



1. IT SOUNDS TOO GOOD TO BE TRUE, HOW DOES THIS WORK?

There are many misconceptions about reverse mortgages, so it is important to know the facts. A reverse mortgage, or HECM (Home Equity Conversion Mortgage) is a federally insured loan that allows you to tap into the equity you have built up in your home.

2. DO MY CHILDREN/FAMILY MEMBERS LOSE THEIR INHERITANCE?

No. A borrower may designate an heir of their choosing. The heir(s) will inherit the home after the last surviving borrower passes away and may then choose to keep (by paying off the amount of reverse mortgage balance) or sell the home. Should they choose to sell, any remaining equity after paying off the loan (minus interest and/or fees) would be theirs.*

3. IF I HAVE AN EXISTING MORTGAGE, CAN I GET A REVERSE MORTGAGE?

Yes. Many borrowers use a reverse mortgage to pay off their existing mortgage and eliminate their monthly mortgage payment.** In many cases, there is a line of credit left over for the borrower.

4. HOW MUCH DO I QUALIFY FOR?

The amount you can borrow is dependent on several factors including: age, home appraisal value and current interest rates.

5. WILL A REVERSE MORTGAGE AFFECT MY SOCIAL SECURITY OR MEDICARE BENEFITS?

You should always check with your tax specialist before applying, however, in general, a reverse mortgage does not affect Social Security and/or Medicare.

6. WILL THE BANK OWN MY HOME?

The bank does not take ownership of your home, they simply extend a loan to you. You continue to own and live in your home and are responsible for payment of property taxes, required insurance and any applicable HOA fees.*

7. DO I NEED TO BE SUFFERING A FINANCIAL HARDSHIP TO QUALIFY?

No. It is another common misconception that reverse mortgages are only available to those who are struggling financially. In fact, many affluent borrowers who work with financial planners are using this as a tool to better their quality of life during retirement.

8. ARE THERE ANY RESTRICTIONS ON HOW I CAN SPEND MY LOAN PROCEEDS?

There are no restrictions once any existing mortgages or liens are paid off. Many reverse mortgage borrowers use their cash payments to pay medical bills, travel or simply supplement their retirement income.

9. HOW DO I QUALIFY?

- Be 62 years or older***
- Must be living in home as primary residence; vacation homes and investment properties do not qualify
- Complete a HUD-approved counseling session
- Must keep property taxes, homeowners insurance, and any applicable HOA fees current.
- Financial Assessment Required

* Must comply with terms of mortgage

** Must maintain home as primary residence and keep property taxes, insurance and HOA dues current.

***In Texas both borrowers must be 62 or older

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