



Reverse Mortgage Loans

Reverse mortgages are very different from any other loan product on the market. The purpose of this article is to briefly touch on the basics.

What is a Reverse Mortgage?

A reverse mortgage is a loan against the equity of your house. You can turn your equity into cash *without* having to make monthly payments to repay the loan. You can get the cash out in one lump sum, regular monthly payments, or a type of credit line account that lets you withdraw money when you need it. Typically, you don't pay anything back until you sell your home, or until you die.

Who Qualifies?

As with any type of loan products, qualification criteria changes regularly and varies by lender, but to qualify for most reverse mortgages you must own your home, have equity, and be 62 years of age or older.

When to Use It

Well, this is a question that's impossible for me to answer, but I would say that if you qualify, and are in need of cash, a reverse mortgage is one vital option to be informed about. For the most part, a reverse mortgage is used by retirees to help cover their living expenses.

Conclusion

It is important for the borrower to understand the risks involved with a reverse mortgage. As with any type of mortgage, a reverse mortgage is a major financial decision, and it is important the borrower be aware of all material facts involved with this type of transaction. Be sure to thoroughly educate yourself before signing on the dotted line.

Good luck!

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As an investor himself, as well as a licensed Realtor®, Dimitri has over a decade of real estate experience. Dimitri's specialties include primary residences, second homes, investment properties, commercial properties and land. He has been recognized for being a Multi-million Dollar Producer, and is an accomplished Realtor® committed to superior results for his clients.

"Strive not to be a success but rather to be of value" Albert Einstein