

About FloridaLawHelp.org

FloridaLawHelp.org is administered by Florida Legal Services, Inc. and is produced in cooperation with Pro Bono Net and the legal services organizations and government agencies throughout Florida and the United States.

This brochure is for general education only. It is not intended to be used to solve *individual problems*. If you have specific questions, see an attorney.



The Florida Bar Foundation, with Interest on Trust Accounts program funding, provides support for this service.

FloridaLawHelp.org

To locate your local legal aid or legal services office, please visit us on the web at

www.floridalawhelp.org

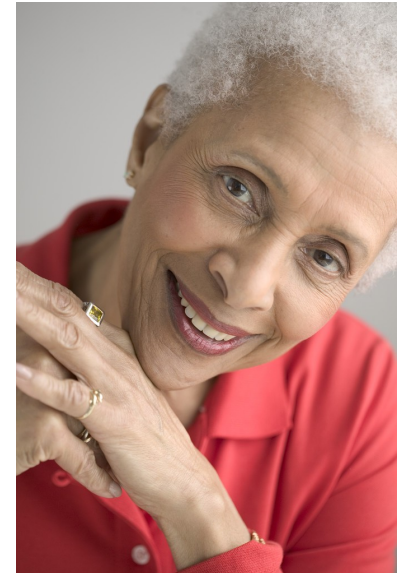
Your local legal aid or legal services office can be located through either the “Find Local Help” or “Directory” links at the top of the page.

If you don't have access to the internet, consult your local Directory Assistance for the number of the legal aid or legal services office nearest to you.

Special thanks to Community Legal Services of Mid-Florida, Inc.

FloridaLawHelp.org

Considering a Reverse Mortgage?



Here's what you should know...

What is a Reverse Mortgage?

A **Home Equity Conversion Mortgage (HECM)** sometimes called a **Reverse Mortgage** is a special type of home loan offered by the Federal Housing Administration (FHA) which allows you to withdraw some of the equity paid into your home.

An FHA HECM is a safe product that can afford older Americans access to funds for medical expenses or supplemental income. Unlike a traditional mortgage, borrowers do not have to repay the mortgage until they no longer own the home or no longer use the home as a primary residence.

Generally, the proceeds are paid in equal monthly payments to the homeowner but homeowners can also opt to receive payments as a line of credit. Many seniors use the funds for unexpected medical expenses, to supplement Social Security, or to make home improvements.

Some frequently asked questions about HECM loans are contained in this brochure to assist you in determining if a HECM is right for you.



What are the requirements to qualify for the FHA HECM Program?

- Be 62 years of age or older
- Owner of the home free and clear or have a considerable amount of equity
- Occupy the property as your principal residence
- Not be delinquent on any federal debt
- Participate in a consumer information session with a HUD-approved HECM counselor.

What kinds of properties are eligible for the FHA HECM Program?

- Single Family homes
- HUD Approved condominium project
- Manufactured homes that meet FHA requirements.

What if my mortgage is not an FHA loan?

You can apply for a HECM regardless of whether or not you purchased your home with an FHA-insured mortgage.

How much money can I get from my home?

The amount you may borrow depends on:

- Age of the youngest borrower
- Current interest rates
- Lesser of the appraised value or the HECM FHA mortgage limit of \$625,500

Will there be an estate to leave to my heirs?

All proceeds beyond the HECM finance charges, interest, and cash will be passed along to the spouse or estate. In other words, remaining equity can be transferred to heirs.

Should I use an estate planning service to find a reverse mortgage lender?

FHA and HUD have provided free counseling services for seniors considering an FHA HECM loan. It is not recommended that consumers utilize any service that charges a fee to assist with these services.

I still have questions. Who can I contact for more information?

You may contact :

The Federal Housing Administration (FHA)
1-800-CALL-FHA
Website: www.fha.gov

U.S. Department of Housing & Urban Development (HUD)
1-800-569-4287
Website: www.hud.gov

The National Council on Aging
1-800-510-0301
Website: www.ncoa.org