Understanding Reverse Mortgages

Did you know? Reverse mortgages are continuing to gain popularity for older homeowners in Canada! For many Canadians who are looking to retire but currently facing high debt load and ongoing expenses, as well as reduced income, it can be a challenge. This is where the reverse mortgage can help!

This product is also a great option for anyone wanting to assist their elderly parents. Instead of selling the home and moving them to a care home or assisted living, a reverse mortgage is a terrific way to access the equity in the home, month by month, to pay for in-home and ongoing care costs.

The goal of the reverse mortgage is to allow Canadians over 55 years to tap into the equity of their home, which assists in comfortable financial living. With a reverse mortgage, however, borrowers are not required to make regular payments. This allows them a considerable inflow of cash, without having to pay off what they owe! The only time payment will be required is when you sell or move out of your home.

Reverse mortgages are designed to allow you to access up to 55% of your home's equity, thereby allowing you to convert your home equity into cash. This can be done as either a one-time lump sum payment, or you can choose to structure it to receive monthly payouts.

Beyond being able to cash in on your home's equity, a reverse mortgage also has:

· No monthly mortgage payments

· No income or credit qualifications

· Very low / little paperwork required

· Title and ownership of property remain in homeowner's name

· Flexible options to break term early if needed

· Penalty waived in the event of death or care home placement to preserve the estate

If you are struggling financially, or want to have a little extra equity on hand to pay off existing debts, gift money to family, expand your quality of life or simply increase your investment portfolio, contact me today! I would be happy to discuss the possibility of a reverse mortgage in further detail with you and ensure it is the best product to suit your needs.

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