

THE SAVVY SENIOR

Reverse Mortgages Not For The Unwary

Dear Savvy Senior,
I am interested in getting a reverse mortgage but have been hearing a lot about the growing problem of scams and abuse happening in the industry. What can you tell me about this and what can I do to protect myself if I decide to move forward?

Cash Poor Paul

Dear Paul:

The reverse mortgage industry has been booming in recent years. Unfortunately, its popularity has attracted some aggressive, greedy mortgage brokers and insurance agents looking to take advantage of unwary seniors. While reverse mortgages can be a godsend to help cash-strapped seniors generate extra money to supplement their retirement needs or wants, they're not for everyone and you have to be careful who you're dealing with. Here's what you should know.

What Is A Reverse Mortgage?

A reverse mortgage, as you may already know, is a loan that lets homeowners, age 62 and older, convert part of the equity in their

homes into tax-free income that doesn't have to be paid back as long as they live there. But reverse mortgages are complex and expensive, so it's critical that you understand what you're getting into. Here are some tips to help you protect yourself and avoid making a mistake.

Do You Really Need One?

While a reverse mortgage is a handy financial tool for generating cash, it's not the only way. The up-front costs to get a reverse mortgage can exceed 10 percent of the loan, making it an expensive option if you're interested in borrowing only a small amount or if you plan to move in a few years. In such cases, you may be better off taking out a home equity line of credit. Also, you may be able to generate more income by selling your home and moving to a less expensive place.

Watch the Sales Pitch

If you think a reverse mortgage could benefit you, look out for pushy salespeople who try to sell you high-priced financial

products (usually a deferred annuity or long-term-care policy) along with their loan in attempt to boost their commissions. If this happens, it's a red flag. Bow out and go elsewhere. Buying an annuity with reverse-mortgage proceeds rarely makes sense because you're unlikely to earn more with an annuity than you are being charged in interest and fees on the reverse mortgage. Purchasing a long-term care policy doesn't make much sense either, because if you've got to borrow money to be able to pay for a policy, you're probably not a good candidate for one.

Get Help

Before taking out a reverse mortgage, the federal government requires you to first talk with an independent counselor who can help you understand the pluses and minuses (it's free). However, the quality of counseling varies, so it's a good idea to talk to a few different counselors to get a variety of views. To find reverse mortgage counselors in your area you have several options:

- HUD (800-569-4287);
- AARP Reverse Mortgage Education Program (800-209-8085);
- National Foundation for Credit Counseling (866-698-6322), and
- Money Management International (877-908-2227).

If you want a more rigorous analysis as to whether a reverse mortgage makes sense for you, consult a fee-only financial planner. You can search for one at www.napfa.org or www.garrettplanningnetwork.com.

Savvy Tips: The Reverse Mortgage

Lenders Association provides a state-by-state directory of reliable banks and reverse mortgage lenders on their Web site at www.reversemortgage.org. Compare rates and terms from at least three lenders before making a decision. To learn more about reverse mortgages, AARP offers a great consumer resource at www.aarp.org/money/revmort, or call 800-209-8085 and order their free booklet, "Home Made Money".

Send your senior questions to: Savvy Senior, P.O. Box 5443, Norman, OK 73070, or visit www.savvysenior.org. Jim Miller is a contributor to "The NBC Today Show" and author of *The Savvy Senior* books.

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Laven Pharmacy Now Accepts Medicaid

Laven Pharmacy, 41-31 Queens Blvd., Sunnyside now accepts Medicaid. The pharmacy already offers a wide range of products and services, including surgical supplies, MoneyGrams and transfers, free pick-up and delivery and a 10 percent senior discount on prescriptions paid in cash. The staff includes Spanish speakers for customers' convenience and will shortly offer opportunities to participate in Lotto as well.

For more information, call Laven Pharmacy at 718-937-0890.

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What do you do when Viagra, Levitra, or Cialis doesn't work?

If you are one of the nearly 6 million men with erectile dysfunction for whom pills don't work, learn how the Internal Penile Pump restores normal sexual function.

Oral medications such as Viagra, Levitra, and Cialis are successful in restoring erections for 65% of the 20 million American men who are affected by erectile dysfunction (ED). However, a third of all those suffering from ED require a more advanced treatment option; fewer than 50% of men with diabetes and fewer than 40% of men after prostate cancer treatment respond to oral ED medication.

The Internal Penile Pump is currently the best option for men who do not respond to medication, says Dr. J. Francois Eid of Advanced Urological Care, and an Associate Clinical Professor of Urology at Weill Cornell Medical College/New York Hospital. He is the top-rated physician in the Northeast for this procedure, and he performs more than 200 Penile Pump insertions each year.

A simple procedure to get back a lifetime of pleasure.

The Internal Penile Pump is an inflatable, water-filled device. During the course of a 45-minute outpatient procedure, the pump is

inserted through a one-inch opening in the scrotal sac. By squeezing the pump (which is contained completely within the scrotum), for approximately a minute, fluid is pumped into the penis, resulting in a long lasting erection. To return the penis to a flaccid state, simply press and hold down the pump. Once, inserted, there is no maintenance required

for the pump which can remain in place for a lifetime.

The control and quality you want, the pleasure your partner will appreciate.

The highlight of this treatment is that it restores the patient's control over his body, so that he is able to obtain and maintain an erection at will. Couples are once again able to have spontaneous sex. Normal sensation, including orgasm and ejaculation, is not affected. The procedure is covered by most insurance policies, including Medicare.

For more information, call Advanced Urological Care at 212-535-6690 or visit www.urologicalcare.com

"The Internal Penile Pump is currently the best option for men who do not respond to medication."

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