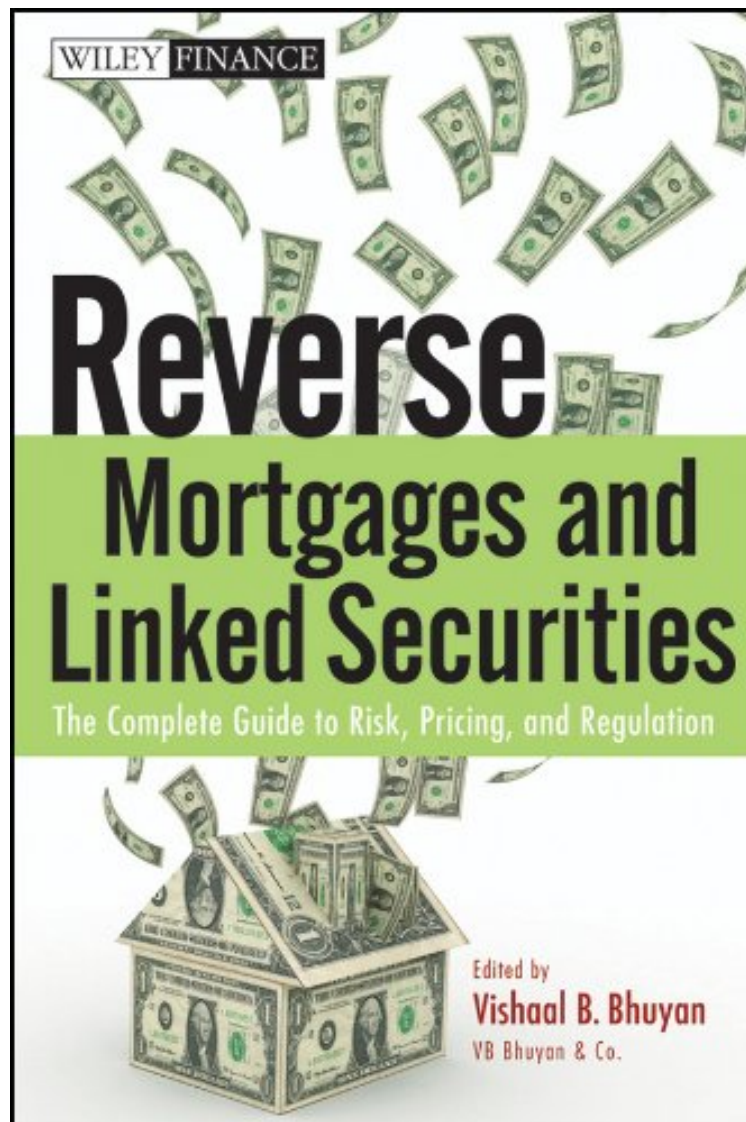


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## Reverse Mortgages and Linked Securities: The Complete Guide to Risk, Pricing, and Regulation (Wiley Finance)

Vishaal B. Bhuyan

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Vishaal B. Bhuyan : Reverse Mortgages and Linked Securities: The Complete Guide to Risk, Pricing, and Regulation (Wiley Finance) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Reverse Mortgages and Linked Securities: The Complete Guide to Risk, Pricing, and Regulation (Wiley Finance):

8 of 9 people found the following review helpful. WaryBy James E. Veale While quite impressed by the list of

contributors and the publisher, it was startling to read at the end of the first paragraph of the first chapter to the book a common myth as if fact. It states: "It is up to the reverse mortgage lender to sell the home at the time of the borrower's death, as the lender is the rightful owner of the residence at that time." Reverse mortgage lenders are lenders, not equity owners. The concept of "equity conversion" and "equity release" are marketing devices to explain the loan, not actual parts of the lending transaction. A reverse mortgage in this era (the last six years) is first and foremost a mortgage with unique features. If at the beginning of a reverse mortgage a borrower is the only owner of record and the borrower takes no action to change ownership, the owner of the home upon death will normally be the estate of the deceased owner. If the borrower had a trust and the trust held title to the home, then at death, the trust still holds title to the home. It is obvious that the author of this section, either does not understand the documents which that person read or did not read the documents themselves. There were other errors in the first chapter such as the concept of the HECM (reverse mortgage insured by FHA) lending limit, the amount of the lending limit (minor but stated several times), and the current status of the origination fee. All of that causes me to be "wary" of what else is wrong with the book. The trouble with books like this is that they are impressive in many ways but can misrepresent what a reverse mortgage, particularly a HECM reverse mortgage, is all about. For purposes of full disclosure, I am a senior vice president of a reverse mortgage lender, a CPA with over 40 years of experience (holding a masters degree in business taxation), a real estate broker for over 19 years, an NMLS licensed Mortgage Loan Originator, and a certified senior advisor. Although I have read little more of the book than indicated above, I am grateful to and the publisher for providing the opportunity to review the limited portions they graciously made available.

An institutional investor's guide to the burgeoning field of reverse mortgage securitization *Reverse Mortgages and Linked Securities* is a contributed title comprising many of the leading minds in the Home Equity Conversion Mortgages (HECM) industry, including reverse mortgage lenders, institutional investors, underwriters, attorneys, and regulators. This book begins with a brief history of reverse mortgages, and quickly moves on to discuss how the industry has evolved—detailing the players in these markets as well as the process. It discusses the securitization of reverse mortgages and other linked securities and includes coverage of pricing techniques and risk mitigation. This reliable resource also takes the time to cover the current regulatory environment of the HECM market, which is constantly changing due to the current state of the real estate market. Highlights specific strategies that will allow institutional investors to benefit from the resurgence of reverse mortgages and linked securities. One of the only guides to reverse mortgages and linked securities targeted towards institutional investors interested in securitized products. If you want to make the most of reverse mortgages and linked securities, take the time to read this book.

From the Inside Flap Over the past few years, seniors and Baby Boomers alike have lost tremendous value in their retirement plans and homes. In a post-credit crisis, pre-retirement era, however, boomers may not have enough time or sufficient capital to earn back the losses they have incurred in their equities and real estate portfolios in order to budget for coming increases in medical expenses or retirement costs. This will give rise to one of the greatest bull markets in history—reverse equity transactions, such as reverse mortgages. With contributors from among the foremost experts in their fields, *Reverse Mortgages and Linked Securities* offers institutional investors a practical framework for understanding the mechanics of the reverse mortgage transaction. The book begins with a brief history of reverse mortgages, while providing a road map of the industry today: who are the market participants (from lenders and investors to borrowers and underwriters) and what is the process? It then discusses the actuarial underwriting of reverse mortgages and other associated risks. The second section also discusses interest rate and housing price risks and offers up possible risk mitigation solutions. The book goes on to explain the tax treatment of reverse mortgage borrowers, lenders, and investors in reverse mortgage-backed securities, and concludes with a discussion of the ever-changing regulatory environment of the Home Equity Conversion Mortgage (HECM) market. While there are many low-end, retail books on the subject of reverse mortgages, targeted to seniors who want to learn how to reverse their own mortgages, *Reverse Mortgages and Linked Securities* is one of the only books targeted to institutions and institutional investors interested in reverse mortgage securitization. It offers the critical information you need to compete successfully in this burgeoning field.

From the Back Cover *Reverse Mortgages and Linked Securities* An institutional investor's guide to reverse mortgage securitization Many seniors have lost their nest eggs during the most recent economic crisis and are looking to supplement their retirement savings by extracting equity from their homes by way of reverse mortgages. With contributions from many of the leading minds in the Home Equity Conversion Mortgage (HECM) industry, *Reverse Mortgages and Linked Securities* offers specific strategies that will help institutional investors to benefit from the resurgence of reverse mortgages and linked securities. It discusses the securitization of reverse mortgages and other linked securities and includes coverage of pricing techniques and risk mitigation. This reliable resource also takes the time to cover the current regulatory environment of the HECM market, which is constantly changing due to the current state of the real estate market. Over the next five to ten years, the reverse mortgage will play an increasingly important role in the market for structured financial products, and a strong understanding of it on the part of financial services firms will be vital to compete in the modern marketplace. Reverse

Mortgages and Linked Securities provides institutional investors with a solid foundation for understanding the mechanics of the reverse mortgage transaction. Contributors include: Micah Bloomfield of Stroock Stroock Lavan LLP; Michael V. Fasano of Fasano Associates; Kai Gilkes, Victoria Johnstone, Apea Koranteng, Karen Naylor, and Andrea Quirk of Standard Poor's; Peter Macrae Mazonas of Life Settlement Financial, LLC; Olivia S. Mitchell of The Wharton School; Nemo Perera and Chris DeSilva of Risk Capital Partners; John Piggott of the University of New South Wales; Joseph Selvidio of Stroock Stroock Lavan LLP; Charles Stone of Brooklyn College; Boris Ziser of Stroock Stroock Lavan LLP; and Anne Zissu of Citytech, City University of New York. About the Author Vishaal B. Bhuyan has been involved in the "life markets" for over five years and has focused on analyzing and investing in life settlements, reverse mortgages, and other linked assets. He has advised a number of large investment funds on the longevity and mortality risk asset class and has been invited to speak at various investment and industry-specific conferences across the United States, Europe, and Asia. Bhuyan is also the editor and coauthor of Life Markets: Trading Mortality and Longevity Risk with Life Settlements and Linked Securities (Wiley) and will be releasing The Esoteric Investor (FT Press) in 2011.