



## Featured Board Member: **Michael Savenelli, Sr.**

### CT Care Planning Council Advisory Board Members:



Weatherby & Associates, PC  
Counselors at Law  
Helping Families Preserve and Protect Assets and Values

[Henry C Weatherby](#)  
[Denise F. Talbot](#)



[Henry C Weatherby Jr.](#)



[Michael Savenelli, Sr.](#)

### In This Issue

[Senior Home Owners Find Financial Resource in Reverse Mortgages](#)

[Employer Support For Care Giving Employees](#)

[If you answer "yes" to any of these questions, Weatherby & Associates, PC can help.](#)

The [Connecticut Care Planning Council](#) (CTCPC) lists companies and individual providers on our website who help families deal with the crisis and burden of long term care.

One purpose of the CTCPC is to educate the public on the need for care planning *before* a crisis occurs. A second purpose is to provide, in one place, all of the available government and private services for eldercare.

Finally, our ultimate mission is to offer a trusted listing service that the public will recognize and turn to for expert help in dealing with the challenges of long term care.

**Call us at 860-769-6938**

or click [here](#) to send an e-mail



[Elaine Pavasaris](#)



[John Carmon](#)



[Brian Cosker](#)



[Patrick McGuigan](#)



[Lynn McPhelimy](#)



[Kelly Keaveney](#)

## Event Calendar:

**VA Aid &**



Weatherby & Associates, PC  
Counselors at Law  
Helping Families Preserve and Protect Assets and Values

## Reverse Mortgages: A Quick Overview

By: Michael Savenelli, Sr. and Henry C Weatherby

Contrary to what most people think, reverse mortgages have been around for decades in the United States. According to the state of Maine, Deering Savings & Loan of Maine created the reverse mortgage in 1961. The first reverse mortgage was given to a woman named Nellie Young by in 1961 by Deering Savings & Loan. Nellie was the widow of the loan officer's high school football coach. I first discussed the concept of reverse mortgages with clients in 1978. The problem was I could not find a commercial lender who would make such a loan at that time. At that time, the only way we could have clients obtain a reverse mortgage was privately.

Nationally, the growth of reverse mortgages was slow until 1988. The Federal Housing Authority Insurance Program was signed into law in 1988. Under this law, the federal government, with the guidance of the AARP, initiated a reverse mortgage pilot program. Fifty (50) lenders nationwide were chosen to participate in this program, and in 1989, the first government-insured reverse mortgage was given.

This program was such a success that in 1998, it was expanded to all lenders throughout the country. Since then, more than 1,000 lenders have written over 500,000 reverse mortgages, making these federally insured programs a popular way for retired homeowners

## Attendance Seminars

March 20, 2012

White Oaks  
230 Deming St  
Manchester

2:00-3:30 PM

Offers & Info:  
Veterans Aid &  
Attendance Benefits

Contact Us:  
34 Jerome Avenue,  
Suite 310  
Bloomfield, CT 06002

(860)769-6938

### Forward-to-a-Friend

Check out our NEW e-  
courses!

***Get help navigating the  
Elder Care Journey with  
our special series of  
reports:***

How can I get help paying  
for nursing home or long  
term care without losing it  
all? Learn more at

[www.learnmedicaid.com/  
weatherby](http://www.learnmedicaid.com/weatherby)

Veterans 65 or older may  
qualify for a benefit of  
\$24,239/annually to pay  
for in-home help, assisted  
living, or nursing home  
care. Simply visit  
[www.wartimeveteran.co  
m/weatherby](http://www.wartimeveteran.com/weatherby) to find out

to access the equity in their homes.

### **Federally Insured Reverse Mortgages**

Reverse mortgages represent an attractive financing option for a growing demographic. Approximately 10,000 baby boomers turn 65 every day. They and many other seniors must improve their financial situations at a time of economic uncertainty. For those who are 62 years old or older a commercial FHA insured reverse mortgage may be part of the answer.

The FHA's Home Equity Conversion Mortgage (HECM) is generally referred to as a reverse mortgage. This program offers senior homeowners a way to augment retirement income, pay medical bills as well as real estate taxes and be able to stay in their homes, and give them some financial independence. These loans help seniors get needed funds to continue living in the house and the neighborhood they have lived in for years. A reverse mortgage can be combined with the cash down payment to finance the purchase of a new home. These loans transform the equity in the home into cash that is available as either a lump sum or installments paid overtime or some combination of the two that is paid to the homeowner.

At the homeowner's death or when they no longer reside in the home (whichever is sooner) the loan must be repaid. If the original loan amount plus all of the accrued interest is less than the sale proceeds of the home the remaining balance after would pass according to the homeowners estate plan. If the total of the original loan at all the accrued interest exceeds the sale price of the property then nothing beyond the sale proceeds is due the lender. This is second great thing about the reverse mortgage. The other of course is the ability to access the equity and not have to sell your home or make any loan payments.

Mike Savenelli of BCI Financial Mortgage, an expert in reverse mortgages and a contributor to this article has provided the following example of the difference an actual reverse mortgage made for one client.

more

I have a loved one with Alzheimer's, and I need caregiving help. How do I make sure my loved one is well taken care of, and that they don't lose their home or life savings? Discover the secrets at

[www.ConnecticutMemoryLawyer.com](http://www.ConnecticutMemoryLawyer.com)

**Brought to you by  
Weatherby & Associates,  
PC.**

**Like what you see?  
Check us out online!**



[See our ranking on Avvo!](#)



[Check us out on LinkedIn!](#)



[Visit our website!](#)

Mike first thoroughly reviewed the client's situation (a widow) and made sure that she and the involved family members understood all of the issues around taking a reverse mortgage. BCI completed a loan to the widow who was on a fixed income and was having difficulty in paying her real estate taxes. The reverse mortgage will allow her to stay in her home of more than 30 years and continue to live next door to her best friend.

For those who want more information directly from the FHA you can go to the following web link [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/hecm/rmtopten](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hecm/rmtopten) where they provide answers to the most frequently asked questions. You can also contact the National Council on Aging at 800-510-0301. They also make available a booklet called "Use Your Home to Stay at Home". It is available online at [http://www.ncoa.org/news-ncoa-publications/publications/ncoa\\_reverse\\_mortgage\\_booklet\\_073109.pdf](http://www.ncoa.org/news-ncoa-publications/publications/ncoa_reverse_mortgage_booklet_073109.pdf). Or if you're like me and prefer talking to a very knowledgeable expert on the subject, you can contact Mike Savenelli at **203-439-9400 ext 435**. **You can of course contact him at his office address BCI Financial 219 So. Main St, Cheshire Ct 06410 or e-mail him at [msavenelli@bcifinancial.com](mailto:msavenelli@bcifinancial.com). There website is [BCIfinancial.com](http://BCIfinancial.com).**

### **Private Reverse Mortgages**

For some families the private reverse mortgage is a very good alternative. This is a private loan, usually from a family member, to the homeowner secured by a mortgage on the senior's home.

Here are some of the advantages for the senior homeowner:

It's cheaper. The upfront costs of paying an attorney to set up a private reverse mortgage will be significantly less than the cost of a commercial reverse mortgage. Interest rates are lower. The interest rate on a private reverse mortgage are set by the IRS each month and is less than the interest rate on a commercial reverse mortgage. (Once set the rate need not change.) There's no limit on what percentage of the home equity may be

borrowed. The ability to tap into more equity in the home can delay the day of reckoning when the senior must move to a nursing home just because there's not enough money to pay for caregivers. The loan need not be paid back until the house is sold. Once in a nursing home or other facility, the senior can continue to receive payments on the private reverse mortgage if needed to maintain the house or to pay for extra care in the nursing home -- even to pay for family members to come visit. (If the senior has applied for Medicaid there are other issues to be considered.)

Here are some of the advantages of private reverse mortgages for family members:

What's good for a parent or grandparent is good for the entire family. To the extent the senior can save money in mortgage costs, the bigger the ultimate estate that will pass to the family. The ability to tap into more equity in the home can mean that family members who are providing assistance either can alleviate the burden by hiring more paid caregivers or be paid themselves for providing care. While current interest rates are very low, the rates set by the IRS are higher than money markets and certificates of deposit are paying these days. This means that the family member or members advancing the funds will earn a bit more than they would if the money were sitting in the bank. A private reverse mortgage done properly can help protect the equity in the home because it takes precedence over any claim by Medicaid.

The family of any senior who owns a home but who has little in savings should consider the private reverse mortgage as a way to help parents and grandparents have the retirement they deserve. Contact us for more information.

For additional information on commercial reverse mortgages call or e-mail **Mike Savenelli at BCI Financial, 219 So. Main St, Cheshire, CT 06410, call 203-439-9400 ext 435 or e-mail [msavenelli@bcifinancial.com](mailto:msavenelli@bcifinancial.com) and check out their website [BCIfinancial.com](http://BCIfinancial.com).**

## Employer Support for Care Giving Employees

“There are only four kinds of people in this world. Those who have been caregivers, those who are caregivers, those who will be caregivers, and those who will need caregivers.” *Rosalynn Carter, Former First Lady*

The U.S. Department of Labor estimates that in the year 2010, 54% of workforce employees will provide eldercare for a parent or parents and that nearly two-thirds of caregivers will experience conflict between demands at home and demands from employers.

Today's employed Baby Boomers are the caregiver generation for their parents. They are finding themselves juggling care responsibilities around their employment obligations. Sometimes employees find they have no option but to take leave from work or use sick time to meet their caregiving demands.

Employers also feel the toll it is taking on their employees. A [report](#) by the AARP describes the cost to employers:

“Companies are also seeing the emotional and physical toll that caregiving takes on their workers. In one study, 75% of employees caring for adults reported negative health consequences, including depression, stress, panic attacks, headaches, loss of energy and sleep, weight loss, and physical pain. Businesses suffer, too, by having to pay high health insurance costs and in lost productivity. That doesn't count the promotions or assignments workers turn down that require travel or relocation away from aging relatives.”

Businesses that don't offer benefits or address eldercare wind up paying for them. A recent study by the MetLife Market Mature Institute and the National Alliance for Caregiving states that U.S. companies pay between \$17.1 billion and \$33.6 billion annually, depending on the level of caregiving involved, on lost productivity. That equals \$2,110 for every full-time worker who cares for

an adult.

Eldercare cost businesses:

- \$6.6 billion to replace employees (9% left work either to take early retirement or quit)
- Nearly \$7 billion in workday interruptions (coming in late, leaving early, taking time off during the day, or spending work time on eldercare matters)
- \$4.3 billion in absenteeism" [AARP](#)

Typically, human resource departments work with employees on many issues that may affect their work productivity. There are programs for drug and alcohol abuse, domestic violence, illness, absenteeism and child care; but, help with eldercare issues is not normally provided.

The [AARP report](#) follows several companies who are providing help with eldercare issues and what they are doing for their employees.

- “Freddie Mac has a free eldercare consultant and access to subsidized aides for a relative up to 20 days.
- Verizon Wireless offers seminars on eldercare issues and allows full-time workers 80 hours a year in back-up care, 40 hours for part-time, and \$4/hour for in-home help.
- At the Atlanta law firm Alston & Bird LLP, workers can donate vacation time to colleagues who have used up theirs to care for family members. “  
[AARP](#)

A growing number of companies nationwide are directing their HR departments to provide resources, education and group help for caregiving issues by:

- Providing materials from community resources such as phone numbers to their local Senior Centers or Area Agencies on Aging.
- Making available brochures and booklets on specific programs and services by eldercare experts
- Providing speakers to educate employees on

caregiving options

- Allowing options to use paid sick leave, employee job sharing and flexible hours
- Allowing employee caregivers to use business computers for caregiving research
- Contracting with companies who provide eldercare services to help employees

[Eldercare service providers](#) are also reaching out to help employee caregivers by providing informational presentations at the work place during lunch time or other times set up by employers. One such presentation provided information on reverse mortgages. Jason, who had been trying to help his parents pay for home care, learned at a work site presentation that a [reverse mortgage](#) was one way to cover caregiver expenses.

The HR Department of a local business in Utah, invited the Salt Lake Eldercare Planning Council to present a “Brown bag, Lunch and Learn” during their employees' lunch hour. In 30 minutes time, those who attended learned how the services of a Care Manger, Home Care Provider, Elder Attorney, Medicaid Planner and Financial Consultant can help with caregiving decisions. Problems were discussed, questions answered and employees left armed with information and the names of professional people they knew could help them.

“This was the most productive lunch I have ever attended”, related Mary, one of the attendees.

“I had been very hesitant to contact an attorney to discuss my parents' estate, because of the cost involved. The attorney at our 'lunch and learn' answered my few basic questions which will allow me to prepare what I need before I meet with him to finalize my parents' estate planning.”

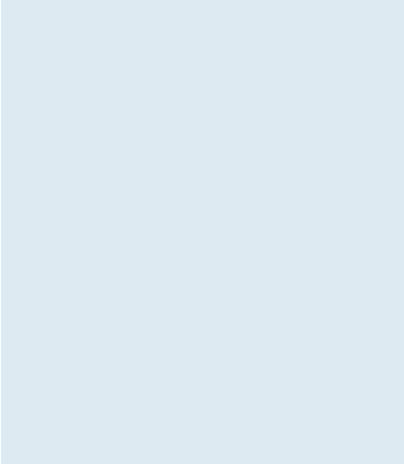
Besides workplace help for employers and employees dealing with caregiving, the internet is also a great research tool. The National Care Planning Council website at [longtermcarelink.net](http://longtermcarelink.net) is a comprehensive resource for eldercare, senior care and long term care planning. It contains hundreds of articles on all aspects of eldercare. Professional providers list their services on

the NCPC website. Each of their listings provides unique information on specific eldercare services and how to obtain help.

Employers, employees and eldercare service providers working together can make parent or senior caregiving a workable solution for all.

## **If you answer "yes" to any of these questions, Weatherby & Associates, PC can help**

- Has the elder been diagnosed with a mentally or physically debilitating disorder such as Alzheimer's, Parkinson's, ALS, stroke or a decline in functional capacity?
- Is the elder isolated due to the recent death of a spouse, or have family that either lives too far away or is too busy to provide adequate care?
- Is the elder to be discharged into a care facility or currently receiving in-home care?
- Does the elder have a variety of healthcare providers and need coordination and advocacy for quality care?
- Does the elder have a variety of healthcare providers and need coordination and advocacy for quality care?
- Does the elder have a spouse whose financial needs must be considered in light of the elder's



medical condition?

## **Wisdom from the Web**

**"You are as young as your faith, as old as your doubt; as young as your self-confidence, as old as your fear; as young as your hope, as old as your despair." ~Douglas MacArthur**