

<p>Contact: Debra Caruso DJC Communications (212) 907-0051 debra@djccommunications.com</p>	<p>Joseph Madden MetLife (212) 578-3021 jmadden@metlife.com</p>	<p>Connie Hofmann National Council on Aging (610) 687-5495 chofmann@aboutscp.com</p>
--	--	---

AS BOOMER RETIREMENT LOOMS, THE NEED TO LEVERAGE HOME EQUITY GROWS
Report from MetLife Mature Market Institute® and National Council on Aging
Recommends More Education for Using Home Equity and Reverse Mortgages in Retirement

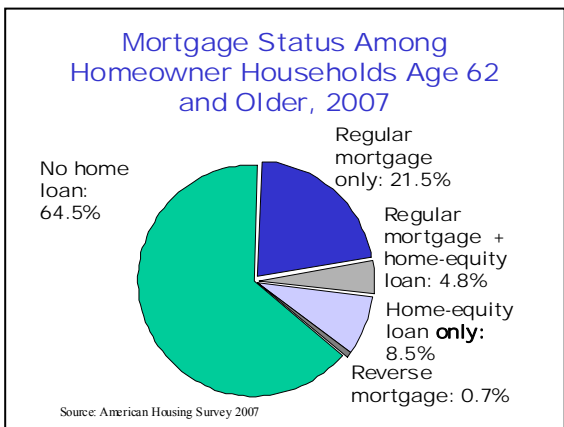
Westport, CT – June 22, 2009 – As today’s economic environment puts pressure on older homeowners to find new sources of retirement income and stretch their savings, growing numbers are starting to tap their housing wealth, using home-equity loans or reverse mortgages. However, with little guidance, they are often unsure about how to include this asset as an integral part of their financial strategy, rather than as a last resort. *Tapping Home Equity in Retirement: The MetLife Study on the Changing Role of Home Equity and Reverse Mortgages*, issued today by the MetLife Mature Market Institute (MMI) and the National Council on Aging (NCOA), calls for a more comprehensive approach to ensure that this asset is used appropriately and effectively to deal with the growing uncertainties of retirement.

“There is no doubt that Americans should be more strategic about using home equity,” said Sandra

Timmermann, Ed.D, director of the MetLife Mature Market Institute. “Retirees need a new framework for thinking about how home equity can help assure their financial security and enable them to age in place without fear of running out of money.”

Attributes of Homeowner Households Age 62 and Older, by Wealth Status					
	Affluent	Middle Income			Poor
	House-rich & cash-rich	House-rich or cash-rich	Moderate wealth	House-rich & cash-poor	House-poor & cash-poor
Median household values					
Age of householder	69	70	73	76	76
Home value	\$409,000	\$175,000	\$125,000	\$350,000	\$65,000
Household income	\$81,900	\$49,800	\$25,324	\$12,468	\$12,000
Has no mortgage/home loan	48%	60%	72%	71%	79%

Source: NCOA calculations based on data from the 2007 American Housing Survey



The study finds that 35% of older Americans see their homes not just as secure places to live, but also as collateral for a loan. About 14% are taking cash out of their house through a home equity loan or reverse mortgage. This is a growing reality for affluent households who seek to enhance their lifestyle, as well as middle-income families for whom it may be their only choice. Study findings indicate that older homeowners are using home equity to increase income security, enhance financial resilience to deal with unexpected expenses, and to improve debt management, among other things.

“Tapping home equity in a timely and appropriate way can keep

small budget shortfalls from becoming overwhelming problems,” said Barbara R. Stucki, Ph.D., director of the Reverse Mortgage Initiative for NCOA.

The study highlights different options for using home equity that are not part of the current national conversation. These include:

- The use of reverse mortgages to delay the age at which one might begin to collect Social Security, thus increasing the amount of one’s ultimate monthly Social Security income.
- Reverse mortgages as a stopgap measure to consolidate credit card debt, to cover investment losses or to defer mortgage payments.
- Periodic distributions that would tap home equity to help people meet expenses if they outlive their savings/retirement income.
- Programs that combine public benefits with modest amounts drawn from home equity to help seniors stay at home.
- Home equity lines of credit for emergency spending, such as home maintenance, without which many homes decay and lose value.
- Reverse mortgages with a line of credit option for borrowers to pay out-of-pocket health and home care expenses. Borrowers only pay the amount they use from the loan.

“Our research on Baby Boomers indicates that they are more open than previous generations to tapping home equity and considering reverse mortgages to help fund their retirement,” said Timmermann. “With the right guidance and policy protection, reverse mortgages can be an important financial option for Boomers who do not have adequate savings.”

The report emphasizes that consumer education must be part of any new efforts aimed at increasing the use of reverse mortgages. It reinforces the value of consumer counseling mandated by the U.S. Department of Housing and Urban Development for the popular Home Equity Conversion Mortgage (HECM) reverse mortgage program.

“The financial services industry, policymakers, and consumer advocates cannot be complacent about the potential benefits and risks of using home equity to address the challenges facing older Americans,” said Stucki. “We need to work together to educate consumers, create cost-effective financial products, and promote public policies that strengthen consumer protections for older homeowners.”

As a complement to the study, the Mature Market Institute is also introducing *The Essentials: Reverse Mortgages*, a free guide to help consumers better understand the product. It explains the terminology associated with these loans, presents some issues to consider, and provides answers to frequently asked questions about borrowing limits, qualifications and consumer protection, among other things.

National Council on Aging

The National Council on Aging (NCOA) is a nonprofit service and advocacy organization headquartered in Washington, DC. NCOA is a national voice for older Americans—especially those who are vulnerable and disadvantaged—and the community organizations that serve them. It brings together nonprofit organizations, businesses and government to develop creative solutions that improve the lives of all older adults. NCOA works with thousands of organizations across the country to help older adults find jobs and benefits to improve their health, live independently and remain active in their communities. www.ncoa.org

The MetLife Mature Market Institute®

Established in 1997, the MetLife Mature Market Institute (MMI) is MetLife’s research organization and a recognized thought leader on the multi-dimensional and multi-generational issues of aging and longevity. MMI’s groundbreaking research, gerontology expertise, national partnerships, and educational materials work

to expand the knowledge and choices for those in, approaching, or caring for those in the mature market.

MMI supports MetLife's long-standing commitment to identifying emerging issues and innovative solutions for the challenges of life. MetLife, a subsidiary of MetLife, Inc. (NYSE: MET), is a leading provider of insurance, employee benefits and financial services with operations throughout the United States and the Latin American, Europe and Asia Pacific regions.

The full study, *Tapping Home Equity in Retirement: The MetLife Study on the Changing Role of Home Equity and Reverse Mortgages*, and *The Essentials: Reverse Mortgages*, are available at www.maturemarketinstitute.com under "What's New." For more information about the MetLife Mature Market Institute, visit: www.maturemarketinstitute.com.

###