

Reverse Mortgage

A reverse mortgage is a special loan for homeowners who are at least 62 years of age or older. It is an arrangement whereby a homeowner borrows against their home equity and they receive regular payments from the lender until the total payments reach a predetermined limit. The loan will continue (without payment from the homeowner) as long as they remain in the home as their primary residence, make necessary home repairs and pay the property taxes. Basically it is a loan in reverse, where the lender pays the homeowner, enabling them to turn the value of their property into cash. The loan will be paid back to the lender upon sale of the property or death of the home owner.