



## David Stacy, CRMP

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### *Welcome to February!*

Living in God's Country, it's not the same Winter as it is in many places around the US. While we're out of the thick of winter, it can still get chilly, but it's safe to say that whatever teeth Winter has are certainly behind us, with January being the coldest month of the year. We're only six weeks from Spring.

In the meantime, February brings us Valentine's Day, which, if one asked, "Do you have anything planned, I'd probably say, 'No, nothing specific planned for Valentine's Day.'" At least until the end of 2026,

*(Continued on back page)*

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## A HECM vs. A Proprietary Reverse Mortgage

A reverse mortgage is a loan for homeowners aged 62 or older that allows them to convert part of their home's equity into cash without selling the property or making monthly mortgage payments. There are two main types of reverse mortgages: HECM (Home Equity Conversion Mortgage) and proprietary reverse mortgages. Both allow senior homeowners to access their home equity, but they differ in terms, eligibility, and costs.

Dismissed almost entirely after the 2010 housing crash, the proprietary program has made a big comeback in recent years.

### *HECM Reverse Mortgage*

The HECM is a government-backed reverse mortgage insured by the Federal Housing Administration (FHA). It is the most common type of reverse mortgage and is governed by federal regulations that ensure borrower protection. The amount a homeowner can borrow with a HECM depends on several factors, including the homeowner's age, the home's appraised value, and current interest rates. Since 2022, higher interest rates have significantly reduced the amounts a homeowner may borrow.

While HECM interest rates are typically similar, they can vary by lender. Because they affect the available loan amount, you should shop for the best rates, as lower interest rates will provide a higher available loan amount (using the same borrower age and property value). The origination fee is capped by HUD, but lenders can charge a lower amount. A HECM is non-recourse loan, meaning the loan payoff will never exceed the home's value when the loan is due, safeguarding against a homeowner leaving underwater debt to their heirs.

HECM loans can be used in various ways, such as receiving monthly payments, a lump sum, or a line of credit. However, the amount

a borrower can access is generally lower than with proprietary reverse mortgages, especially for homes that exceed the HECM loan limits.

### *Proprietary Reverse Mortgage*

A proprietary reverse mortgage is a private loan offered by financial institutions. These loans are not government-insured, so their terms and conditions can vary more widely than those of a HECM. They may carry slightly higher interest rates but do not require private mortgage insurance. Proprietary reverse mortgages tend to be offered to homeowners with higher-value homes (i.e., \$400,000+), but they often have higher loan-to-value ratios and lower fees. These loans are also non-recourse.

Because proprietary reverse mortgages are not subject to FHA's rules and limits, lenders may allow borrowers to access more of their home's equity, resulting in higher loan-to-value ratios. This can be beneficial for homeowners with luxury or high-value properties, i.e., \$400,000 or more in value.

### *Conclusion*

In summary, both HECMs and proprietary reverse mortgages allow seniors to tap into their home equity without selling their homes or making required monthly mortgage payments. HECMs are government-backed and come with protections and standardized limits but are capped at a lower loan amount. Proprietary reverse mortgages offer larger loan amounts for higher-value homes and higher loan-to-value ratios. If both programs are available, homeowners should carefully weigh their options and consult with a reverse mortgage specialist to determine which type of reverse mortgage is best suited to their needs. A CRMP would be an excellent choice.

Stay safe, everyone. As always, may God bless you all.

— David Stacy

# Looking to Refinance? ...Let's Check Your Vitals First!

Mortgage rates won't remain as low as they are for long. For existing homeowners, this means that time is running out to refinance and lock in at a low rate. But before you rush and refinance, here are some tips on how to improve your credit score. Why does this matter? Well, the better your score is — the lower your mortgage rate will be.

According to mortgage experts, you can actually make a significant difference in your credit score in just 30-45 days before refinancing. Here's what you can do:

First of all, get a copy of your credit report. Comb through every single listed credit line and make sure everything is correct. Simply removing any errors can improve your credit score dramatically. ...Don't know where to get your credit report?

Contact our office today and we will help you.

After disputing any and all the errors, there are a few things you can do to maintain a good score. For example, having high balances (as in over 50% of the credit limit) on a charge card can potentially lower your score since it's perceived as being close to maxed out.

Your debt to credit ratio should also be less than 20%. But above all, don't close any credit lines *before* refinancing. Closing a credit card account will drop your score, especially if you've had the card for a long time because it removes all of the positive credit history associated with that card.

And while you shouldn't close any credit card accounts, you should also avoid beginning or opening any new ones. This is particularly true

for big purchases, like buying a car, which will also alter your debt-to-income ratio. Opening new credit lines will also ding your credit score, so wait until *after* the refinance to get that new card.

Lastly, according to the experts, don't pay anyone to fix your credit and seriously consider opting out of pre-screened credit card offers.

For more information concerning your credit report, improving your credit score, or if you think you're ready to refinance your existing mortgage, contact our office today.

*For example, having high balances (as in over 50% of the credit limit) on a charge card can potentially lower your score since it's perceived as being close to maxed out.*



## From the Inside

*"A Home Equity Loan vs. a Home Equity Line of Credit...What's the Difference?"*

If you own your home, you can borrow against the value of your house through either a *home equity line of credit* (often called a HELOC) or a *home equity loan*

(often called a HEL). Both are essentially a second mortgage.

### What's the difference?

A HELOC allows you to draw funds, up to a predetermined limit, whenever you need money.

There is generally a minimum payment due each month, with the option to pay off as much of the line as you want. The way that you draw and repay funds for a HELOC is similar to the way you draw and repay funds for other revolving lines of credit, such as a credit card.

With a HEL, you receive a lump sum of money and have a fixed monthly payment that you pay off over a predetermined time period. In each case, the amount you can borrow is based on factors such as your income, debts, the value of your home, how much you still owe on your mortgage and your credit history.

The appeal of both of these types of loans is their interest rates, which are almost always lower than those of credit cards or conventional bank loans because they are secured against your home. In addition, the interest you pay on a home equity line or loan is often tax deductible (always consult your tax advisor about your particular situation).

### Which is best for you?

Generally, a HELOC is a good choice to meet ongoing cash needs, such as college tuition payments or medical bills. A HEL is generally more suitable when you need money for a specific, one-time purpose, such as buying a car or for a major renovation.

*In addition, the interest you pay on a home equity line or loan is often tax deductible (always consult your tax advisor about your particular situation).*

### Comparing the costs

Both HELOCs and HELs usually carry a slightly higher interest rate than that of a first mortgage. With a HEL, you may choose either an adjustable rate that fluctuates according to variations in the prime rate, or you may opt for a fixed rate. A fixed rate enables you to budget a set payment monthly without worrying about increasing costs should interest rates rise. With a HEL, there are also closing costs that you should consider.

A HELOC usually carries a slightly lower initial interest rate than a HEL, but its rate fluctuates according to the prime rate, so there is more interest rate risk.

For more information or to help you determine which type of loan is best for you, contact our office today!



## The Contractors Corner

*Helpful home owner's tips and tricks you should know.*



### WE'RE NOT THE ONLY ONES LOOKING TO STAY WARM...

*As temperatures drop, insects scout for warm shelter—and your home tops the list. A little preventative work now can save you headaches later.*

*A thorough exterior inspection of the perimeter of your home looking for cracks, gaps, or holes around the foundation, siding, windows, and doors. Seal small openings with caulk or expandable foam for larger gaps. Pay attention to pipes, wires, and vents enter the house—these are prime entry points.*

*Focus on doors and windows. Replace worn weatherstripping and be sure door sweeps sit snugly against the threshold. A small gap can invite ants, spiders, or stink bugs inside. Repair damaged window screens and keep windows tightly closed as nights get colder.*

*Reduce attractants around your home. Clean up fallen leaves, firewood, and debris near the foundation, as these provide hiding spots and moisture. Store firewood at least 20 feet from the house and off the ground. Trim back shrubs and branches so they're not touching siding or rooflines.*

*Inside, eliminate food and water sources. Wipe down counters, store pantry items in sealed containers, and fix leaky pipes or dripping faucets. Vacuum regularly, especially in corners and along baseboards, to remove crumbs and insect eggs.*

*Finally, consider targeted prevention. Applying a perimeter insect barrier or consulting a professional pest control service can add an extra layer of protection. A proactive approach now helps ensure your home stays warm—for you, not the bugs.*

*Some home improvement and repairs are best handled by a qualified and licensed professional. Please seek professional advice before attempting*

# Conducting Your Own (DIY) Home Energy Audit

The first step to saving energy and money around the house is to find out how much energy you are actually using. By knowing what to look for you can conduct your own home energy audit. Here's how to get started.

## 1. Get to Know Your Energy Bills

BILLS are never fun, but don't forget that they contain valuable information along with the pain. Compare your heating and cooling costs by month for as many years past as you can, and look for trends in usage or obvious changes. Do you see any spikes? Can you remember why? Your utility company usually can make older bills available to you by calling their customer service.

## 2. Locate Air Leaks

SIMPLE leaks can sap home energy efficiency by 5 to 30% a year, according to the U.S. Department of Energy. So take a close look at places where two different building materials meet, such as corners, around chimneys, where pipes or wires exit and along the foundation. Make sure good seals form around doors and windows, and that no mortar is cracked. Any gaps or holes should be plugged and/or caulked.

## 3. Examine Heating and Cooling Equipment

Surprisingly, your HVAC accounts for large energy loads. Check your furnace filters and swap them out if dirty and clogged. Or invest in an electrostatic permanent filter, which cuts waste and does a great job of cleaning the air. Check the coils both inside and outside. If they're dirty, carefully vacuum it off (*you may need to first remove the protective grilles*). Make sure all your vents are open in rooms you want conditioned, but close the ones in

rooms you hardly use. Ensure vents are clean and unobstructed. Vacuum away any dust.

Examine ducts for dirt streaks, which mark leaks. You can often fix problems with duct tape or insulation. If your ducts look very dirty or worn, call a professional to get an estimate on a thorough cleaning or replacement.

## 4. Analyze Your Appliances

APPLIANCES are major energy users, so try to identify models that may be costing you a lot, and to find ways to trim waste. If older units are found to cost you a lot, you have motivation to upgrade to a new high-efficiency model (and make sure it is Energy Star certified).

If your fridge and freezer are using too much juice, you may simply need to turn down the temperature dials, or clean or repair the seals. In general, the EPA recommends keeping refrigerators at 37 degrees F. and freezers at 3 degrees F.

## 5. Look for "Energy Vampires"

EVER heard of an "energy vampire" or "phantom load"? When electronics like TVs, DVD players and cell phone chargers are plugged in but not on, they still draw power, resulting in about 8% of our annual electric bills.

It's simple to stop the drain: look around your house, and unplug any unused devices you find. To make it even easier, plug your electronics into a power strip, and switch that off when you are finished channel surfing, jamming or charging up. It will keep the "energy vampires" at bay.

## 6. See the Light

LIGHTING can be up to 10% of a typical electric bill. Swap out high-wattage bulbs with LEDs as incandescents are almost non-existent. Start with the ones you leave on the most or the longest. Also be aware that rapid on and off switching decreases the life of most bulbs and consider lower wattages, like a 40W to replace a 60W.

Consider how you use lighting in each room. Instead of always hitting the main overheads, would your lifestyle be better served by installing some low-wattage task lighting? Think desk and reading lamps or even night-lights instead.

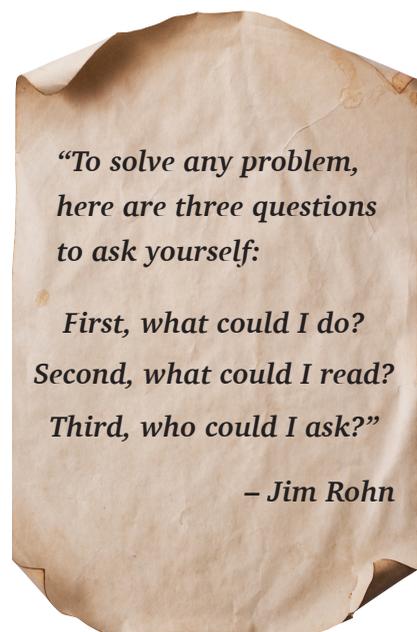
Get rid of halogen torch-style floor lamps, which use a tremendous amount of energy. Also consider installing motion detectors, which are especially good for halls and exterior lights, since you don't have to worry about people accidentally leaving them on.

## 7. Gauge the Results

AFTER you have made some improvements, revisit your audit steps in a month or two. Get our your energy bills, and compare. Did your usage drop? Consider going back through the steps above, looking for any appliances or areas you missed before.

It also may be time to bring in the pros for a full-service, high-tech energy audit. Call your utility company to see if it subsidizes the service (some offer it free during part of the year), and ask if it can recommend local providers.

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*"To solve any problem, here are three questions to ask yourself:*

*First, what could I do?*

*Second, what could I read?*

*Third, who could I ask?"*

*– Jim Rohn*

## Variety Magazine's Top 100 TV Shows of All Time!

### Game of Thrones #21 (2011 to 2019 – 73 episodes)

Game of Thrones is an American fantasy drama television series based on George R. R. Martin's novels. Created by David Benioff and D. B. Weiss, the series aired in the United States from 2011 to 2019, spanning eight seasons and 73 episodes.

Set in the fictional lands of Westeros and Essos, the series features a large ensemble cast and intertwining storylines. It explores the battle for the Iron Throne among noble families, the journey of the last surviving heir of a deposed dynasty seeking to reclaim power, and the Night's Watch defending the realm from threats beyond the northern border.

Game of Thrones became a cultural phenomenon, attracting record viewership and an international fan base. It was widely praised for its acting, complex characters, storytelling, and production values. However, the show's frequent use of graphic violence and nudity sparked controversy. The final season faced criticism for its shorter length and creative choices, with many fans calling it disappointing. Despite this, the series won 59 Primetime Emmy Awards—the most for a drama series—including Outstanding Drama Series multiple times, as well as other major awards such as the Hugo and Peabody. (*Editors Note: The ending was perfect for this story!*)

Variety magazine is a leading weekly entertainment business publication that provides news, analysis, and perspective on film, television, theater, coverage since 1905.



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unless something changes, that's when Renee's East Texas comptroller run concludes.

With the logistics and Renee's work schedule, we didn't have a chance to spend time together for New Year's, so we'll make it up this month, since we'll be together this Valentine's Day. Truth be told, we spend 10 to 12 days together every month, so it's not too bad.

As we move into 2026, I wanted to stop and say how grateful I am to be part of your financial goals through a Reverse Mortgages. While many didn't understand its amazing benefits, for those whom I've had the chance to help, thank you, it's both an honor and a privilege. Any success I've seen wouldn't have been possible without you, and I sincerely appreciate you for your trust and confidence in me over the years.

In the coming months, there are proposed impacts from last year's H.R. 1 bill that haven't fully kicked in. Some items

were immediate; however, many tax benefits, deregulation, and the over \$21 trillion investments in the US could yield positive shifts in the economic landscape, with much-needed impact on the housing market, finance, and the economy as a whole.

There are many positive market changes and opportunities on the horizon, so if you or anyone you care about needs insights or has questions, give me a call. I'm always here to help.

Until next time...

— *David*

**David Stacy**

*"Mortgages for every stage of your life."*

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