



Home Reverse

POWERED BY | **BARRETT**
FINANCIAL GROUP

RETIREMENT PLANNING · HOME EQUITY STRATEGY

A Homeowner's Guide to Reverse Mortgages

How to put your home equity to work in retirement — without selling or moving.

Presented by Home Reverse · (888) 274-0009 · homereverse.com

Your home may be your most powerful retirement asset.

If you're like most homeowners over 62, the largest single asset you own isn't in a bank or a brokerage account — it's the home you live in. Decades of payments and rising values have quietly built something substantial: equity.

The question this guide helps you answer is simple — **is that equity working as hard for your retirement as you worked to build it?** A reverse mortgage is one way to turn part of it into cash you can actually use — to retire a monthly mortgage payment, supplement income, create a cushion, or cover healthcare — all while you keep living in, and owning, your home.

Inside this guide

- What a reverse mortgage really is — and the three kinds that exist
- How it works, and the ways you can receive the money
- Who qualifies, how much you may access, and what the process looks like
- How it compares to a HELOC, a refinance, or downsizing
- The protections built in — and how to spot a bad deal
- The biggest myths, answered honestly — plus a short self-assessment



Helping homeowners stay in the homes they love.

What is a reverse mortgage?

A **reverse mortgage** lets homeowners aged 62 and older convert part of their home equity into cash — without selling the home and without taking on a required monthly mortgage payment.

A traditional ("forward") mortgage works one way: you send the lender a payment every month, and your balance shrinks toward zero. A reverse mortgage runs the other direction. Instead of you paying the lender, the lender makes funds available to **you**, and the balance grows over time as interest is added. It's settled later — typically when you sell, move out permanently, or pass away.



You stay on the title. With a reverse mortgage, you remain the owner of your home — the lender simply records a lien to secure the loan, exactly as a regular mortgage does.

Three reverse mortgage options

1

HECM — the standard

The FHA-insured Home Equity Conversion Mortgage — the most common reverse mortgage, and the focus of this guide. Tap the equity in the home you already live in, with the full set of federal protections.

2

HECM for Purchase

Uses a reverse mortgage to **buy** a new primary residence — so you can move without taking on a required monthly mortgage payment on the new home.

3

Jumbo (proprietary) reverse mortgage

A private loan for higher-value homes that exceed the FHA lending limit, designed to unlock more of your equity. Some programs are available as young as 55 in eligible states.

Which reverse mortgage is right for you?

All three options share the same foundation — you keep your home, there's no required monthly mortgage payment, and you're protected by independent counseling and non-recourse safeguards. What changes is the goal each one is built to serve.

HECM THE STANDARD

The Home Equity Conversion Mortgage is the FHA-insured reverse mortgage most homeowners choose. It converts the equity in the home you already live in into cash — as a lump sum, monthly payments, a growing line of credit, or a combination — with the full set of federal protections.

Best for: Homeowners 62+ staying in their current home, with a value at or below the FHA limit (\$1,249,125 in 2026).

HECM for Purchase BUY YOUR NEXT HOME

Planning a move? A HECM for Purchase lets you buy a new primary residence with a reverse mortgage — you bring a one-time down payment, the loan covers the rest, and you own the new home with no required monthly mortgage payment. One transaction instead of a sale plus a separate purchase.

Best for: Homeowners 62+ who want to right-size, relocate closer to family, or move to a more accessible home.

Jumbo Reverse FOR HIGHER-VALUE HOMES

When a home is worth more than the FHA lending limit, a jumbo (proprietary) reverse mortgage — a private loan — can unlock substantially more of that equity. Because it isn't federally insured, terms vary by lender, and some programs are available to homeowners as young as 55 in eligible states.

Best for: Owners of higher-value homes who want to access more than a standard HECM allows.

Most homeowners start with a HECM — but the best fit depends on your goal and your home. A free consultation sorts it out in minutes.

How a reverse mortgage works

No required monthly mortgage payment. This is the feature that draws most people in — it can free up real room in your monthly budget. (You're always welcome to make voluntary payments to keep the balance lower; there's no penalty.)

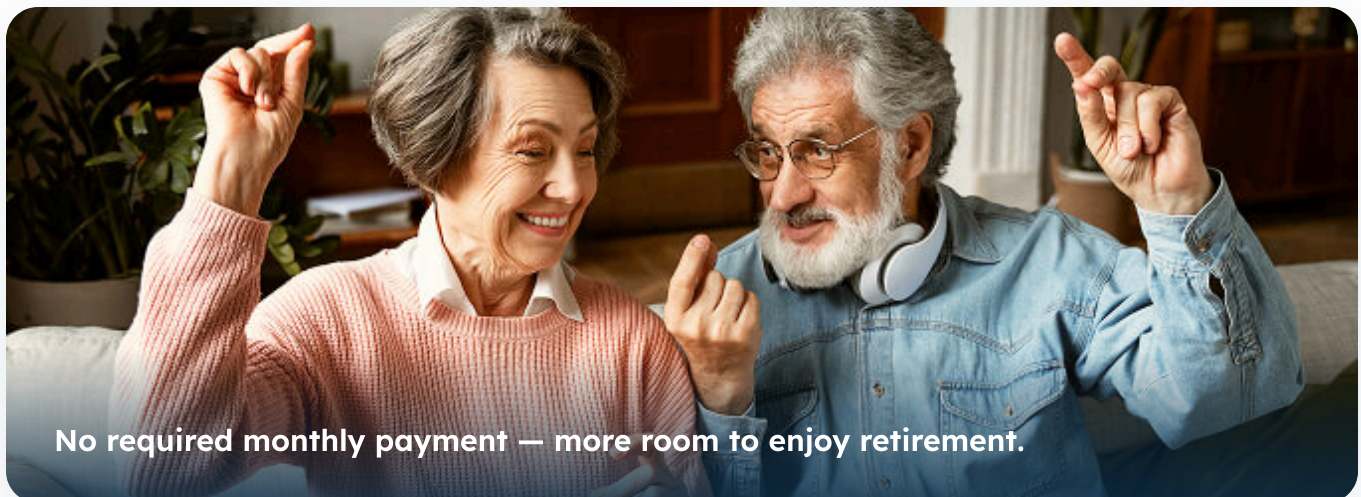
You still own and care for your home. Because you remain the owner, you stay responsible for property taxes, homeowners insurance, and basic maintenance — exactly what the financial assessment is designed to confirm you're set up to do.

The balance grows over time. Because you're not making monthly payments, interest is added to the balance rather than paid down. Your equity decreases as the balance rises — normal and expected, which is why we'd never call a reverse mortgage "free money."

Two protections worth understanding now

It's non-recourse. Neither you nor your heirs will ever owe more than the home is worth when the loan is repaid. If the balance has grown past the home's value, FHA insurance covers the difference.

Your heirs have options. They can keep the home by paying the lesser of the balance or **95% of its appraised value**, sell it and keep any remaining equity, or walk away owing nothing beyond the home itself.



No required monthly payment — more room to enjoy retirement.

The ways you can receive your money

One of the most flexible parts of a reverse mortgage is **how** the funds reach you. Depending on the program you choose, your options generally include:

- A A lump sum**
A single payout at closing. (This option comes with a fixed interest rate; the others below use an adjustable rate.)
- B Monthly payments**
A steady stream — either for as long as you live in the home, or for a set number of years.
- C A line of credit**
Funds you draw on only when you need them. With a reverse mortgage, the unused portion can grow over time — giving you more available later than you started with, something a HELOC doesn't offer.
- D A combination**
For example: pay off your existing mortgage at closing, take some cash now, and keep the rest as a growing line of credit for the future.

Many homeowners start with one clear goal — eliminate the current mortgage payment first — then decide how to use whatever is left.



The line-of-credit advantage. On an adjustable-rate reverse mortgage, the unused portion of your credit line grows over time — so a line you set up today can be worth more when you actually need it.

Who qualifies?

Reverse mortgage eligibility is refreshingly straightforward. For a HECM, you'll generally need:

- ✓ **Age 62 or older.** The youngest borrower (or an eligible non-borrowing spouse) must be at least 62.
- ✓ **A primary residence.** The home must be where you live most of the year. Single-family homes, many condos and townhomes, and some FHA-approved manufactured homes qualify.
- ✓ **Enough equity.** You'll generally need to own outright or have enough equity to pay off any existing mortgage at closing — which many homeowners use a reverse mortgage to do.
- ✓ **A financial assessment.** The lender reviews your income and credit history — not as a pass/fail credit-score test, but to confirm the loan is sustainable and you can keep up with taxes, insurance, and upkeep.
- ✓ **HUD-approved counseling.** An independent counseling session — required, and genuinely useful — to make sure you understand the program, costs, and alternatives.

If one spouse isn't on the loan

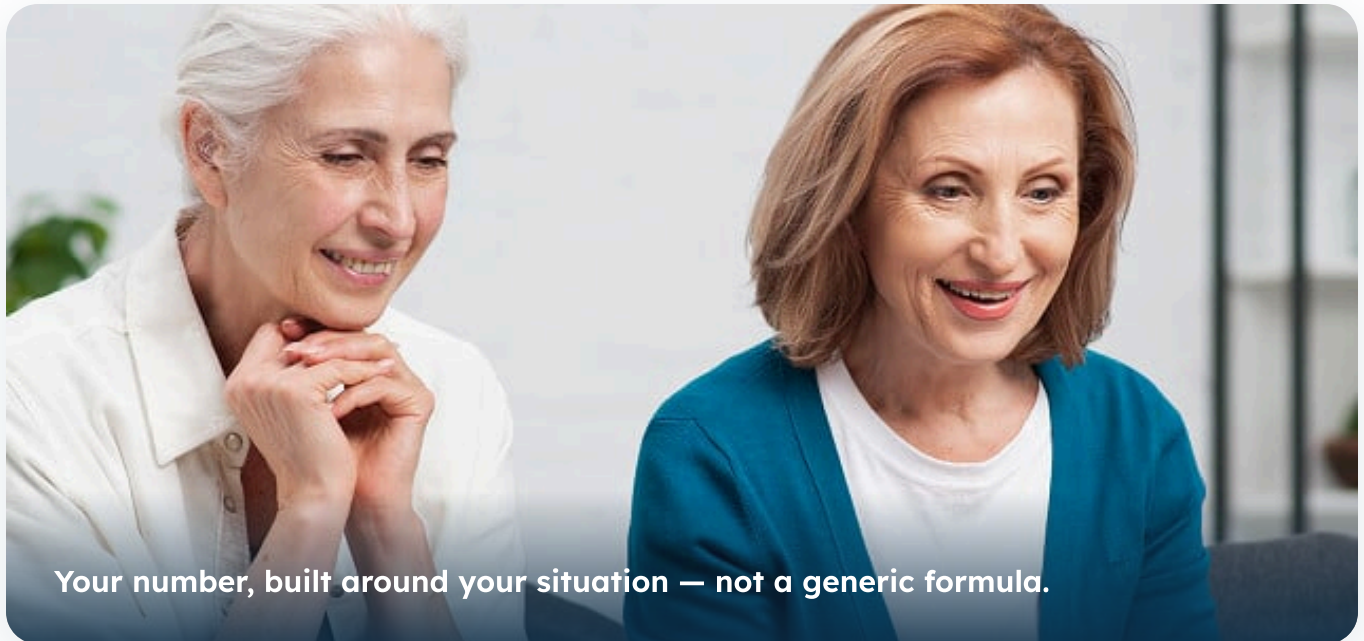
A HECM includes **non-borrowing-spouse protections**. An eligible spouse may remain in the home after the borrowing spouse passes away — provided they were married at closing and named in the documents, the home stays their primary residence, and the loan's obligations (taxes, insurance, upkeep) continue to be met. An important safeguard for couples, and a great question to raise early.

How much can you access?

There's no one-size-fits-all number — and you should be skeptical of anyone who quotes a flat percentage before learning anything about you. The amount available depends on:

- ✓ **The age of the youngest borrower** — generally, the older you are, the more you may access.
- ✓ **Your home's appraised value.**
- ✓ **Current interest rates.**
- ✓ **The program and payout option** you select.

There's also an upper limit set by the FHA on how much home value can be counted. Importantly, **that limit is a ceiling, not the amount you'd receive** — your actual available funds are typically well below it, driven by your age and rates. In some cases, part of your funds is set aside up front to cover future property taxes and insurance (a **Life Expectancy Set-Aside**) — reducing the cash you receive, but adding real peace of mind.



Your number, built around your situation — not a generic formula.

Reverse mortgage vs. the alternatives

A reverse mortgage isn't the only way to tap home equity. Here's an honest look at how it compares for a homeowner in or near retirement.

	Reverse (HECM)	HELOC	Cash-Out Refi	Sell / Downsize
Required monthly payment?	No	Yes	Yes	—
Minimum age	62	None	None	None
Keep living in your home?	Yes	Yes	Yes	No
When is it repaid?	When you leave	On schedule	On schedule	At sale
Can the credit line be frozen/cut?	No	Yes	—	—
Unused credit line can grow?	Yes	No	—	—
Non-recourse protection?	Yes	Typically no	Typically no	—
FHA-insured?	Yes	No	No	—
Independent counseling required?	Yes	No	No	No

The defining difference is flexibility and cash-flow relief — you decide whether to make payments, and the loan isn't due on a monthly schedule. The trade-off is that the balance grows over time, which is exactly why it's worth comparing options openly.

Real ways homeowners put it to work

A reverse mortgage is a tool, and tools are defined by what you build with them. A few of the most common goals we see:



Erase the monthly payment

Eliminate the largest recurring bill and transform monthly cash flow — no new money borrowed beyond what pays off the existing loan.



A standby line of credit

Set one up and leave it untouched. Because the unused portion can grow, it becomes a flexible safety net for a downturn, repair, or emergency.



Age in place comfortably

Fund home modifications — a walk-in shower, a first-floor bedroom, accessibility upgrades — so the home you love keeps working for you.



Cover healthcare & in-home care

Turn equity into steady cash flow that makes staying home, rather than moving, a realistic choice.



Protect investments in a downturn

Draw on home equity instead of selling investments while they're down, giving your portfolio room to recover.



Right-size into a new home

With a HECM for Purchase, buy a home that fits this chapter — without a required monthly mortgage payment on the new place.

These are illustrations, not promises — the right use depends entirely on your goals. That's the conversation to have with a licensed advisor.

Clear about the costs

Like any mortgage, a reverse mortgage has costs, and being clear-eyed about them is part of a good decision. Most can be financed into the loan rather than paid out of pocket.

-  **Origination fee**
For processing the loan. For a HECM this is federally capped: 2% of the first \$200,000 of home value plus 1% above that, up to a maximum of \$6,000.
-  **Mortgage insurance premium (MIP)**
The FHA insurance that makes the non-recourse protection possible — an upfront premium plus an ongoing annual one. MIP is the same no matter which lender you choose.
-  **Counseling fee**
For the required HUD-approved session — often around \$125.
-  **Standard closing costs**
Appraisal, title, and related third-party fees — just like a forward mortgage.

The honest trade-off

Because most costs can be rolled into the balance, your upfront out-of-pocket expense is usually small — but financed costs add to the balance, which grows over time. We'll always give you a clear, itemized estimate before you commit to anything. No surprises.

 **No prepayment penalty.** You can make voluntary payments — or pay the balance down entirely — at any time to reduce the interest that accrues. There's never a penalty for doing so.

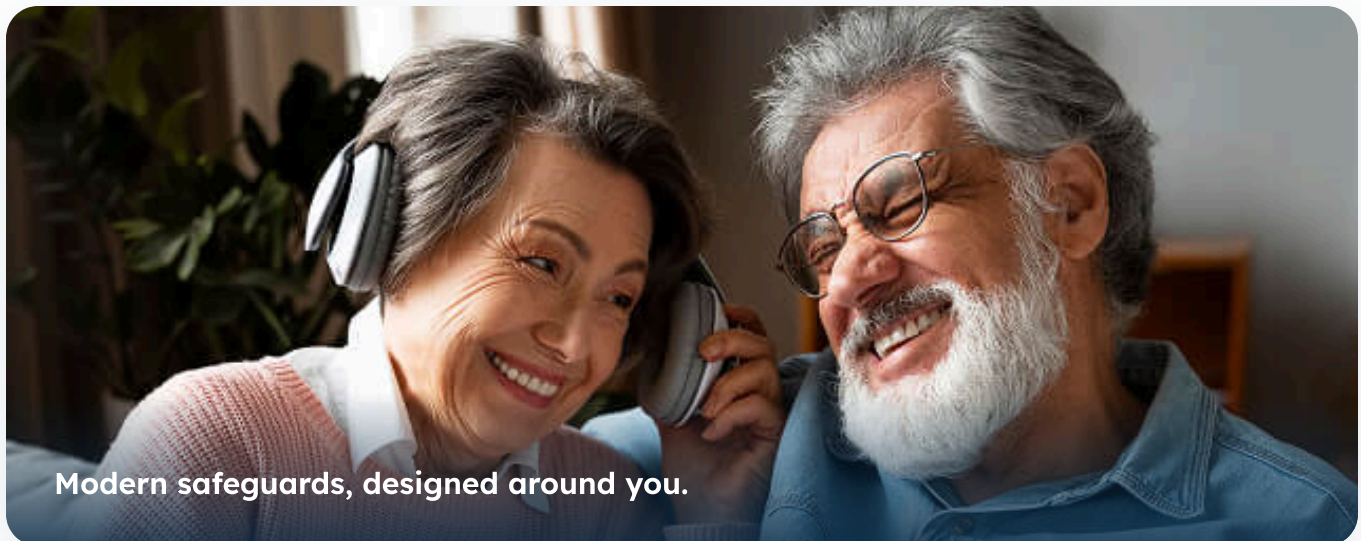
Transparency is the whole point. If any cost isn't crystal clear, ask — and keep asking until it is.

BUILT-IN SAFEGUARDS

The protections built in

Modern reverse mortgages are among the more heavily regulated consumer loans — and the safeguards exist for your benefit.

- ✓ **Non-recourse guarantee** — you'll never owe more than the home is worth when the loan is repaid.
- ✓ **FHA insurance** — the federal backing behind the HECM and its protections.
- ✓ **Independent HUD counseling** — a required, lender-neutral session before you proceed.
- ✓ **A financial assessment** — confirms the loan is sustainable for you, which is why trouble is rare for well-matched borrowers.
- ✓ **A three-business-day right to cancel** — after closing, you can change your mind and cancel, in writing, at no cost.
- ✓ **Non-borrowing-spouse protections** — an eligible spouse may remain in the home.



Modern safeguards, designed around you.

Busting the most common myths

Few financial products carry as much outdated baggage as the reverse mortgage. Here's the truth — myth by myth.

MYTH "The bank takes ownership of my home."

You keep the title and remain the owner. The lender records a lien to secure the loan — the same as any mortgage. As long as it's your primary residence and you keep up with taxes, insurance, and upkeep, it's yours.

MYTH "I'll leave my kids a mountain of debt."

A HECM is **non-recourse**. Neither you nor your heirs will ever owe more than the home's value when the loan is repaid. Any shortfall is covered by FHA insurance — not your family.

MYTH "My heirs won't inherit anything."

Your heirs keep any equity left after the loan is repaid. They can keep the home (paying the lesser of the balance or 95% of appraised value), sell it and pocket the remaining equity, or walk away with no personal liability.

MYTH "It's a last resort for people out of options."

Increasingly, homeowners and financial planners use reverse mortgages **proactively** — as a buffer asset and a cash-flow strategy, not an emergency measure.

Still carrying a worry we didn't cover here? Bring it to a free consultation — you'll get a straight answer, not a sales pitch.

...and four more

MYTH "I'll be forced to make monthly payments."

There's **no required monthly mortgage payment**. You remain responsible for taxes, insurance, and upkeep, and you can pay voluntarily if you wish — but you're not required to.

MYTH "My credit isn't good enough."

There's no minimum credit-score hurdle like a traditional loan. The **financial assessment** looks at your overall ability to sustain the loan, not a single number.

MYTH "The money is taxable income."

Reverse mortgage proceeds are **loan funds, not income** — so they generally aren't taxed. (As always, confirm specifics with your tax advisor.)

MYTH "It'll cost me my Social Security or Medicare."

Because proceeds are a loan and not income, they generally **don't affect Social Security or Medicare**. Need-based programs like Medicaid and SSI do have asset limits, so discuss timing with your counselor before drawing large amounts.



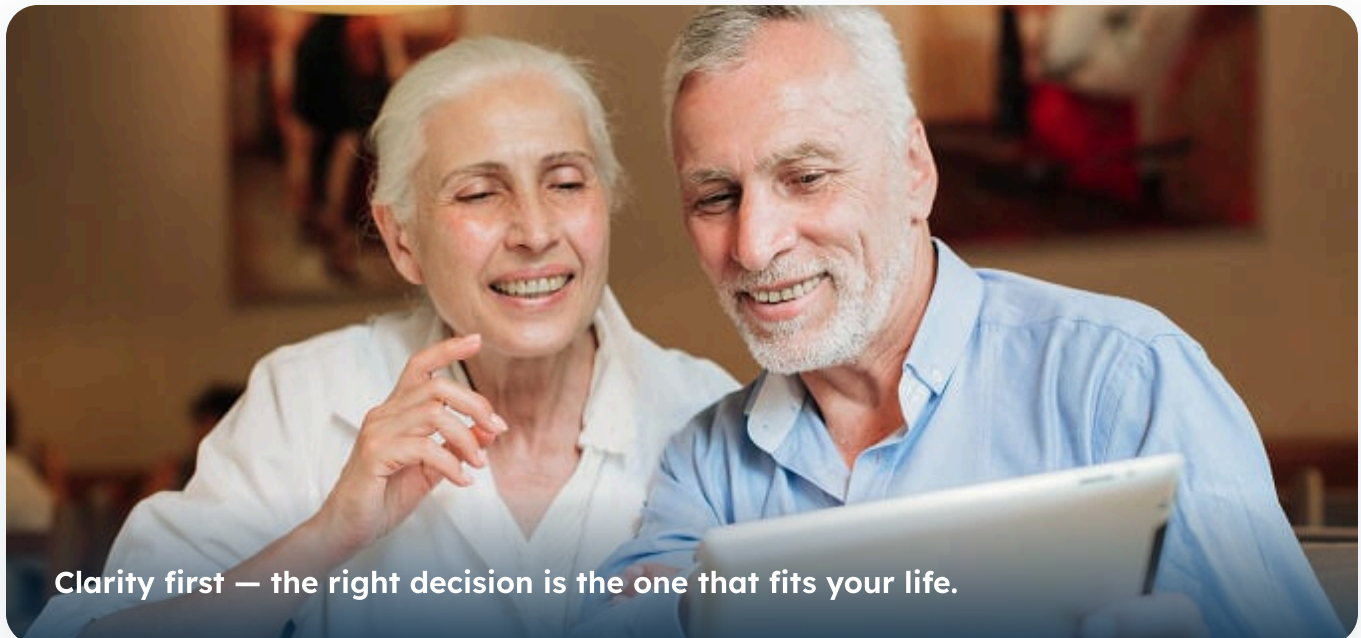
The honest bottom line. A reverse mortgage is a real loan with real costs — not free money. Used thoughtfully, though, it's a legitimate, federally regulated retirement tool, not a gimmick.

Is a reverse mortgage right for you?

It may be worth a close look if you're **62 or older**, plan to stay in your home, have **significant equity**, and want to eliminate a mortgage payment, supplement income, or build a cushion **without selling or moving**. It may be worth weighing other options if you plan to move soon, or if preserving the full equity for heirs is the top priority.

Sit with these honestly — they bring real clarity

- What are my real goals for this stage of life, and do I have the liquidity to reach them?
- How long do I genuinely plan to stay in this home?
- How would accessing equity affect my heirs — and is that something they'd actually want?
- Could an unexpected medical bill or market downturn put my stability at risk?
- Am I postponing things that matter because my wealth is locked in the house?



Clarity first — the right decision is the one that fits your life.

How to protect yourself

A trustworthy lender will tell you what to watch for — because the warning signs of a bad deal are easy to spot once you know them. Be cautious if you encounter:

- ❗ **Unsolicited pressure** — a call, mailer, or door-knock pushing you to act fast. A legitimate lender gives you time to think and to involve your family.
- ❗ **A contractor steering you to a reverse mortgage** to pay for home repairs. Keep the repair and the financing decisions separate.
- ❗ **Pressure to use the proceeds to buy another product** — an annuity or insurance policy you didn't go looking for. Be skeptical.
- ❗ **Claims of government endorsement** — no one should imply a reverse mortgage is a government benefit or "entitlement." It's a loan you repay.
- ❗ **Absolute promises** — "you can never lose your home," "income for life." The truth always comes with conditions.

If anything feels rushed or too good to be true, slow down. The right decision will still be there tomorrow.

The process, step by step

Getting a reverse mortgage is more straightforward than most people expect — and you'll have a licensed expert beside you at every stage.

- 1 Free consultation**
A licensed professional answers your questions, learns your goals, and gives you a personalized estimate. No cost, no obligation — bring family or a trusted advisor if you'd like.
- 2 HUD-approved counseling**
An independent, lender-neutral counselor confirms you understand the program. Required before the loan can proceed.
- 3 Application & financial assessment**
You complete the application; the lender reviews income and credit history to confirm the loan is sustainable.
- 4 Home appraisal**
A licensed appraiser determines your home's current value — a key input in how much you can access.
- 5 Underwriting & approval**
The lender reviews everything and finalizes your terms.
- 6 Closing**
You review and sign your documents. Your three-business-day right to cancel begins here.
- 7 Receive your funds**
Any existing mortgage is paid off first, then you access the rest in the form you chose.

A quick glossary

A few terms you'll hear along the way — defined simply.

HECM — Home Equity Conversion Mortgage; the FHA-insured reverse mortgage.

Non-recourse — you'll never owe more than the home is worth when the loan is repaid.

MIP — Mortgage Insurance Premium; the FHA insurance behind a HECM.

Principal limit — the total you can borrow, based on your age, your home's value, and rates.

Line-of-credit growth — the unused portion of a reverse mortgage credit line can increase over time.

LESA — Life Expectancy Set-Aside; funds set aside to cover future property taxes and insurance.

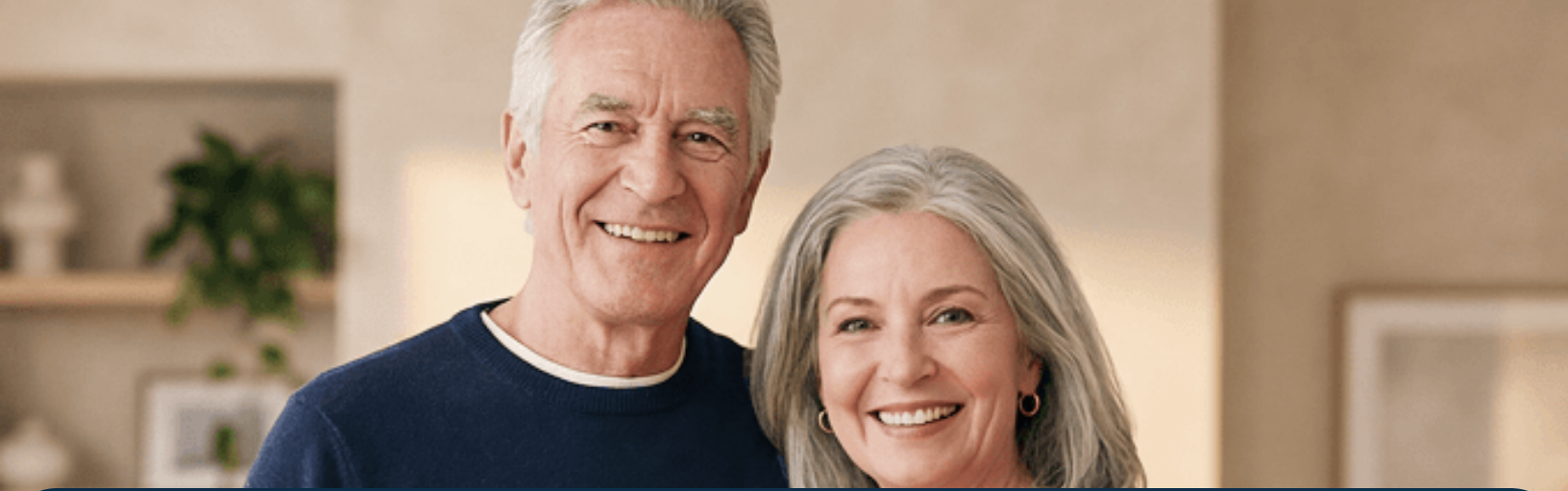
Non-borrowing spouse — a spouse not named as a borrower, who may have protections to remain in the home.

Financial assessment — the lender's review of your ability to sustain the loan's obligations.

Due and payable — the point when the loan must be repaid (you sell, permanently move out, or pass away).



Have a question this guide didn't answer? That's exactly what a free consultation is for — ask us anything, with no pressure and no obligation.



LET'S TALK

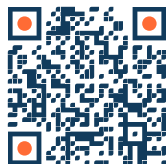
Your retirement, on your terms.

If you're curious whether unlocking your home equity could fit your plan, let's have a straightforward, no-pressure conversation.

We'll walk you through your real numbers and help you decide what's genuinely right for you — even if that's doing nothing at all.

 **(888) 274-0009**

homereverse.com



Scan to book
your free consultation

✓ Free consultation ✓ No pressure ✓ Licensed in 49 states

Disclosures

Joshua Schwartz · NMLS #6574 · Barrett Financial Group, L.L.C. · NMLS #181106 · nmlsconsumeraccess.org

This guide is provided for educational purposes only and is not financial, tax, or legal advice, and is not a commitment to lend. All loans are subject to credit approval; not all applicants will qualify. Programs, rates, and guidelines are subject to change without notice and may not be available in all states. Home Reverse, powered by Barrett Financial Group, L.L.C., is licensed in 49 states (all states except New York).

When a reverse mortgage becomes due and payable, some or all of the equity in the property no longer belongs to the borrower, who may need to sell the home or repay the loan from other assets. The loan balance grows over time as interest and fees are added. Borrowers remain responsible for paying property taxes, homeowners insurance, and home maintenance, and for occupying the home as their primary residence; failure to meet these obligations may cause the loan to become due and payable. The loan also becomes due and payable when the last surviving borrower (or eligible non-borrowing spouse) passes away, sells the home, or permanently moves out. A reverse mortgage is a negative-amortization loan: the balance increases over time while home equity decreases if no payments are made. Under the non-recourse feature, you will never owe more than the home is worth when the loan is repaid.

These materials are not from HUD or FHA and were not approved by HUD, FHA, or any government agency, and the originator is not affiliated with or acting on behalf of or at the direction of HUD, FHA, or any government agency. To find a HUD-approved reverse-mortgage counselor near you, call (800) 569-4287.

State Licensing — Barrett Financial Group, L.L.C.

NMLS #181106 · 2701 East Insight Way, Suite 150, Chandler, AZ 85286. AL 22977 · AK AK181106 · AZ 0904774 · AR 124815 · CA 60DBO-46052 & 41DBO-148702 (Licensed by the Dept. of Financial Protection & Innovation under the California Residential Mortgage Lending Act; loans made or arranged pursuant to a California Financing Law License) · CO · CT ML-181106 · DE 029971 · DC MLB181106 · FL MLD1880 · GA 181106 · HI 181106 · ID 2080181106 · IL MB.6761630 (reinvestment notice at barrettfinancial.com/illinois-reinvestment) · IN 181106 · IA 2021-0157 · KS MC.0025726 · KY MB757252 & MC763707 · LA · ME 181106 · MD 181106 · MA MC181106 (Mortgage Broker and Lender) · MI FLO022342 · MN MN-MO-181106 · MS 181106 · MO 181106 · MT 181106 · NE · NV 5091 · NH 24338-MBR · NJ · NM · NC B-203722 · ND MB103863 · OH RM.804600.000 · OK MLO13880 · OR · PA 92105 · RI 20224347LB · SC MLS-181106 · SD ML.05340 · TN 204577 · TX (complaint policy at barrettfinancial.com/texas-complaint) · UT 11368611 · VT LL-181106 & MB-181106 · VA MC-7357 · WA MB-181106 · WV MB-181106 & ML-181106 · WI 181106BA & 181106BR · WY 4211.

Equal Housing Opportunity · © 2026 Home Reverse. All rights reserved.