



How do Reverse Mortgages Work?

Available to homeowners who are 62 years of age or older, a reverse mortgage allows homeowners to borrow money by tapping into their home equity. With this type of loan, instead of making a mortgage payment each month¹, the homeowner will receive cash from the lender. Payment can be issued in a single large payment, as a monthly payment, or as a line of credit.

With a reverse mortgage, the lender makes payments to the homeowner, instead of the homeowner making payments to the lender as with a regular mortgage. The homeowner has the option to not make monthly payments¹ with a reverse mortgage, while still maintaining ownership of the property. The homeowner can choose how they would like to receive their tax-free payments².

When the homeowner moves, sells the home, or passes on, the loan will need to be repaid. This is usually done by using the proceeds from the home sale to repay the loan. If your heirs do not wish to sell your home, they can opt to pay off the mortgage without selling.

If your loan is the most common type of reverse mortgage, a Home Equity Conversion Mortgage (HECM), which is backed by the FHA, it's considered a non-recourse loan. This means that in the event the loan value exceeds the value of the home, the lender cannot collect more than the value of the home. FHA insurance will take care of the remaining amount.

NMLS #46375

3131 Camino Del Rio North, Suite 1680, San Diego, CA 92108

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CalCon Mutual Mortgage LLC, dba OneTrust Home Loans is an Equal Housing Lender NMLS #46375; 3131 Camino Del Rio North Suite 1680, San Diego CA 92108.

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All options are not available on all programs. All programs are subject to borrower and property qualifications. Rates, terms and conditions are subject to change without notice.



Common Reverse Mortgage Questions

Will the bank own my home with a reverse mortgage?

No, with a reverse mortgage, a borrower retains ownership of their home and will not relinquish the title. Instead, they are borrowing against the equity in the home.

Will a reverse mortgage affect my Social Security benefits or pension benefits?

No, these benefits are not affected by a reverse mortgage. However, need-based resources like Medicaid may be affected. It could also help to delay drawing on Social Security, which could boost your lifetime retirement income.

How much money can I get?

The amount you can receive is based on a few variables like the age of the youngest borrower, the appraised home value, interest rates, and, in some cases, FHA lending limits.

How does interest work with a reverse mortgage?

Reverse mortgage borrowers are only charged interest on the proceeds they receive. Fixed and variable rates are available.

**CALL YOUR HOME
FINANCING TEAM TODAY!**

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Not quite 62 yet? Ask about our 55+ Specialty Reverse Mortgage

Our proprietary reverse mortgage program is designed for homeowners who are at least 55 years of age and would like to take advantage of the many benefits of a Reverse Mortgage sooner than later. Because age is just a number.

¹The borrower must meet all loan obligations, including living in the property as the principal residence and paying property charges, including property taxes, fees, hazard insurance. The borrower must maintain the home. If the homeowner does not meet these loan obligations, then the loan will need to be repaid. ²This is not tax advice. Consult a tax professional. These materials are not from HUD or FHA and were not approved by HUD or a government agency.

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