

Reverse Mortgages

What are they? Are they good or bad? How does it work? Is it good for us?



Edna Maloy
Realtor CRS, GRI

To begin with, this is new and I am not an expert, so if I err, please someone call my attention to it. I understand that all you need to qualify is own a home, and have a social security number.

The amount of money you can get is determined by your age and the value of your property. "Example" If you are 70 years old and you own a \$400,000 property and you owe \$100,000. The bank will lend you 50% of the value, including the existing mortgage. In this case the homeowner could finance \$200,000 and cash out \$100,000, less the closing charges. He can take this money in a lump sum, or monthly or yearly whatever way suits

him. Take note that the closing charges on this type of reverse mortgage is very high so if you are going to do it, make sure to inquire how much that will be. I understand that it's between 10% & 11% with the prepaid items. Also note that the age used to determine the amount of the loan is of the youngest of the two owners, husband or wife. The house still belongs to the

homeowner, however now he will no longer have any monthly mortgage payments as the bank is committed to pay the monthly payment which increases the debt to the bank every month.

Each family has to consider if it is good or bad for them. For some it would allow them to live the rest of their life in comfort and not have to depend on others: for others leaving the real estate free and clear for inheritance is more important than the cash out.

Always the dream of paying the home off, is strongly ingrained in our mentality, and reverse mortgage may seem totally opposite. That's why it's called a reverse mortgage, the debt increases every month instead of decreasing.

You have options if you own real estate and you need money or want to convert the real estate in income producing asset. You can sell the real estate or if you qualify refinance it, obtain a 2nd mortgage loan* and now you have the option of a reverse mortgage. Your motive is always what needs



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to be considered in making your decision. If you believe that you would like some freedom and you have a lot of equity in your property, a reverse mortgage may be right for you. If you cannot get out the money you need in a reverse mortgage after paying off the existing mortgage and closing charges, then it's not right for you.

Upon your death, the property is inherited as usual, and the heirs may pay off the mortgage, sell the property and cancel the debt, refinance it and keep it or they may decide the debt is too high, and just give it to the bank that provided the reverse mortgage.

This is my understanding of a reverse mortgage, but please confirm everything with your lender if you are going to obtain a reverse mortgage.

Be a part of a better world; please be kind and donate or be a volunteer of Habitat - www.habitatpr.org •E-MAIL: habitatpuertorico@yahoo.com or tel. 787-948-7659 & Bill's Kitchen - Sandra Torres at sandytorres731@yahoo.com or tel. 787-754-6525.

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President of the Chamber of Commerce Announces Zenit Award 2009 Winners

President of the Puerto Rico Chamber of Commerce (PRCC) José Julián Álvarez Maldonado announced the names of the winners of the Zenit Awards 2009. The Award is the highest acknowledgement awarded by this organization to professionals in the different areas of our economy and society.

"In this wonderful island, there are thousands of men and women who work hard to build and economic and social development of justice to all Puerto Ricans. These professionals give the best of themselves, and their compartment is validated through the results of their labor. That is the reason why the Puerto Rico Chamber of Commerce has selected the recipients of the Zenit Awards 2009 with the seriousness and the scrutiny it requires," he explained.

The Awards will be delivered at the Annual Convention of the Chamber of Commerce,

during the Gala Banquet or the Governor's Lunch, that will take place from June 18-21 at the Wyndham Rio Mar Hotel. The winners are listed below:

- I. Special Zenit Awards**
Business Person of the Year
Félix M. Villamil, President of Evertex, Inc.
Citizen of the Year
Joseph Acabá, NASA Headquarters
Journalist of the Year
Ileanexis Vera, El Vocero of Puerto Rico
Government Entity of the Year
Government Development Bank
Carlos M. García, President
Civic Association of the Year
Ponce Museum of Arts
Dr. Agustín Arteaga, Chief Executive Officer and Director
Affiliate Association of the Year
Puerto Rico Association of Engineers and

- Lans Surveyors
Antonio E. Medina, President
II. Zenit Awards by Field
Banking
Aurelio Alenán, First Executive Vice President and Chief Operations Officer, FirstBank
Education
Dra. Ana E. Cucurella Adorno, President of Caribbean University
Communications
Ana María Echenique, President of Comstat/Rowland, Inc.
Cooperatives
Ricardo Rivera Cardona, President of Cooperativa de Seguros de Vida de Puerto Rico (COSVI)
Agriculture
Venancio C. Martí, President of Martex Farms, S.E.
Telecommunications
Pedro Andrés, President of Neptuno Net-

- works
Distribution
Roberto Gandía, President of Roberto Gandía Distributors
Commerce (retail)
Sr. José Otero, General Manager at Best Buy
Tourism
Raúl Bustamante, General Manager at Condado Plaza Hotel & Casino
Transportation
Pedro J. Rosaly, Chief Executive Officer at Islandwide Group
Insurance
Ramón (Tony) Pérez, President & CEO Falcro Insurance
Professional Services
CPA Luis F. Cruz, President and CPA David Rodríguez, Socio Global Consulting Group Sales and Services

Economic Aid for Engineering Students

Facing the difficult situation in our country, it is important for us to make sure no future engineer is unable to continue studying due to lack of income. That is the reason why the General Contractors Association of Puerto Rico is making a call to all students needing economic aid to file an application.

For the last 18 years, over 90 students have benefited of the Engineer Alberto Richa Grant offered by the Economic Aid Committee of the Puerto Rico Chapter of the General Contractors Association.

"The economic aid we provide students in the fields of civil, electric, and mechanical engineering has made possible for many students to continue their studies even in cases of low income," said Héctor del Río, land surveyor and President of the Association.

At the same time, engineer Alberto Richa, from the Association of General Contractors, stressed out that for the last years, "we have delivered a total amount of over \$350,000 to low income students, an economic aid that has allowed many young men and women to make their dreams of becoming engineers come true."

"The chosen young people have to pass a close scrutiny, to make sure they really need the aid, and that they have completely clear the professional career they want to follow," Richa pointed out.

For information on the economic aid requirements or to get an application you may visit online www.agcpr.com, call 787-781-2200 or e-mail to construccion@agc.com. The application must be completed and delivered on or before Friday, July 3rd, 2009.



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Recipients of AGC Grant 2008

Engineers and Land Surveyors' Week Focused on Renewable Energy

With a week completely devoted to advanced technology with seminars, forums, and events, the Puerto Rico Association of Engineers and Land Surveyors (CIAPR) started its Engineers and Land Surveyors' Week (May 11-17). "This year, facing the challenges we find in our island, the participation of our members and other related professionals is crucial, so they can take advantage of the continual education seminars focused on the subject of Renewable Energy," stressed out CIAPR President, engineer Antonio Medina Delgado.

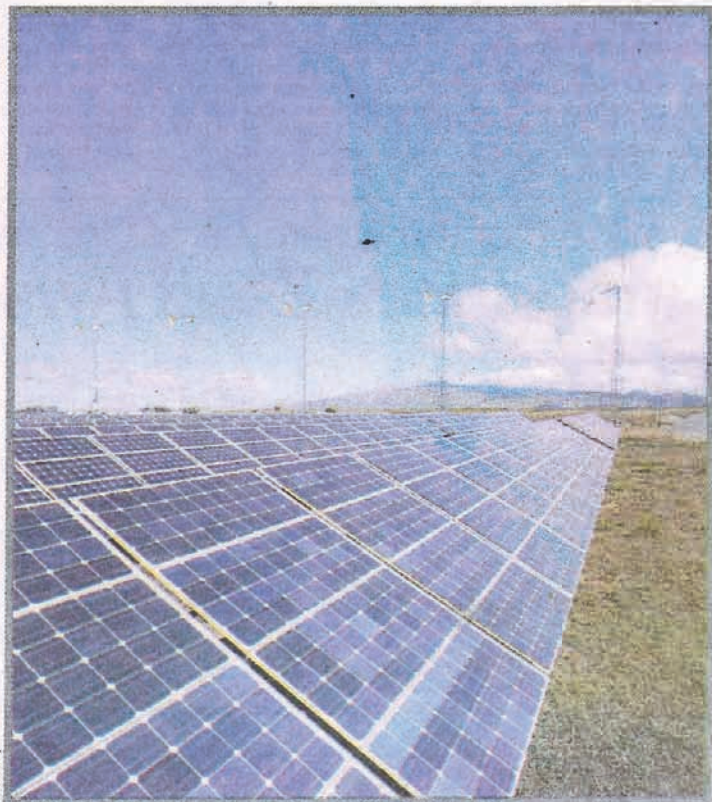
The Week started with the delivery of the Proclamation by the Secretary of the Department of Transportation and Public Works Rubén A. Hernández Gregorat. Each day of the Week is devoted to one of the Association's Institute, thus sharing engineering and land surveying skills. The main event, called Mega Association's Friday, is an event in which

engineers and land surveyors participate in a program including seminars, dedication ceremonies and Annual Meetings. The Mega Association's Friday will be held on May 15th, starting at 8 am at the Puerto Rico Conventions Center. On that day, Emerging Leaders will also be acknowledged. Those are young engineering and land surveying professionals that have stood out in different specialty areas.

The Renewable Energy subject was selected because of its transcending importance, which is greater today than ever in Puerto Rico and the rest of the world. "These seminars are designed to provide world-level vanguard information for our professionals, and to provide them with creative tools to face challenges in our island, as well as to acknowledge the excellent labor of several of our members in great importance projects," added Medina.

The celebration continues on Saturday, with

the Awards Gala at the Conventions Center, with distinguished members from the different chapters and institutes, and the presentation of the Outstanding Works in 2008.



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WINNERS

Mickey Carrero, General Manager RICOH Puerto Rico

III. Teodoro Moscoso Award

• Javier Crespo, Manager, Crespo Ice Plant, Inc.

IV. President's Special Award

• Pedro Manzano Yates, President Fiddler González & Rodríguez, P.S.C.

"These people are just a sample of the thousands of successful and distinguished citizens and entrepreneurs that boost Puer-

to Rico's economy. Acknowledging this fact, the Chamber of Commerce is more than committed to provide the information, training and opportunities that lead us --with a future's point of view-- towards a New Business Era," concluded Álvarez Maldonado, who also took the opportunity to thank members, the Board of Directors, the Executive Vice President, the administrative personnel, the Affiliated Associations, and the Work Committees, for all their help during his tenure as president, which ends on June.