

Beware The Lure Of Long-Term Care Insurance Policies Funded By Reverse Mortgages

Ontario, Calif., --- Every day, baby boomers are turning 60, says Frank N. Darras, the nation's leading disability and long-term care insurance lawyer. 75 million Americans over 50 are being aggressively targeted as potential new customers and every year, this number increases by 4 million.

With 75 million potential new customers the insurance industry is creating a variety of feature-rich, long-term care insurance policies funded by reverse mortgages so seniors can afford to make the high premium payments," says Darras. See www.darrasnews.com.

"Not so fast," warns Darras.

There are ways to get a reverse mortgage and there are limits as well. If you have built up equity in your home, you can convert a portion of that equity into cash. The equity built up over years of home mortgage payments can be paid to you. Unlike a traditional home mortgage or a second trust deed, no repayment is required with a reverse mortgage until the borrower(s) no longer use the home as their principal residence.

"Betting your house on an insurance policy can backfire and leave you with nothing," says Darras.

Darras explains, Just Say No:

If you get a value on your house and agree to receive a monthly payment for 10 years, that sounds okay. You live longer than those 10 years. Since you continued to live, you used up the allowance.

Suddenly, you have no house, no money and no where to live and nothing to leave to your heirs. This can happen to you, even with payments as little as \$200 per month.

Lenders promise, "No payments as long as you occupy the home." You need to understand what that means, says Darras. When they say tax free, you may not pay taxes for selling the house, but you still must pay social security, Medicare and property tax.

The reverse mortgage is based on your age and value of your home. You retain the title until your contract expires, then you may lose your home.

Some policies say that borrower's heirs retain 100% of the unused equity. Your heirs may have to come up with the money you used while living, to receive any equity at all!

"Every year, Generation X, Baby Boomers and Senior Boomers pay billions of dollars in insurance premiums; Be careful before you sign and remember to always get competent, free legal advice and never ever bet your house on an insurance policy," says Darras.

For more information visit our web site www.darrasnews.com or call 800-458-4577.

NOTE TO EDITORS: Darras available for interviews.
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