

# WEST VIRGINIA CODE: §47-24-4

## **§47-24-4. General rules for reverse mortgages.**

Reverse mortgage loans shall be governed by the following rules, without regard to the requirements set out elsewhere for other types of mortgage transactions:

(a) Interest. A reverse mortgage may provide for an interest rate which is fixed or adjustable, and may also provide for interest that is contingent on appreciation in the value of the property, including appreciation or shared equity.

(b) Intervening liens. All advances made under a reverse mortgage and all interest on such advances shall have priority over any lien filed after the closing of a reverse mortgage.

(c) Lender default. Lenders failing to make loan advances as required in the loan documents, and failing to cure such default as required in the loan documents, shall forfeit any right to collect interest. Lenders may also be subject to the penalty provisions set forth in chapter thirty-one-a of this code.

(d) Mortgage recordation tax. The recordation tax on reverse mortgages shall not exceed the actual cost of recording the mortgage.

(e) Periodic advances. If a reverse mortgage provides for periodic advances to a borrower, such advances shall not be reduced in amount or number based on any adjustment in the interest rate.

(f) Prepayment. Payment, in whole or in part, shall be permitted without penalty at any time during the period of the loan.

(g) Repayment.

(1) The mortgage may become due and payable upon the occurrence of any one of the following events:

(A) The title to the home securing the loan is sold or otherwise transferred;

(B) All borrowers cease occupying the home as a principal residence, subject to the additional conditions set forth in paragraph (A) and (B), subdivision (2), subsection (g) of this section;

(C) Any fixed maturity date agreed to by the lender and the borrower is reached; or

(D) An event occurs which is specified in the loan documents and which jeopardizes the lender's security.

(2) The repayment requirement is also expressly subject to the following additional conditions:

(A) Temporary absences from the home not exceeding sixty consecutive days shall not cause the mortgage to become due and payable;

(B) Temporary absences from the home exceeding sixty consecutive days but less than one year shall not cause the mortgage to become due and payable so long as the borrower has taken prior action which secures the home in a manner satisfactory to the lender;

(C) The lender's right to collect reverse mortgage proceeds shall be subject to the applicable statute of limitations for loan contracts in section six, article two, chapter fifty-five. Notwithstanding section six, the statute of limitations shall commence on the date that the mortgage becomes due and payable;

(D) The lender must prominently disclose in the loan document any interest or other fees to be charged during the period that commences on the date that the mortgage becomes due and payable, and ends when repayment in full is made.