



National Reverse Mortgage Lenders Association Releases 2nd Quarter RMMI Results

The value of homes owned by Americans age 62 and over increased slightly during the second quarter of 2007, but senior home equity declined slightly, according to the Reverse Mortgage Market Index™.

Published quarterly National Reverse Mortgage Lenders Association (NRMLA), in conjunction with the Hollister Group, LLC, the RMMI measures the potential growth of reverse mortgage market opportunity. Reverse mortgages are becoming a more mainstream financial planning tool for older homeowners. A reverse mortgage enables older homeowners (age 62+) to convert part of the equity in their homes into income without having to sell the home, give up title, or take on a new monthly mortgage payment. The reverse mortgage is aptly named because the payment stream is “reversed.” Instead of making monthly payments to a lender, as with a regular mortgage, a lender makes either one or more payments to the borrower. The loan is repaid when the borrower moves out of the property.

The RMMI showed a slight increase in senior home values to \$5.09 trillion in the second quarter from \$5.07 trillion in the first quarter, but declined in outstanding senior home equity—\$4.28 trillion from \$4.29 trillion. The 0.1% quarterly decline in senior home equity outstanding was driven by a slightly higher increase in the estimate of existing mortgage debt held and by Office of Federal Housing Enterprise Oversight (OFHEO) and Federal Reserve mild downward adjustments to first quarter data. The RMMI declined overall to 205.1 from 205.3.

“There continues to be a substantial amount of home equity in homes headed by consumers aged 62 and over,” said Peter Bell, President of NRMLA. “We fully expect the reverse mortgage products to continue to take hold as previously untapped home equity value intersects with the aging of the population over the next five to ten years.”

On average, the home equity held by consumers age 62 and over is \$230,000 and the aggregate amount of home value held increased by \$12 billion during the second quarter. “Despite the decreasing consumer confidence and mixed economic indicators observed in the late spring and early summer, the reverse mortgage market continues to remain substantial both in size and in opportunity”, said Susanna Kondracki, a Managing Director with the Hollister Group.

About NRMLA

National Reverse Mortgage Lenders Association (NRMLA) represents the reverse mortgage industry, serving as an educational resource, policy advocate and public affairs center for lenders and related professionals. NRMLA was established in 1997 to enhance the professionalism of the reverse mortgage business. For more information, visit www.nrmlaonline.org.

About Hollister Group

Hollister Group LLC is a consulting and financial analytics firm with specialization in reverse mortgage products. Hollister provides consulting to the reverse mortgage industry in new market entry, new products, and best execution. The Hollister Group is also supporting the reverse mortgage industry with unique data and analytics. www.hollisterllc.com.

Contact:

Darryl Hicks, NRMLA
202-939-1784
Dhicks@DWORKBELL.com