retain ownership of the house. Lines of credit or tenure reserves that have not been drawn do not have to be paid off!
2. Give up ownership of the house and receive the difference between the net sale proceeds of the house and the loan balance, minus the cost for selling the house. Neither you nor your heir will be liable for any shortfall, in the event the net sales price is less than the balance of the loan.

The HECM may also become due for failing to adhere to the loan agreement.

What are my obligations with a HECM?

You remain owner of the house. Therefore, you have all obligations of home ownership. You are responsible for taxes, insurances, and other fees that might apply. Also you must maintain the house. Once you don't live in the property anymore, the HECM becomes due.

Your Government Insured Home Equity Conversion Mortgage

It is our understanding that you do not have any lien or mortgage on your house. This means that all the funds of the HECM will be at your disposition.

You can receive \$163,267 in proceeds from your HECM (limited to \$90,266.95 during the first year).

You can choose how you want to receive money from your HECM.

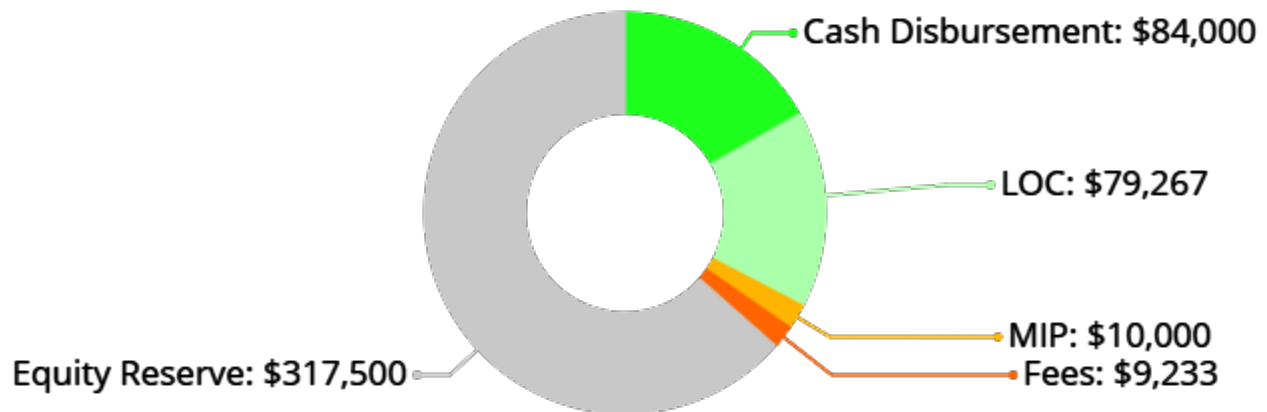
Subject to the limits for the first year, you can receive the funds as:

- Lump Sum, Cash at Closing
- Line of Credit (which grows over time)
- Monthly Cash Disbursements (for life or a certain period of time)

...or a combination thereof.

Illustration of your HECM

The doughnut chart illustrates your HECM at the time of closing:



Value of your home: \$500,000

The total doughnut represents the value of your home, against which you borrow.

Cash at closing: \$84,000

This is the amount you receive at closing.

Line of Credit: \$79,267 (\$6,267 available during the first year)

The Line of Credit grows over time, independently of ups and downs of the value of your home.

Mortgage Insurance Premium (MIP): \$10,000.00

This federally mandated mortgage insurance protects you and your heirs. It assures that you will have access to your funds even if the balance of the loan exceeds the value of the house. Also it protects you, so you are never liable for more than the value of your house.

Fees: \$9,233

All fees are federally regulated and are listed in detail in the Good Faith Estimate. They include third party expenses, including legal fees, recording fees, and state and county taxes for registration. We pass them along to you without any surcharge. The origination fee of \$6,000 is also part of these fees. The origination fee covers my company's expenses to originate, process and close this Home Equity Conversion Mortgage, including my compensation.

Unlike with conventional mortgages, most fees are paid for with the proceeds of the HECM. Some out-of-pocket expenses may still apply.

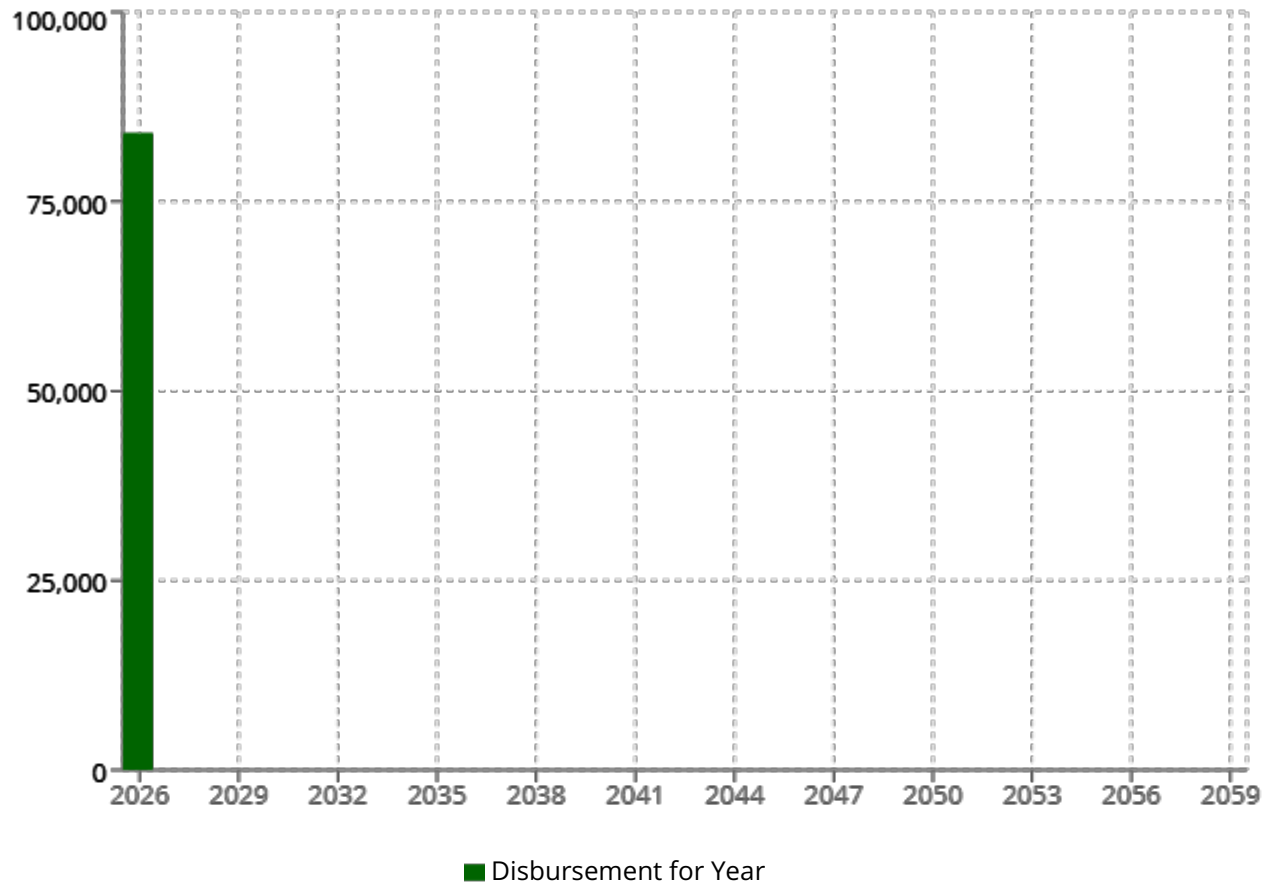
Equity Reserve: \$317,500

This is the part of the equity in your home that cannot be tapped into by the HECM.

Your Home Equity Conversion Mortgage Over Time

The following graphs show how your Home Equity Conversion Mortgage may develop over time:

Disbursements to you or on your behalf

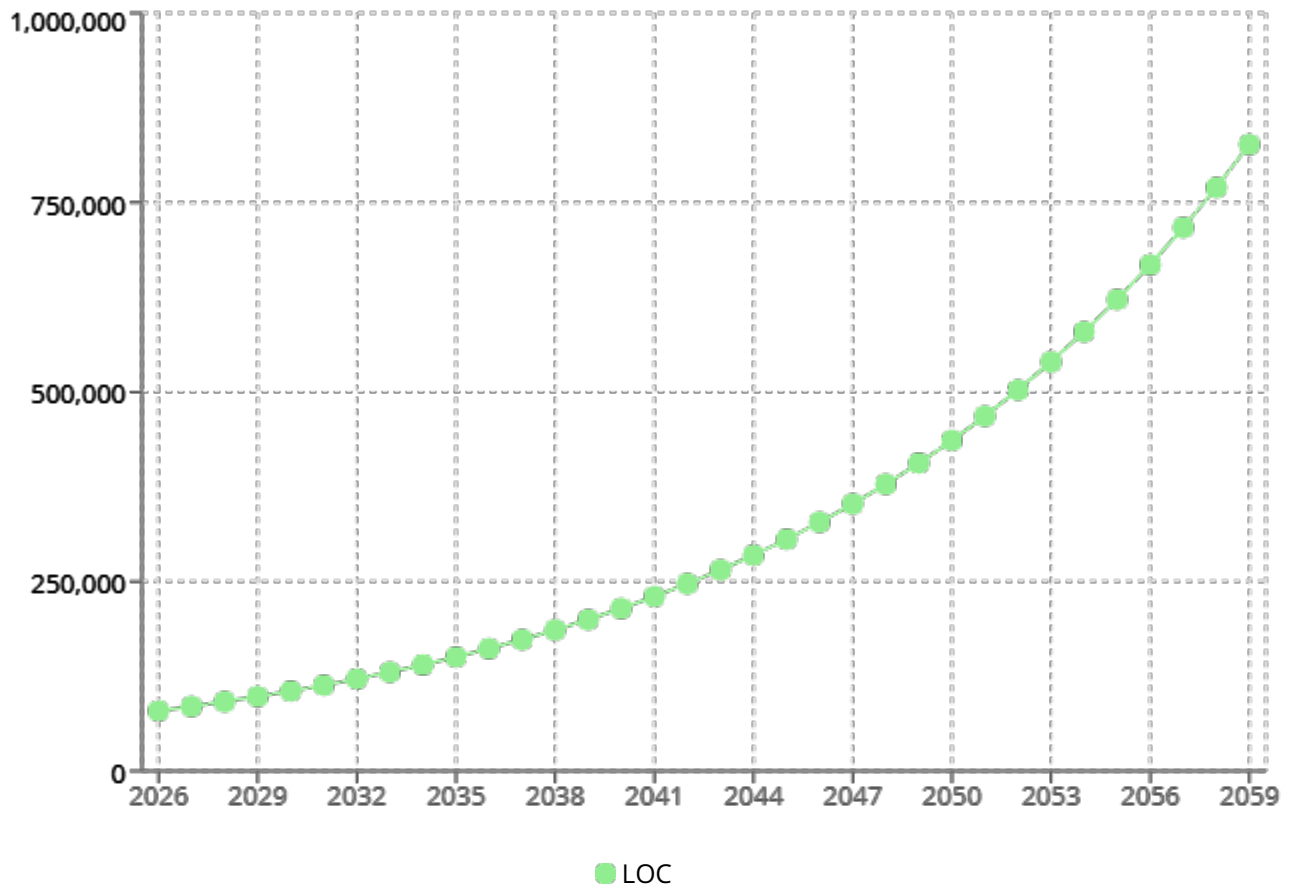


The above graph shows the annual disbursements to you or on your behalf.

Disbursements to you or on your behalf during the first year include:

- Direct cash disbursement to you: \$84,000

Line of Credit

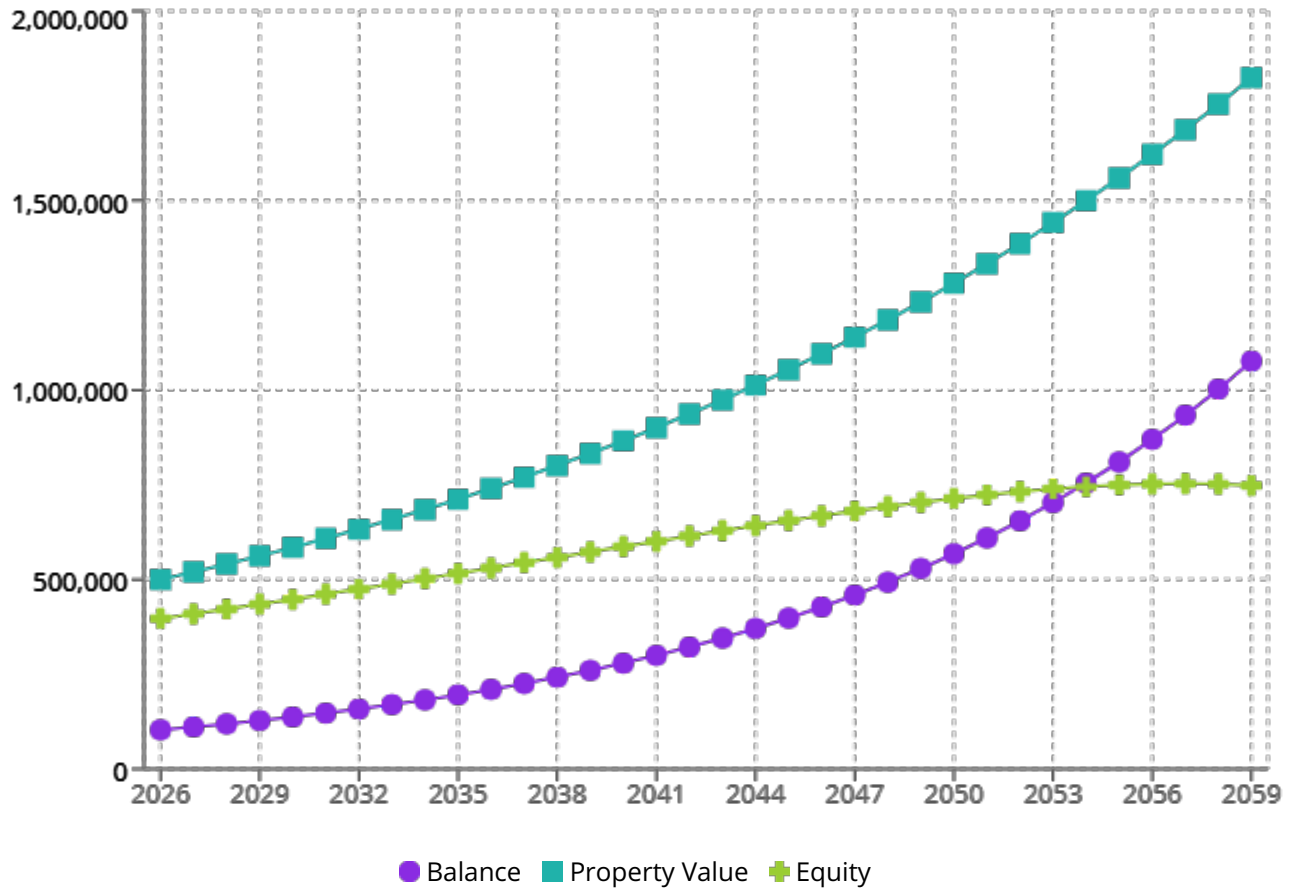


Any amount you leave in the line of credit will grow at the same rate as the loan balance. This credit line growth represents a greater capacity to borrow, regardless the value of the home. This offers strategic advantages, such as: The Home Equity Conversion Mortgage offers a significantly higher rate.

The rate is adjustable, based on the 1-year Treasury. Initially the rate will be about 6.500% The line of credit of the HECM is government guaranteed.

The growth of the Line of Credit is not subject to taxation.

Equity



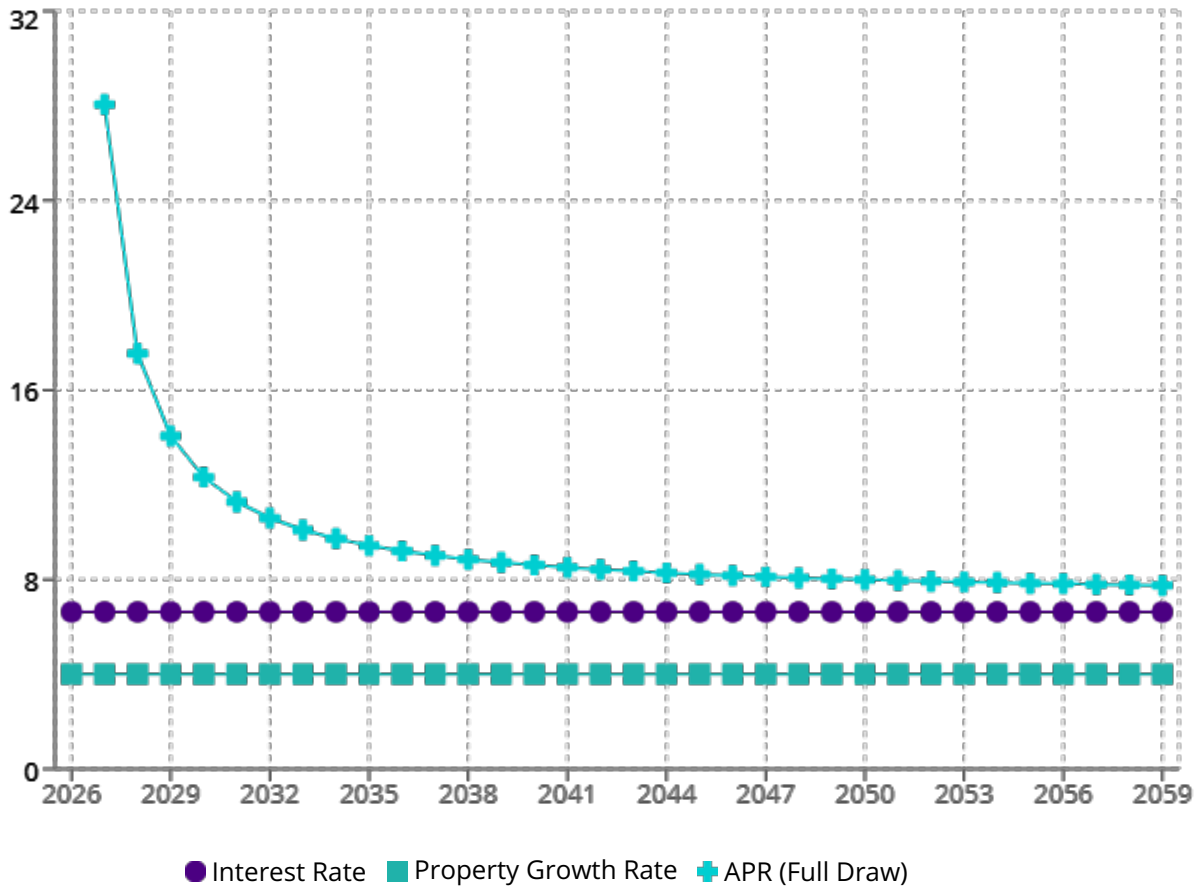
The Home Equity Conversion Mortgage (HECM) is a loan against your property. You remain owner of your home. At the same time the outstanding balance of your HECM increases with draws and accrued interest. The difference between the value of your home and the outstanding balance of the HECM is your equity.

The equity is the amount you would receive if you sold the home or your estate would get in case you passed away.

Over time the equity changes. It increases when the property value raises, and decreases with the balance of the loan increasing. Factors affecting the equity include draws and advances, interest rates, the real estate market and others.

With a Home Equity Conversion Mortgage your equity can never be negative. You will never owe more than the value of your home.

Annual Percentage Rate (APR)



The APR represents the true cost of a loan based on a cash flow calculation. It takes all fees and charges as well as the interest into account. The APR calculation in the above chart assumes that all funds from the loan are drawn at closing. The actual APR values depend on multiple factors including the timing of when funds are drawn. While the actual APR values may vary, the general pattern of the graph is quite representative for almost all scenarios. The Home Equity Conversion Mortgage is relatively expensive on the short term, but very competitive in the long run. The Interest Rate and the Property Growth Rate show the respective rates used for the calculation of all the graphs.

Basis for this Analysis

The calculations in this analysis are based on information you have provided to us, including the date of birth of John Trites (2/18/1959), your home value (\$500,000) and location and the amount of your outstanding mortgage and liens(\$0).

The calculation is for a HECM CMT Monthly 5%.

The rate is adjustable based on an index: 1-year Treasury. The margin is 2.150%. The rate can never exceed 11.000%.

Final rates, disbursements and costs may change. If the underlying assumptions change, then the numbers in this analysis will change.

Next Steps

Independent Counseling

Unless you have already done so, you are required to participate in a specialized HECM counseling session. An independent and government certified counselor will address your questions. This is a good opportunity for you to discuss the Home Equity Conversion Mortgage with an independent third party. Please review the NCOA's booklet "Use Your Home to Stay at Home", it can be found online here: <https://ncoa.org/article/use-your-home-to-stay-at-home>.

No-Risk Loan Application

The loan application is an easy process. Most importantly, with the application you do not commit to take the loan. You can terminate the application process anytime up to the closing date. You have a 3 day rescission period after closing, in case you are not happy with your HECM. The maximum cost that you would bear if you back out are expenses for some third party services that have been performed on your behalf, such as appraisal, counseling and possibly others. We will not charge you anything in that case.

Financial Assessment

Before we can commit to closing your Home Equity Conversion Mortgage our underwriter will review your case based on government mandated rules. The two main questions that have to be checked are:

1. Does the property qualify for the HECM?
2. Do you and all co-borrowers qualify for the loan?

The latter involves a financial assessment to ensure that you have enough income and funds to cover expenses and to stay in your home on the long run. Mutual of Omaha Mortgage, Inc. is committed not to discriminate on the basis of race, color, religion, national origin, sex, marital status.

I Am Here for You

I encourage you to discuss this document and any other documentation we have provided with your family, children, friends, certified adviser and whomever you want to discuss it with. I am also happy to join a discussion with you and trusted relatives or friends of yours. Please feel free to call, write or text me anytime.

R. Steven Grabinski, NMLS Number: 135070, State License Number: MLO135070

Phone: (724) 561-7072 Email: sgrabinski@mutualmortgage.com




Comparison of Loan Products

Loan Officer: R. Steven Grabinski, (724) 561-7072
 Created for: John Trites (02/18/1959)
 Property Address: 24 Burrill St, Saugus, MA, Essex 01906-1457

Loan Number: 10768301
 Closing Date: 07/20/2026
 Nearest Age: 67
 Exp. Rate Date: Application Date,

	HECM CMT Monthly 5%	HECM CMT Annual	HECM Fixed																		
Index	1y cmt	1y cmt	(Fixed)																		
Margin/Rate	Margin: 2.150%	Margin: 3.875%	Rate: 8.750%																		
Expected/Initial Rate	6.625% / 6.000%	8.375% / 7.625%	8.750% / 8.750%																		
Interest Rate Cap	11.000%	12.625%																			
MIP Rate	0.500%	0.500%	0.500%																		
Initial LOC Growth Rate	6.500%	8.125%																			
Estimated Property Value	\$500,000.00	\$500,000.00	\$500,000.00																		
Max Claim Amount	\$500,000.00	\$500,000.00	\$500,000.00																		
Principal Limit	\$182,500.00	\$148,000.00	\$141,500.00																		
- Mortgage Insurance	\$10,000.00	\$10,000.00	\$10,000.00																		
- Origination Fee	\$6,000.00	\$6,000.00	\$6,000.00																		
- Other Fees	\$3,233.05	\$3,233.05	\$3,233.05																		
Available Funds	\$163,266.95	\$128,766.95	\$65,666.95																		
	For 1st Year: \$90,266.95	For 1st Year: \$69,566.95																			
Available Tenure	\$1,065.91	\$999.36																			
Disbursement	<table border="1"> <tr> <td>Cash</td> <td>\$84,000.00</td> </tr> <tr> <td>Monthly</td> <td>\$0.00</td> </tr> <tr> <td>LOC</td> <td>\$79,266.95</td> </tr> <tr> <td></td> <td>\$6,266.95 for 1st year</td> </tr> </table>	Cash	\$84,000.00	Monthly	\$0.00	LOC	\$79,266.95		\$6,266.95 for 1st year	<table border="1"> <tr> <td>Cash</td> <td>\$0.00</td> </tr> <tr> <td>Monthly</td> <td>\$0.00</td> </tr> <tr> <td>LOC</td> <td>\$128,766.95</td> </tr> <tr> <td></td> <td>\$69,566.95 for 1st year</td> </tr> </table>	Cash	\$0.00	Monthly	\$0.00	LOC	\$128,766.95		\$69,566.95 for 1st year	<table border="1"> <tr> <td>Cash</td> <td>\$65,666.95</td> </tr> </table>	Cash	\$65,666.95
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Additional Information																					
Mandatory Obligations	\$19,233.05	\$19,233.05	\$19,233.05																		
Initial Disbursement Limit	\$109,500.00	\$88,800.00	\$84,900.00																		
UPB	\$103,233.05	\$19,233.05	\$84,900.00																		

These numbers are calculated based on the current interest rates, fees, and the estimated closing date. Changes in interest rates and/or changes in the final closing date may cause the fees and funds available at closing to be higher or lower than stated.

 _____
 John Trites Date



Amortization Schedule

Borrower Name: John Trites


Loan# / Case#:	10768301	Expected Interest Rate:	6.625%	Refinance:	no
Age of Youngest Borrower:	67	Initial Property Value:	\$500,000.00	Expected Appreciation:	4.000%
Beg. Mortgage Balance:	\$103,233.05	Max. Claim Amount:	\$500,000.00	Monthly Disbursement:	\$0.00
Monthly Servicing Fee:		Initial Principal Limit:	\$182,500.00	Initial Line of Credit:	\$79,266.95
Life Expectancy Set Aside:	\$0.00	Initial Advance:	\$84,000.00	Product Type:	1y cmt
LESA Semi-annual Disbursement:	\$0.00	Liens Payoff:	\$0.00	Financed Closing Cost:	\$19,233.05

Note: Actual interest and property value projections may vary from amounts shown. Available credit will be less than projected if funds are withdrawn from the line of credit, if applicable. Actual Life Expectancy Set Aside payments, if applicable, may increase or decrease from the amounts shown based on changes to the property charge costs. The Actual Life Expectancy Set Aside Balance may vary depending on the age of youngest borrower, the interest rate, and changes to the property charge costs. The projections are for illustrative purposes only.

Annual Totals

End of Year Projection

Year	Age	SVC Fee	LESA Disbmt.	Monthly Disbmt.	MIP	Interest	Loan Balance	LESA Balance	Line of Credit	Principal Limit	Property Value	Equity
0	67	0	0	0	0	0	103,233	0	79,267	182,500	500,000	396,767
1	68	0	0	0	533	7,067	110,833	0	85,103	195,936	520,000	409,167
2	69	0	0	0	573	7,587	118,993	0	91,368	210,362	540,800	421,807
3	70	0	0	0	615	8,146	127,754	0	98,095	225,849	562,432	434,678
4	71	0	0	0	660	8,746	137,160	0	105,317	242,477	584,929	447,770
5	72	0	0	0	709	9,390	147,258	0	113,071	260,329	608,326	461,069
6	73	0	0	0	761	10,081	158,100	0	121,396	279,495	632,660	474,560
7	74	0	0	0	817	10,823	169,739	0	130,333	300,073	657,966	488,227
8	75	0	0	0	877	11,620	182,236	0	139,929	322,165	684,285	502,048
9	76	0	0	0	942	12,475	195,653	0	150,231	345,884	711,656	516,003
10	77	0	0	0	1,011	13,394	210,058	0	161,292	371,349	740,122	530,064
11	78	0	0	0	1,085	14,380	225,523	0	173,167	398,689	769,727	544,204
12	79	0	0	0	1,165	15,439	242,127	0	185,916	428,042	800,516	558,389
13	80	0	0	0	1,251	16,575	259,953	0	199,603	459,556	832,537	572,584
14	81	0	0	0	1,343	17,796	279,091	0	214,299	493,390	865,838	586,747
15	82	0	0	0	1,442	19,106	299,639	0	230,076	529,715	900,472	600,833
16	83	0	0	0	1,548	20,512	321,700	0	247,015	568,715	936,491	614,791
17	84	0	0	0	1,662	22,023	345,384	0	265,201	610,586	973,950	628,566
18	85	0	0	0	1,784	23,644	370,813	0	284,726	655,539	1,012,908	642,096
19	86	0	0	0	1,916	25,385	398,113	0	305,689	703,802	1,053,425	655,312
20	87	0	0	0	2,057	27,254	427,423	0	328,195	755,618	1,095,562	668,138
21	88	0	0	0	2,208	29,260	458,892	0	352,358	811,250	1,139,384	680,492
22	89	0	0	0	2,371	31,414	492,677	0	378,299	870,976	1,184,959	692,282
23	90	0	0	0	2,545	33,727	528,950	0	406,151	935,101	1,232,358	703,408
24	91	0	0	0	2,733	36,210	567,893	0	436,053	1,003,946	1,281,652	713,759
25	92	0	0	0	2,934	38,876	609,703	0	468,157	1,077,860	1,332,918	723,215
26	93	0	0	0	3,150	41,738	654,591	0	502,624	1,157,216	1,386,235	731,644
27	94	0	0	0	3,382	44,811	702,785	0	539,629	1,242,414	1,441,684	738,900
28	95	0	0	0	3,631	48,110	754,526	0	579,359	1,333,885	1,499,352	744,826
29	96	0	0	0	3,898	51,652	810,077	0	622,013	1,432,090	1,559,326	749,249
30	97	0	0	0	4,185	55,455	869,717	0	667,808	1,537,525	1,621,699	751,981
31	98	0	0	0	4,493	59,538	933,749	0	716,974	1,650,723	1,686,567	752,818
32	99	0	0	0	4,824	63,922	1,002,495	0	769,760	1,772,255	1,754,029	751,535
33	100	0	0	0	5,179	68,628	1,076,302	0	826,433	1,902,735	1,824,191	747,889





Estimate of Closing Costs

Borrower(s): [John Trites](#)
 Property Address: [24 Burrill St Saugus, MA, Essex 01906-1457](#)

Loan Number: [10768301](#)
 Prepared: [5/22/2026](#)

Estimated Home Value: **\$500,000.00**

This is not a Good Faith Estimate or a Truth-in-Lending Disclosure Statement required by federal law. If you make an application with us, your Good Faith Estimate and Truth-in-Lending Disclosure Statement will be provided to you in the opening package. This is not a commitment to lend, nor is it a rate lock, pre-qualification or pre-approval. This worksheet is intended to assist you in evaluating a loan or home purchase using estimated closing and property costs. Closing and settlement costs, reserve deposits, interest rate and Annual Percentage Rate (APR) are subject to change and the estimates shown below may be more or less depending on factors such as down payment, property type, and occupancy. Housing costs will vary depending on location, homeowner's association dues, local and state fees, taxes, and hazard and mortgage insurance. Charges from third parties, which may include Lender's affiliates, will be passed through at the actual cost charged by the third party. You should review these estimated charges when considering the total cost of your loan.

Estimated Closing Costs

Finance Charges	POC Amount	Estimated Amount
Origination fee		\$6,000.00
Flood certification		\$6.00
Document preparation		\$206.00
MERS registration		\$23.70
Tax Payment History		\$30.00
Mortgage insurance premium		\$10,000.00
Counseling fee	\$175.00	\$0.00
Other Charges	POC Amount	Estimated Amount
Appraisal fee	\$595.00	\$0.00
Credit report		\$142.35
Lender's title insurance		\$750.00
Abstract or Title Search		\$275.00
Tax Certificate		\$35.00
Recording Service		\$35.00
Attorney Closing Fee		\$525.00
Reverse Mortgage Closing		\$795.00
Coordination Fee		
Recording charges mortgage		\$410.00
	\$770.00	\$19,233.05
Total Estimated Settlement Costs		\$20,003.05