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MEMBER

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Special needs require special lawyers.

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REVERSE MORTGAGES BY KEITH ROBINSON

Until recently there were two main ways to obtain cash from your home. You could sell your home, but of course you would have to move. You could borrow against your home, but you would then have to make monthly payments. Reverse mortgages now give you a third way to obtain cash from your home without leaving the home or making monthly payments. A reverse mortgage is a loan against your home that you do not have to pay back as long as you live in the home. You can receive funds as a lump sum, in monthly payments, or at times and amounts as you choose like you can with an equity line.

There are several eligibility rules for reverse mortgages. For most reverse mortgages, all borrowers must be at least 62 years old. Additionally, owners must occupy the home as their principal residence for the majority of the year. Single family homes and most condominiums are eligible for reverse mortgages.

Reverse mortgages typically require no repayment as long as you live in your home. The mortgages are repaid in full with interest and other charges when the last living borrower dies, sells the home, or permanently moves away. Because the borrower makes no monthly payments and interest accrues, the amount owed on the reverse mortgage grows larger over time. Reverse mortgage borrowers continue to own their home, so they are still responsible for property taxes, insurance and repairs.

Most borrowers become interested in a reverse mortgage when they have a need to eliminate their current mortgage payment or receive cash from their home, while still being able to remain in their home. Reverse mortgages also are not credit based like most other mortgages, and verification or documentation of income is not a consideration.

A reverse mortgage is not right for everyone. They can be costly in both closing costs and also interest and fees that accrue over time, so all options should be considered.

The attorneys at Oast & Hook can assist clients with their estate, long-term care, investment and financial planning needs. They are available to discuss reverse mortgages as a planning option.

Keith Robinson is the Vice President of Mortgage Lending at Towne Bank. Oast & Hook thanks Mr. Robinson for his submission of this article to the newsletter.

Ask Allie

O&H: Allie, it's still vacation time. You've talked about taking your pet in the car with you, why don't you tell us about staying in a hotel with your pet.

Allie: Sure! There was a recent article in *Cat Fancy* magazine that discusses the difference between "pet-tolerant" and "pet-friendly" hotels. Pet-tolerant hotels permit people to have their pets stay in their rooms, sometimes for an additional fee or with a pet deposit. These hotels are good options for families on a budget, and they can be particularly helpful in emergencies, like hurricane evacuations. (One of our attorneys took her cats with her to such a hotel in Richmond, Virginia, during Hurricane Isabel in 2003). Pet-friendly luxury hotels permit us to roam the grounds (on leashes), and these hotels cater to us with special pet beds and spa services. We are treated like VIPs (Very Important Pets). Our owner's room may be stocked with a litter box, cat bed, treats and a cat-friendly room service menu. We may also find a "Pet Pampering Kit" complete with scratching post, toys and fresh-baked treats. Some pet-friendly hotels offer turndown services, including a kitty truffle or fluffy fleece blanket, and they may provide a special "cat-sitting" video to provide us with entertainment while our owners are away from the room. You will want to be sure to bring ID tags, vaccination records, and ask for a special door hanger, so the staff knows there is a VIP in the room. In a future issue of the *Oast Hook News*, I'll tell you about some of the luxury hotel chains on *Cat Fancy's* Top 10 List. Meow!



Please feel free to e-mail your questions to Allie at: allie@oasthook.com.

Announcement

Oast & Hook will hold its quarterly Social Workers and Administrators Breakfast on August 28th at the Virginia Beach Central Library. Registration begins at 8:30 a.m. and the presentation begins at 9:00 a.m. The breakfast is designed to be both a networking opportunity and also an educational

opportunity for area professionals who work with seniors, the disabled, and their families. This seminar's topic is "Sudden Changes in Cognition in Your Elderly Client." Oast & Hook attorney Letha McDowell and Barbara Williams will be the guest speakers. To register for this breakfast, please phone Linda Gerber at 757-967-9704.

Speakers

If you are interested in having an elder law attorney from Oast & Hook speak at an event, then please call Jennifer Lantz at 757-399-7506.

Distribution of This Newsletter

Oast & Hook encourages you to share this newsletter with anyone who is interested in issues pertaining to the elderly, the disabled and their advocates. The information in this newsletter may be copied and distributed, without charge and without permission, but with appropriate citation to Oast & Hook, P.C. If you are interested in a free subscription to the *Oast & Hook News*, then please e-mail us at mail@oasthook.com, telephone us at 757-399-7506, or fax us at 757-397-1267.

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