

Moving Forward... Reverse Mortgages



Dean Grabber
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“Not so fast,” say many Long Islanders of retirement age... “We are not quite ready to sell our homes and move to

Florida, Georgia or the Carolina's.” In the recent past, home prices here were much higher than in the south. You could sell here, and buy a new home on the Gulf Coast for cash and still have plenty left from your profit on the sale to live comfortably. That is not so true anymore. With our beautiful beaches, proximity to the Hamptons, The North Fork, Wine Country, and the City, many locals have decided to stay a bit longer.

One such way to maintain a comfortable life style during your retirement years is with a REVERSE MORTGAGE. Reverse mortgages are becoming more and more popular. Reverse mortgages are a special type of home loan that lets a homeowner convert the equity in his/her home into cash. They can give retirement age Americans greater financial security to supplement social security, meet unexpected medical expenses, make home improvements, and more.

Homeowners 62 and older who have paid off their mortgages or have only small mortgage balances remaining are eligible to participate in HUD's reverse mortgage

program. The program allows homeowners to borrow against the equity in their homes. Homeowners can receive payments in a lump sum, on a monthly basis (for a fixed term or for as long as they live in the home), or on an occasional basis as a line of credit. Homeowners whose circumstances change can restructure their payment options.

Unlike ordinary home equity loans, a HUD reverse mortgage does not require repayment as long as the borrower lives in the home. Lenders recover their principal, plus interest, when the home is sold. The remaining value of the home goes to the homeowner or to his or her survivors. If the sales proceeds are insufficient to pay the amount owed, HUD will pay the lender the amount of the shortfall. The Federal Housing Administration, which is part of HUD, collects an insurance premium from all borrowers to provide this coverage.

The size of reverse mortgage loans is determined by the borrower's age, the interest rate, and the home's value. The older a borrower, the larger the percentage of the home's value that can be borrowed.

Nationwide Equities Corp offers expert advise and can provide you with the tools necessary to get your reverse mortgage, at the most competitive rates. Call for a free consultation.

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