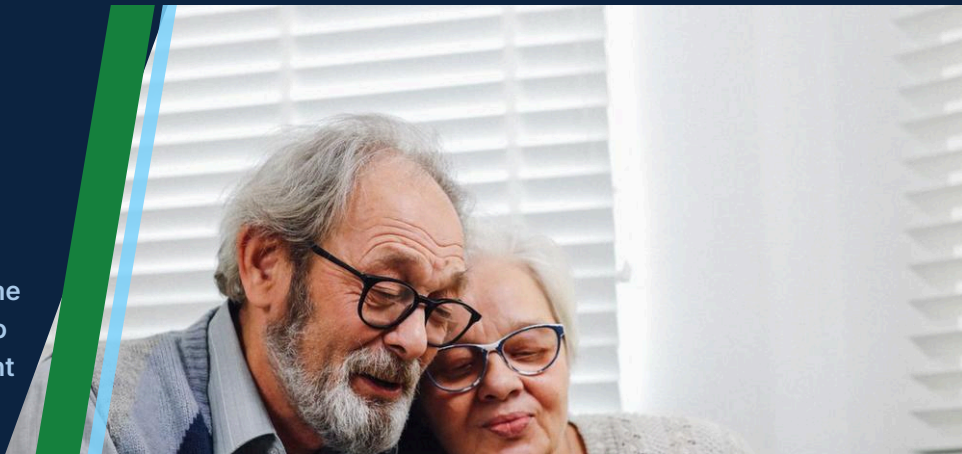


How a Reverse Mortgage Really Works

For homeowners 62 and up, a HECM turns home equity into cash or a growing credit line with no monthly mortgage payment. Here is the straight version.



THE BASICS

A Home Equity Conversion Mortgage is FHA insured and open to homeowners 62 and older living in the home as their primary residence. The loan pays off any existing mortgage first, then the rest is yours as a lump sum, monthly payments, a line of credit that grows over time, or a mix. Interest accrues on what you use and nothing is due until the last borrower moves out, sells, or passes away.

01

WHAT YOU STILL OWE

You keep the title and you keep the obligations: property taxes, homeowners insurance, HOA dues, and upkeep. Miss those and the loan can be called due. Every borrower completes a short HUD approved counseling session before applying, and a financial assessment confirms you can carry the taxes and insurance.

02

HEIRS AND THE HOME

The loan is non recourse. You or your heirs never owe more than the home is worth when it is sold, and FHA covers any shortfall. Heirs who want to keep the house can pay off the balance or 95% of the appraised value, whichever is less. Any equity above the balance still belongs to your estate.

03

WHO IT FITS

Retirees with real equity and a tight monthly budget, homeowners who want a standby credit line for later, and anyone who would rather not sell the family home. Not a fit if you plan to move within a few years.

This material is not from HUD or FHA and was not approved by HUD or any government agency.

QUICK FACTS

- ✓ Age 62 and up, primary residence only
- ✓ No monthly mortgage payment required
- ✓ 2026 lending limit: \$1,249,125 in home value
- ✓ Line of credit grows every year it goes unused
- ✓ Non recourse: never owe more than the home is worth
- ✓ Taxes, insurance, and HOA remain your responsibility



Let's run your real numbers.

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