

REVERSE MORTGAGE LOAN QUALIFICATIONS CHECKLIST

GENERAL REQUIREMENTS

- You must be at least 62 years or older** - Reverse mortgages are for Retirees so you have to be at least 62 years old. (One spouse may be younger however the lender will need to collect additional information upfront to determine eligibility)
- You must own your home** – You must be on the title of the home you are qualifying for the reverse mortgage. You must also either own your home outright, or have a low enough remaining mortgage balance for the reverse mortgage loan to pay off the balance.
- Your home must be your primary residence** – Because this loan was meant to help seniors stay at home, borrowers must live in the home and cannot live anywhere else for more than 12 consecutive months.
- You must complete a counseling session with a HUD-approved counseling agency** – The U.S.Department of Housing and Urban Development (HUD) provides a list of third party agencies for you to choose from. The purpose of this requirement is so that you are aware of all of your options and can weigh the pros and cons of each.

HOME QUALIFICATIONS

- Your home must be a single family home or a 4-unit maximum multiple family home with one unit occupied by you** - The most common type of property eligible for a reverse mortgage is a single family home. If your property is a multiple family home, then one of the units must be your primary residence.
- Your home can be a manufactured home as long as it meets FHA requirements**
- Your home can be a condominium if it is HUD-approved.**
- Vacation homes or secondary homes are not approved** under reverse mortgage qualifications because they aren't considered the homeowner's primary residence. Also, if your home is on income-producing land such as a farm, then it is not eligible.

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FINANCIAL QUALIFICATIONS

- You must be financially able to pay your property taxes, insurance, and home maintenance and any applicable HOA fees** - One of the most important things to remember about reverse mortgages is that you are still responsible for paying your property taxes, home insurance, and any home fees like Home Owner's Association (HOA) fees for the life of the loan.
- You cannot be delinquent on any federal debt.**

DO NOT BE OVERWHELMED

While the list of qualifications may seem a bit scary, do not let that prevent you from applying. One of our license professionals can walk you through the whole process and let you know if there are other location-specific, property-specific, or borrower-specific requirements that you should be aware of. Many homeowners have found that once they satisfy the requirements for reverse mortgages, the benefits of this unique loan helped them achieve a better quality of life.