

## REAL ESTATE

JUST APPROVED *Terry T. Terzakis*

# Reverse mortgage helps senior couple buy Hamden condo

**Mortgage banker:** Terry T. Terzakis

**Property type:** Condominium in Hamden

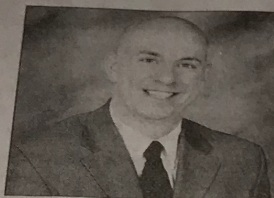
**Purchase price:** \$179,000

**Loan type:** Reverse mortgage

**Backstory:** A couple came to Terzakis to be pre-qualified to purchase a condominium in Hamden. The asking price was \$179,000.

They advised him that they had \$100,000 available for a down payment from a recent insurance settlement, so they only needed a mortgage for the remaining \$79,000. It sounded like this would be a pretty easy qualification.

However, upon reviewing the couple's credit report, it became clear that their credit history was going to prevent them from qualifying for a traditional



mortgage, even with such a large down payment.

Disheartened, the couple realized they were faced with having to find a new apartment to rent. But then Terzakis thought of a possible solution: A reverse mortgage.

A reverse mortgage is typically used for current homeowners who are at least 62 years old

and have significant equity in their home as a way to tap into their equity. Proceeds of a reverse mortgage can be used for any reason such as home repairs, medical expenses or just to supplement their monthly income.

The biggest benefit to this loan program is that the borrower never has to make a mortgage payment — the monthly interest will accrue onto the principal balance. But a reverse mortgage can also be used to purchase a new home.

In this case, the couple's large down payment served as the "equity." The qualification guidelines for a reverse mortgage in regards to credit history, employment and income are not as strict as a traditional "forward" mortgage.

In this case, the home buyers were in their late 60s and qual-

ified for a reverse mortgage for slightly more than the \$79,000 needed. Not only were they able to become new homeowners instead of having to rent an apartment, they were able to do so without having a monthly mortgage payment.

There are many old misconceptions about reverse mortgages. Some believe you have to give your house to the bank, which is untrue. The borrower always retains title to their home for as long as they occupy it as their primary residence. The reverse mortgage is a lien on the property in the same way a forward mortgage is.

So what are the benefits of a reverse purchase? It allows a senior to get into a new home that better suits their needs without having to spend all their retirement money or cash savings and live free of monthly

mortgage payments. But the possible pitfalls? The homeowner loses equity because of the accruing interest rather than gaining it. The owner or their heirs can still profit from the equity upon the sale of the home, but in some cases, there may be none. It's a trade-off.

The homeowners are of course still responsible to pay their property taxes, insurance, and if applicable, association fees. Though a reverse mortgage may not be right for everyone, in some cases can be a real game-changer and open up opportunities otherwise not obtainable.

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## REAL ESTATE NEWS

# William Pitt, Julia B. Fee Sotheby's opens training center in Stamford

**W**illiam Pitt and Julia B. Fee Sotheby's International Realty recently announced a new facility devoted exclusively to elite real estate training, combining state-of-the-art technology with client-based hospitality education.

Known as The Imagine Lab, the unique 3,000-square-foot training site is the first of its kind among all real estate firms in the market areas the company serves. The lab recently opened in the Harbor Point area of Stamford.

The Imagine Lab's primary purpose is to help real estate agents become exceptional professionals in the industry by learning the critical fundamentals of the business in a revolutionary new

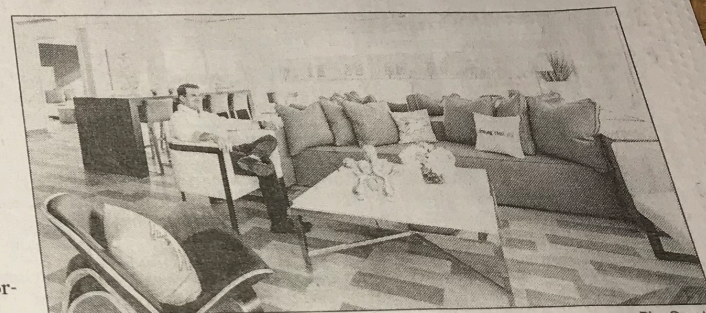
way. Designed by Beth Krupa, a three-time nationally awarded interior designer, the lab is crafted as an "office of the future" according to Chief Innovation Officer Lance Pendleton, presenting a home-like atmosphere with dynamic communal environments for creativity, focus and connection.

Spearheaded by Pendleton, the program is a comprehensive and intensive 90-day immersion with real estate training courses available both on-site and remotely. Classes were developed to ensure an in-depth understanding of real estate sales skills, marketing, social media, customer service and sales psychology for new to business sales professionals. Agents work

from the center while covering their respective communities for the duration of the program.

The Imagine Lab will host nationally renowned speakers and experts as part of the program, providing students with the opportunity to learn from and network with top experts and trendsetters in the industry.

Through partnerships with smart home companies like Nest, Sonos, Amazon and more, agents will also have access to learning new technologies to better meet their clients' needs. Additionally, The Imagine Lab will offer education on interior design, home valuations and green home technology, and will even hold seminars open to the public to educate members



PlanOmatic

**Known as The Imagine Lab, the unique 3,000-square-foot training site is in the Harbor Point area of Stamford.**

of the community on trends in real estate.

"We are currently at a crossroads in the real estate industry, where agent and client needs have shifted," Pendleton said. "Our new facility offers a place where clients and agents alike can imagine what real estate should be, taking it far

beyond the traditional models. Our goals with this innovative project are to service our sales professionals and the community to educate them and empower them to make better real estate decisions."

For more information on The Imagine Lab, visit the program's website at [www.theimaginelab.net](http://www.theimaginelab.net).

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