

# Safe Money Advisory



## All About Reverse Mortgages

**Houston, Texas  
For Immediate Release**

Reverse Mortgages are currently the hottest part of the real estate market, especially for retirees. It is an option you need to know about. Here are the requirements: you must be at least age 62 and own a home in which you have equity. Let's immediately dispel the common misconceptions about Reverse Mortgages: your retirement benefits and Social Security will not be affected; there is no danger of foreclosure from non-payment because there are no mortgage payments – that's right, none; you don't have to move from your home unless you do so voluntarily; you get tax-free cash that can be spent on whatever you want – vacation home, health care, new car, investments, or whatever. There is no credit check, no medical examination and no income verification. Only your age and home value are important, with no upper limits on either.

The Reverse Mortgage is the mirror image of a regular mortgage: now your home pays you – monthly installments, a lump-sum or gives you a line-of-credit from which you can withdraw money as needed. There is no mortgage payment, but the interest is added to the loan amount each month to be paid when you die or voluntarily move. The Reverse Mortgage loan is non-recourse: if the value of the home isn't enough to cover the loan, you're not responsible for the shortage – and neither is your estate or children. If the value of the home exceeds the loan repayment, you or your estate will get to keep the excess. In the meantime, you live in your home indefinitely without mortgage payments. You simply have more money for a better lifestyle.



**How much money can you get from your home by using a Reverse Mortgage?** That depends on your age, current mortgage rates, and the value of your home. The good thing to remember is that your income will not go down and neither will your savings – you'll just have more cash, no mortgage payments and you won't have to move. What's more, the closing costs can be built into the loan. Of course, you'll still have the expense of home insurance, property taxes and regular up-keep, but you'd have these regardless. By the way, interest rates on Reverse Mortgages are comparable to regular mortgages.

Will your children object? The best way to find out is discuss it with them. Generally, the children don't want to live in your home after you're gone. In the meantime, they may worry that you'll become a financial burden because of a medical emergency, needing long-term convalescent care, or entering a nursing home or assisted living center. Heirs are usually glad to see their loved ones use their hard-earned home equity to improve their lifestyle or prepare for an uncertain medical future.

If you don't want to use a Reverse Mortgage but need your home equity to improve your retirement lifestyle, what are your other options? First, sell your home and move to an apartment, smaller home or live with your children. These may not be good options, but you still have them even if you first do a Reverse Mortgage. You can repay at any time without penalty. The loan must be repaid only when you voluntarily move or the last spouse passes away. Second, get a home-equity loan which requires monthly payments. The payments associated with this option could become a burden if you have an expensive medical or unexpected emergency.

**Is a Reverse Mortgage something you should do?** That depends on your circumstances, but it is an option you need to know about just in case. Even if you don't need the money, a Reverse Mortgage can also be used in your estate planning to save taxes for you and your heirs. The Reverse Mortgage money can even be used to purchase a vacation home. There are no restrictions on how you use the money. Whether you want to boost your lifestyle, prepare for a "rainy day" or save estate taxes, you need to investigate the Reverse Mortgage – many senior homeowners are happy they discovered this option. Your financial advisor can provide more information and help you learn more about Reverse Mortgages. You can also find help by doing an Internet search for [\*Reverse Mortgages\*](#). Always know your options!

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