


# FACT <sup>VS</sup> FICTION

## MYTH

### REVERSE MORTGAGE MYTHBUSTERS



## FICTION

A reverse mortgage puts the borrower's homeownership in jeopardy.

Reverse mortgages do not allow the borrower to make payments.

The heirs will be responsible for the debt.

## FACT

With a reverse mortgage, the borrower(s) stay in possession of the title and can continue to live in the home as long as the loan requirements are maintained.\*

Borrowers can make optional payments\* at any time during the loan. This option provides them with the ability to preserve equity as desired.

As a non-recourse loan, the borrower and their heirs will not owe more than the value of the home when the loan becomes due and payable.

\*With a reverse mortgage, no monthly mortgage payment is required. Borrowers are responsible for paying property taxes and homeowner's insurance (which may be substantial). We do not establish an escrow account for disbursements of these payments. Borrowers must also occupy home as primary residence and pay for ongoing maintenance; otherwise the loan becomes due and payable.

# FICTION

It's a last resort loan for the house-rich and the cash-poor.

The home cannot be refinanced or sold after the owner gets a reverse mortgage.

# FACT

The reverse mortgage can play a key role in financial planning for retirement. Home equity is an asset that should be considered by all homeowners looking to improve retirement outcomes.\*\*

The home can be sold at any time and the proceeds can be used to pay off the reverse mortgage. The loan can be refinanced into a traditional mortgage, or under certain circumstances, another reverse mortgage.

## GET IN TOUCH

\*\*Consult your financial planner or advisor.



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