

Discover Today's Reverse Mortgage

A Smart Financial Option For Seniors

Reverse mortgages can be a useful tool for qualified homeowners aged 62+ years attempting to convert the equity in their home into cash. Adding this loan to your product mix may increase your loan volume when the alternatives are not the best option for your customer's needs. Below is a comparison of reverse mortgages and other options.

	Reverse Mortgage	Home Equity Line of Credit	Forward Mortgage	Sale
Key Benefits	No monthly payments; limited income requirements	Low upfront cost; quick to get	Can extract most equity	Obtain more appropriate housing; only option for many
Key Drawbacks	Complex product features	Income required; At year 10, payments balloon and availability goes away	Largest monthly payment; income required	Requires stressful relocation; highest transaction costs
Ability to Age in Place	✓ Yes	✓ Yes	✓ Yes	✓ No
Underwriting	✓ Primarily asset-based	✓ Stringent income requirements	✓ Income and asset requirements	— Not applicable
Closing Costs	✓ Higher, but often financed. Low-fee options	✓ Low	✓ Can be high, usually paid in cash	✓ Highest, but deducted from proceeds
Available Proceeds	✓ 40%-60% of home value	✓ Up to 80% of home value	✓ Up to 80% or higher, depending on loan	✓ 100%
Payment to Borrower	✓ Line of credit, lump sum or monthly annuity	✓ Line of credit	✓ Lump sum	✓ Lump sum
Loan Repayment	✓ Due when last borrower dies or moves out	✓ Monthly payments with minimum required. Start paydown at year 10	✓ Principal and interest payments over time	— Not applicable

To learn more, contact:

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Source: HECM dataset, MetLife studies, AARP Research.

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