REVERSE MORTGAGE FACT SHEET

* What is a reverse mortgage?
   A LOAN made to a homeowner, age 62 or older, which is not repaid until the homeowner dies OR moves from their home OR fails to pay property taxes or property insurance premiums.

* How does it work?
   The homeowner changes their home equity into cash.

* What is equity?
   It's what your home is worth minus any money you owe on any mortgages or liens.

* How much money can I get?
   It depends on the amount of equity in the home, your age, the age of your spouse, the interest rate on the LOAN and your credit history.

* How is the money paid out?
   In a single payment, in monthly installments or as a line of credit.

* Will the cash I receive be counted as income and make me ineligible for public benefits?
   The cash you receive may be counted as income. If you receive SSI or Medicaid, you should consult an attorney before applying for a reverse mortgage.

* What are the homeowner’s obligations after getting a reverse mortgage?
   The homeowner must live in the property, pay real estate taxes and insurance premiums and keep the house in good repair.

* How much does a reverse mortgage cost?
   A reverse mortgage is an expensive, complicated LOAN with closing fees starting at $2500 and these fees must be paid before the homeowner receives any cash.

If you have questions, call SeniorLAW Helpline at 215-988-1242
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