

# A New Solution to the Senior Care Challenge

## How to Shield Your Clients and Their Families



**For your clients who are age 62 and older, a Reverse Mortgage Standby Line of Credit can be used to create a Senior Care funding strategy.**

**This smart retirement funding tool leverages the power of an important financial asset—home equity—to help older clients receive the care they need, while they continue to live in their own home.**

- In-home care services can reduce the need for expensive nursing homes, and improve quality of care.
- Services can gradually be ramped up as needed—from help with household chores, to 24-hour nursing care.
- A Reverse Mortgage Standby Line of Credit can be set up in advance—before care is needed—so funding is at-the-ready.
- Unlike a traditional home equity line of credit (HELOC), the unused portion of the reverse mortgage line of credit grows over time, allowing access to more funds as the borrower ages. And the line cannot be reduced or revoked by the lender, as long as the terms of the loan are met\*—ensuring the funds will be there when needed.
- There are no monthly mortgage payments for as long as they live in their home.\* (The homeowners remain responsible for keeping current with property taxes, required insurance and home maintenance.)
- Proceeds are tax-free.\*\*

\* The borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid.

\*\*Not tax advice. Consult a tax professional.

**More information on reverse »**

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## The Numbers

97

Over **97%** of Americans **make NO advance financial plans for Senior Care needs.**<sup>1</sup>

70

Yet **70% WILL NEED some form of Senior Care** in their lifetime.<sup>2</sup>

**Most INCORRECTLY believe** their medical insurance will pay for care.<sup>3</sup>

**Annual costs** start at approximately **\$30,000 for In-Home Care**<sup>4</sup>

and range up to **\$94,000 for Nursing Home Care**<sup>4</sup>  
(not including therapy, rehabilitation or medication)

## The Questions

Questions that children of Baby Boomers should be asking themselves:

- 1 Can my parents afford **\$94,000 per year** each for nursing home care?
- 2 Do they have a **Long Term Care insurance policy**?
- 3 Am I planning on my parents and/or in-laws moving into my home, **and being their care provider**?

1 Source: American Association for Long-Term Care Insurance, [www.aaltci.org/long-term-care-insurance/learning-center/fast-facts.php](http://www.aaltci.org/long-term-care-insurance/learning-center/fast-facts.php)

2 Source: U.S. Department of Health and Human Services, [www.longtermcare.gov/the-basics/who-needs-care](http://www.longtermcare.gov/the-basics/who-needs-care)

3 Source: U.S. Department of Health and Human Services, [www.longtermcare.gov/costs-how-to-pay/what-is-covered-by-health-disability-insurance](http://www.longtermcare.gov/costs-how-to-pay/what-is-covered-by-health-disability-insurance)

4 Source: John Hancock's 2013 Cost of Care Survey

To learn more about how a Reverse Mortgage Standby Line of Credit can be used safely and effectively to support a Senior Care funding strategy, contact me today.

Ted C Gehrke  
480-245-8995 in AZ  
720-775-9866 in CO  
701-866-2079 in ND

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Ted C Gehrke  
Senior Citizen  
30 years in the Financial Industry



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AZ LIC LO-0911736  
CO LIC MLO 100046034  
ND LIC NDMLO240314

