

THE BIRTH OF A NEW INDUSTRY

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In a time when the entire financial industry, specifically the mortgage industry, is under an unprecedented restructuring there seems to be a shining light.

In fact, it is during the toughest of times that new industries themselves materialize, new giants emerge and new ideas create unlimited opportunities that have always been right there in front of us, yet remained virtually untapped.

In today's highly volatile financial environment the Reverse Mortgage certainly seems to boldly go where no mortgage has gone before . . .

Yet this staggering product, that offers so much relief to the segment of our society that deserves it the most, our seniors, seems to still be so widely misunderstood.

This raises a very interesting question. Is the conventional mortgage industry the best vehicle to bring this amazing product to the seniors of our country?

Even today, so much remains unknown about the strength of this financial tool. Now, the light of knowledge is beginning to illuminate its many options, almost endless uses, and most importantly, that if used correctly, it can protect the client's current assets, and in many cases, create more wealth. This knowledge has spread to the financial planning industry, giving seniors the ability to purchase badly needed long-term care insurance, purchase life insurance potentially transforming their children's inheritance into a legacy and even giving some of that inheritance right now while they are alive and able to enjoy the benefits with their families. Trusted advisors such as

certified financial planners can accomplish all of this, and so much more.

Already, many trusted advisors, throughout the financial industry, have realized the power of reverse mortgages and are turning to them as the answer for their senior clients. In addition to certified financial planners, long term care insurance agents, elder care and estate attorneys and many more are increasingly asking themselves: Are reverse mortgages really that good? Can we really use them for so many purposes? Are my clients truly not obligated to make a payment in their lifetime? Moreover, their most important question: Can we offer this product? Can this be a part of our product menu for our senior clients?

As a career mortgage banker, 27 years this month, it has always bothered me that the mortgage professional has always been looked at as "the lowest rung on the financial professional ladder." I know, we don't like discussing it, nobody ever writes about it, but we all know it. So do we deserve this reputation? This mortgage guy says "definitely not! For over two decades now independent mortgage brokers and mortgage bankers have originated more mortgages in this country than every commercial and

savings bank combined. You would think that statistic would be enough to take us pretty seriously. But they don't...

We all agree, the Reverse Mortgage industry is in its infancy. Well, if the Reverse Mortgage is the infant then that makes us, the conventional mortgage world, the parents...and like all good parents we have to make sure our infant gets every possible opportunity to grow and do the best it can for the greatest number of people.

To this day, the traditional banking and mortgage banking channels originate the great majority of the reverse mortgages in this country. After all, the reverse mortgage is ...a mortgage! But it is also undeniably the most innovative financial planning tool introduced to the senior segment of this nation in decades.

As stated in the very first paragraph of this article, the mortgage industry is in the midst of a total restructuring. Why not use this restructuring to allow the mortgage industry to change, to grow, to evolve, and to take its proper place in the financial industry.

The Reverse Mortgage is the product that will allow us to do just that.

Throughout this country there are millions of financial planners, life insurance agents, long term care insurance agents, long term care providers, in home care providers and many other industries that "touch" the senior segment of our society. They have existing books of business of clients 62 years of age and above and even more clients between the ages of 40 & 50 that are greatly concerned about their parents quality of life. This is the future of the Reverse Mortgage originator. This is the future of the Reverse Mortgage industry!

The Reverse Mortgage unleashes the deepest and most untapped equity in the country today, estimated at 9 trillion dollars, increasing to in excess of 32 trillion as the baby-boomers reach retirement age. A mortgage with a below market interest rate, no income or credit qualifications along with no payments for the life of the loan doesn't make it the ultimate mortgage of the 21st century, it makes it the ultimate financial planning tool of the 21st century for our seniors!

Obviously, there are many cases where a financial planner is not needed. The Reverse Mortgage industry has had record-breaking growth over the last several years mostly through the conventional mortgage world. But we all know we haven't even come close to scratching the surface of the potential volume of this product. Why?

The answer is simple but not something the conforming mortgage world likes to hear. Senior citizens are fine discussing a mortgage with a mortgage person but they're not comfortable discussing their financial future with them. Additionally, their children are not comfortable with it. They are however, very comfortable discussing their long term care needs, their trust, their life insurance & investment needs with their financial planner, a long term care provider, their elder care attorney or any number of trusted senior advisors.

In these incredibly volatile economic times the Reverse Mortgage is the product trusted senior advisors need to guarantee the highest quality of life possible to their senior clients.

Almost one year ago MetLife, one of the nation's oldest and largest insurance companies, announced its acquisition of EverBank Reverse, one of the most successful reverse mortgage wholesalers in the nation. Dan DeKeizer, vice president & actuary of MetLife Retirement Strategies Group, said at the time, "the focus of MetLife Bank is on helping seniors maximize their retirement income, including helping them convert their assets into income to support the lifestyle they want." He also noted, "That for many Americans aging in place is important to them and a Reverse Mortgage is a natural solution." Donna DeMaio, President of MetLife Bank, added, "The acquisition of EverBank Reverse will help us rapidly grow this business and strengthens MetLife's position as an innovator in helping Americans make the most of what they have in retirement."

Now, the nation's financial industry is being reshaped. Mega giants such as MetLife have guaranteed that the Reverse Mortgage will play a large part in that reshaping. And let's face it, Snoopy is very rarely wrong!

The conventional mortgage world's best friends have always been the professional Realtor, their local title company, their telemarketer, or in the case of the national players, their predictive dialer.

The professional Reverse Mortgage originator will be best friends with the many trusted senior advisors that touch so many seniors in our nation and have the best chance of maintaining and in many cases even bettering their quality of lives.

Be a part of this new world, it's different, it's better. I can tell you from personal experience, it feels great!