

# Reverse Mortgage Guide



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*A Comprehensive Guide by The Housing Assistant*



## What is a Reverse Mortgage?

A reverse mortgage is a loan product designed for homeowners aged 62 or older. It allows them to convert part of their home equity into cash without making monthly mortgage payments. The loan is repaid when the borrower no longer occupies the home. Reverse mortgages help seniors stay in their homes while supplementing retirement income.

## Types of Reverse Mortgages

Type	Description	Best For
HECM	Federally-insured reverse mortgage backed by HUD.	Most common and safe option for seniors.
Proprietary	Private reverse mortgage not insured by the government.	Owners of high-value homes.
Single-Purpose	Offered by local governments/nonprofits for specific purposes.	Low-income seniors needing repairs or taxes.

## Qualification Requirements

- Borrower must be 62 years or older.
- Home must be primary residence.
- Sufficient equity in the home.
- Ability to pay property taxes, insurance, and maintenance.
- Mandatory HUD-approved counseling.

### THA Tips

- Reverse mortgages aren't free money—review all fees and terms.
- Talk to family or a financial advisor before making a decision.
- Consider the impact on heirs or estate plans.
- Use only for essentials: healthcare, home improvements, or daily expenses.