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Reverse Mortgages

What is a Reverse Mortgage?

A reverse mortgage is a loan against the borrower(s) home that is not paid back for as long as they live there. The program lets older homeowners (age 62+) access the equity in their homes, without having to make a monthly payment. Reverse Mortgages work differently than traditional mortgages:

- Instead of repaying a loan and building equity in the home, the equity is converted into cash
- Most closing costs can be financed into the loan
- Cash available to the borrower will vary depending on their age, interest rate, and home value
- In general, the older the borrower or the greater the home value, the greater the cash available

Why is this program important to senior homeowners?

New England has one of the largest concentrations of older homeowners per capita in the United States. Older Americans have their own set of special financial circumstances and needs, not currently addressed by the typical loan products on the market:

- They may be "house rich and cash poor," and in need of cash to cover daily expenses
- They may not qualify for home equity loans, refinanced loans, or other traditional products that allow homeowners to access their home equity due to limitations such as fixed income as a result of retirement
- Surveys by AARP and other organizations have clearly demonstrated that most older Americans wish to stay in their homes for as long as possible, even when they are ill or when their spouses have passed away. A reverse mortgage can be an excellent solution for these people.

Key benefits of a Reverse Mortgage

- No loss of ownership, same as with a traditional mortgage
- Borrowers can remain in their home, provided real estate taxes and homeowners insurance are paid
- Flexible cash distribution options, including a single lump sum, monthy disbursements, or on-demand
- Cash distribiution methods may change at any time, as desired

Requirements for an individual seeking a Reverse Mortgage

- Must own and occupy the home as their primary residence
- Must be at least 62 years of age

To learn more or to schedule a free consultation with a Reverse Mortgage Specialist, visit washtrust.com, or visit your local branch.