START\_STATUTE6-1703.  Required disclosures; counseling

A.  Before accepting a final and complete application for a reverse mortgage or assessing any fees, the originator shall:

1.  Provide the borrower with a list of at least five housing counseling agencies, including at least two housing counseling agencies that can provide counseling by telephone.

2.  Receive from the borrower or the borrower's authorized representative a certification that the borrower has received counseling from a housing counseling agency.  The certification shall be signed by the borrower and the housing counseling agency counselor and shall include the date of the counseling and the name and address of both the counselor and the borrower.  The date on the certification must show that the counseling occurred within the six months preceding the borrower accepting a final and complete application for a reverse mortgage.  An electronic copy of the housing counseling certification satisfies the requirements of this paragraph.  The originator shall maintain the certification in an accurate, reproducible and accessible format for the term of the reverse mortgage.

B.  At least ten days before loan closing, the originator shall make available to the borrower a statement informing the borrower that the borrower's liability under the reverse mortgage is limited and explaining the borrower's rights, obligations, remedies with respect to temporary absences from the home, late payments and payment default by the originator and all conditions requiring satisfaction of the loan obligation.

C.  Before entering into a reverse mortgage, an originator shall fully disclose in writing:

1.  All costs charged by the originator, including costs of estate planning, financial advice and other services that are related to the reverse mortgage but that are not required to obtain the reverse mortgage.  The disclosure shall clearly identify which charges are required to obtain the reverse mortgage and which charges are not required to obtain the reverse mortgage.

2.  All terms and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserve, delinquency charges, foreclosure proceedings, anticipation of maturity and any additional and secondary liens.

3.  The projected total cost of the reverse mortgage to the borrower based on the projected total future loan balance for at least two projected loan terms. This statement shall include:

(a)  The cost for a short-term mortgage.

(b)  The cost for a loan term equaling the actuarial life expectancy of the borrower. END\_STATUTE