

# REVERSE MORTGAGES

## 5 Frequently Asked Questions

### WHAT IS A REVERSE MORTGAGE?

**1** A reverse mortgage is a borrowing option available to homeowners age 62 and up that allows you to use the equity in your home for cash to cover a variety of expenses. With a reverse mortgage, instead of making monthly payments,\* the loan balance is repaid in one lump sum once you sell or permanently leave your home.

### WILL I STILL OWN MY HOME IF I TAKE OUT A REVERSE MORTGAGE?

**2** You continue to own and live in your home and remain responsible for payment of property taxes, homeowners insurance and keeping the home maintained.

### WHAT IS THE DIFFERENCE BETWEEN A REVERSE MORTGAGE AND A HOME EQUITY LOAN?

**3** With a reverse mortgage, you do not have to make monthly payments\* and you do not need to pay back the loan until you sell or permanently leave your home. Although there are no monthly mortgage payments, interest and FHA insurance premiums are added to the loan balance every month during the life of the loan. A home equity loan or line of credit requires you to make monthly payments of interest and some require principal and interest payments.

### HOW MUCH MONEY WILL I GET THROUGH A REVERSE MORTGAGE?

**4** The amount you can borrow depends on several factors including your age, the home's appraised value and current interest rates, among others. Talk to a Reverse Mortgage Specialist at Homeowners Financial Group to learn more.

### WHAT ARE THE UPFRONT FEES OF A REVERSE MORTGAGE?

**5** Most reverse mortgages have standard upfront fees, mortgage closing costs and an initial FHA mortgage insurance premium. Most of these can be added to the amount borrowed. They are repaid, along with accrued interest, when the loan becomes due.

*\*The borrower will be responsible for repaying property charges including homeowners insurance, taxes and maintenance of home for the term of the loan.*

*These materials are not from HUD or FHA and were not approved by HUD or a government agency.*

Contact us today!

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