WHEN TO CALL RICHARD | Retirement Architecture Advisory

When Housing Equity May Affect a Tax or Retirement Decision

Before a client creates a tax consequence, liquidity problem, or irreversible housing decision, consider whether the home should be part of the analysis.

Consider calling Richard when a client:

- Plans a large IRA or retirement-account withdrawal to pay off debt or cover a major expense
- Has substantial home equity but limited cash flow, reserves, or access to usable cash
- Needs funds for caregiving, medical costs, home modifications and repairs, or aging in place
- Is considering selling investments or appreciated assets to create liquidity
- Has reduced income after the death of a spouse
- Relies on a HELOC as a long-term retirement contingency fund
- Wants to help children or grandchildren without weakening personal liquidity
- Is considering selling the home primarily because of financial pressure
- Wants to purchase a different home while preserving part of the sale proceeds
- Wants to eliminate or reduce a required monthly mortgage payment
- Faces a significant tax liability or estimated-tax payment without sufficient liquid reserves

What the Preliminary Review May Include

PRELIMINARY HOUSING-EQUITY REVIEW

- Available HECM proceeds and mortgage payoff options
- No required payment and optional payment strategies
- Future line-of-credit availability and projected balance
- Projected remaining home equity and HECM for Purchase alternatives
- Side-by-side HECM scenario comparisons based on the client's goals and circumstances

A COLLABORATIVE PROCESS

The CPA remains the tax advisor. The financial advisor remains responsible for the investment and retirement plan. Richard models and explains the housing-finance alternatives so the professional team can evaluate them alongside tax, investment, cash-flow, and estate considerations.

A preliminary conversation can begin with a hypothetical or anonymized client situation. No client introduction is required until the team agrees that further exploration may be appropriate.

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