

Mortgage firm, bank team up on reverse mortgages

First Financial Mortgage of Northville is responding to the potential for further growth in reverse mortgages by continuing teaming with local lending institutions to offer the product.

Its most recent alliance is with **Ann Arbor Commerce Bank**. Earlier this year, the company forged a similar deal with **Huron River Area Credit Union** in Ann Arbor. They're among about two dozen new partnerships that First Financial has announced in the past year.

"This is a growing thing for us right now," said **Michael Gruley** of First Financial. "There are a lot of banks looking for a delivery method for this product."

Reverse mortgages allow homeowners age 62 and older to borrow against their equity. The amount and format – such as a lump sum or monthly draw – are decided between the bank and individual, with actuarial tables and the home value playing a role.

The reverse mortgage is repaid after the homeowner moves out of the home permanently, and after that loan repayment the owner retains the remaining equity.

Gruley said the alliances between his company – which is



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the state's largest independently owned provider of reverse mortgages – and the local lenders work well. That's because of the complexity of the paperwork, which his company has systematized, and the lenders' close relationships with customers.

About 18,000 reverse mortgages were written in the U.S. in 2003, jumping to 37,829 in 2004.