

Is a Reverse Mortgage Right for You?

If you are a senior homeowner who is having problems keeping up with medical, household and day-to-day living expenses, perhaps a reverse mortgage can help by converting your home equity into cash you can use today.



How can a reverse mortgage help?

- ✓ If you owe little or nothing on your home, you may be able to borrow against a large part of its equity without making monthly repayments.
- ✓ The older you are, the more equity you can tap. Available funds are determined by the owner's age, current interest rates and the home's market value.
- ✓ No repayment is due until the owner's death, sale of the home, or permanent departure from the property.
- ✓ You can draw upon funds as a monthly supplement to income, as a lump sum, or both.
- ✓ If your home loses value, you can never owe more than what the home is worth when sold.

A reverse mortgage is not for everyone

- ✓ Over shorter periods, the upfront expenses of a reverse mortgage are considerably higher than those for most home equity loans. Because of this, reverse mortgages tend to be a better fit for seniors who plan on staying in their homes for the foreseeable future.

- ✓ Younger seniors will be able to borrow less. Currently, an 80-year-old can borrow up to 72 percent of their home's value, while a 62-year-old can tap just 62 percent.
- ✓ A reverse mortgage is not a good option for seniors wishing to leave their homes to their children. Terms require sale of the home shortly after the owner's death.
- ✓ Surviving spouses whose names are not on the mortgage may be required to pay off the loan upon the owning spouse's death. Issues are now being decided in court.

If you want to age in place but feel you can't afford to, your SRES® can help you learn more about reverse mortgages. An SRES® works with reverse mortgage counselors and lenders to provide clients with financial alternatives to selling their home. Counselors will determine your eligibility and assess the amount available based on the home value, age of the homeowner, and area of the country in which the owner resides.

You can count on an SRES® to guide you through the process of selling your home, making the transaction less stressful and more successful.

The Seniors Real Estate Specialist® (SRES®) designation is awarded by the SRES® Council, a subsidiary of the National Association of REALTORS® (NAR).

To learn more about SRES® and access various consumer resources, please visit SRES.org.

