

About Reverse Mortgages

A reverse mortgage is a loan designed to convert equity in a home into available cash. While most mortgages require you to make a payment, a reverse mortgage can actually make payments to you! The greatest benefit of a reverse mortgage is that there are no payments due as long as you live in your home. Reverse mortgages are different than a typical home loan in the following ways:

- Your income is not a factor in being approved
- There is no minimum credit score requirement
- There are no monthly payments due
- You are protected against ever owing more than your home is worth
- You can never lose your home as long as you maintain the property and keep the taxes/insurance paid.

In order to be approved for a reverse mortgage you must be 62 years or older and have equity in your home. If you fit this profile, you should consider a reverse mortgage to accommodate retirement rather than downsizing or renting. In addition, you could use the money from your reverse mortgage however you want!

Who is eligible for an FHA reverse mortgage?

To be eligible for a federally insured Home Equity Conversion Mortgage (HECM), or reverse mortgage, all borrowers must be at least 62 years or older, own and occupy the property, and should have either no mortgage or one small enough to be paid off with the proceeds of the HECM loan. All borrowers must also have attended counseling from a HUD approved counseling agency.

The property may be an existing single family home, condominium unit, a manufactured home, or a 2-4 family residential unit as long as the borrower occupies one of the units. Newly constructed residences are also eligible provided that a certificate of occupancy (or equivalent) has been issued for the new home by the local authority, the new home is 100% complete, and the owner is occupying the new home. Both existing and new units must meet HUD eligibility standards.

To learn more contact:

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