

## Board Agenda Item

Board Meeting: October 20, 2025

### Homeownership Program

#### Reverse Annuity Mortgage Program – Maximum Loan Amount Discussion

Since the inception of the Reverse Annuity Mortgage Program (RAM), 251 loans totaling \$16,516,329 have supported Montana seniors over 68 years of age to remain in their homes. RAM loan recipients have benefited from monthly payments to supplement their income as well as pay off debts and make updates to their homes. The program has lent not only to traditional stick built homes but also manufactured homes, condominiums, townhomes, log homes, and even one classified as a covered wagon.

As of September 30, 2025, the RAM program has total cash available of \$5,864,059.34. The current total amount pledged to active loans is \$1,139,893.98. Active loans are loans that have been approved and are currently receiving monthly payments. This leaves the total available balance of \$4,724,165.36 remaining to lend to qualified borrowers. However, the Board does need to retain some level of funds to front monies for property taxes and insurance for RAM loan recipients who have achieved all monthly payments due but who lack sufficient resources to pay these costs.

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|--------------------------------|----------------|
| Total cash available           | \$5,864,059.34 |
| Pledged amount on active loans | \$1,139,893.98 |

**Montana Department of Commerce** | [commerce.mt.gov](https://commerce.mt.gov) | Montana Board of Housing  
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Available funds left to lend

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\$4,724,165.36

Currently, the maximum RAM loan amount is \$150,000.00. The Board has received applications with small primary mortgage balances outstanding, but the balances were just slightly too large to take out with the maximum \$150,000.00. Taking our available funds to lend and dividing by \$250,000.00 would equate to the Board's ability to lend to approximately 18-19 more borrowers. Maintaining the maximum RAM loan amount at \$150,000.00 would equate to 31-32 borrowers.

MBOH staff request that the Board discuss raising the maximum RAM loan amount to from \$150,000 to \$250,000. Although this increase would reduce the total number of borrowers the program could assist by 12 to 13, increasing the maximum loan amount could open up the program to potentially assist borrowers that have increased needs to pay off their remaining mortgage, updates to their homes, pay off debt or a myriad of other beneficial and stabilizing uses. Administrative rules give the Board the authority to set and change the maximum dollar amount of a loan.

#### 8.111.405 INCOME LIMITS AND LOAN AMOUNTS

(2) A loan amount may not exceed 80% of the appraised value of the property. The board will set the maximum dollar amount of a loan which amount may be changed by the board. The minimum dollar amount of a loan is \$15,000.