A GUIDE FOR HOMEOWNERS 62 & OLDER

62+

REVERSE MORTGAGES, EXPLAINED PLAINLY

Use your home's equity. Stay in your home.

How a reverse mortgage works, how you can receive the money, what you're still responsible for, and what happens for your family down the road.



BRIAN MARCHAND
SR. LOAN CONSULTANT · NMLS #481563
(518) 396-7392 · brian.marchand@naf.com

Marchand
The Marchand Team
Powered by nationwide

START HERE

YOU'VE BUILT EQUITY FOR DECADES. HERE'S ONE WAY TO USE IT.

Many homeowners in their 60s, 70s and 80s have **most of their wealth in their home**, but live on a fixed income. Property taxes go up, the roof needs work, and the monthly mortgage payment still comes due.

A reverse mortgage lets you turn part of that equity into cash **without selling and without a monthly mortgage payment**. It isn't right for everyone, and it comes with real responsibilities. This guide explains both sides, plainly.

I've been helping families into homes since 1993, first as a Realtor and now as a mortgage lender. I encourage you to read this **with your family**, and to bring them to our conversation. The best decisions here are made together.

Brian

INSIDE THIS GUIDE

03 What a reverse mortgage is

04 Who it fits

05 How you can receive the money

06 What decides how much you get

07 Your responsibilities

08 When the loan comes due

09 What it costs

10 Counseling & the process

11 Myths vs. facts

12 Document checklist

WHAT A REVERSE MORTGAGE IS

A loan that pays you, instead of you paying it.

A reverse mortgage is a loan against your home's equity for homeowners **62 and older**. You keep the title and live in the home. Instead of making monthly payments, the loan balance **grows over time** and is repaid when you sell, move out permanently or pass away.

	TRADITIONAL MORTGAGE	REVERSE MORTGAGE
WHO PAYS WHOM	You make monthly payments to the lender	The lender pays you; no required monthly mortgage payment
LOAN BALANCE	Goes down over time	Goes up over time as interest and fees are added
YOUR EQUITY	Grows as you pay down the loan	Shrinks as the balance grows
WHEN IT'S REPAID	Monthly, over the loan term	When the last borrower leaves the home

THE MOST COMMON TYPE: HECM

Most reverse mortgages are **Home Equity Conversion Mortgages (HECMs)**, insured by the Federal Housing Administration. FHA insurance comes with important protections for you and your family, which are covered later in this guide.

WHO A REVERSE MORTGAGE FITS

Best for homeowners who plan to stay put.

A reverse mortgage works best when you want to **stay in your home for the long term** and have significant equity built up. Here's who it usually fits, and what you should know.

BASIC REQUIREMENTS

- You're **62 or older**
- The home is your **primary residence**
- You have **significant equity**, or own the home outright
- You can keep paying taxes, insurance and upkeep
- You complete **HUD-approved counseling**
- The home meets FHA property standards

KNOW GOING IN

- Your loan balance **grows** and your equity **shrinks**
- Upfront costs can be **higher** than other loans
- Less equity may be left for your heirs
- A **financial assessment** reviews your ability to pay ongoing costs
- Proceeds may affect **need-based benefits** like Medicaid
- It's not a good fit if you plan to move soon

REAL TALK: A reverse mortgage isn't the only option. Downsizing, a home equity line of credit or a standard refinance may fit better. I'll walk through all of them with you before you decide.

HOW YOU CAN RECEIVE THE MONEY

Choose the option that fits how you'll use it.

With a HECM, you choose how to receive your funds. You can often **combine options**, and in many cases change your choice later.

LINE OF CREDIT

Draw money when you need it. The **unused portion can grow** over time, giving you more available later.

MONTHLY PAYMENTS

Steady payments for **as long as you live in the home**, or for a set number of years.

LUMP SUM

One payment at closing, usually with a **fixed rate**. Limits apply to how much you can take in the first year.

A COMBINATION

For example, monthly payments plus a line of credit for emergencies.

ALREADY HAVE A MORTGAGE?

That's common. Your existing mortgage is **paid off first** from the reverse mortgage proceeds. For many homeowners, eliminating that monthly payment is the biggest benefit.

BUYING A NEW HOME

A **HECM for Purchase** lets you buy a home that better fits your needs, often closer to family or on one floor, using a reverse mortgage instead of a monthly payment.

WHAT DECIDES HOW MUCH YOU GET

Four factors set your available amount.

You can't borrow your home's full value. The amount available is a **portion of your equity**, set by FHA's formula. It leaves room for interest and fees to accumulate over the life of the loan.

1 AGE OF THE YOUNGEST BORROWER
Generally, the older the youngest borrower or eligible spouse, the more is available.

2 YOUR HOME'S VALUE
Based on the appraisal, up to the FHA's national lending limit.

3 INTEREST RATES
Lower rates generally mean more money is available to you.

4 EXISTING MORTGAGE
Any current mortgage is paid off first, which reduces the remaining funds.



ILLUSTRATION OF HOW AGE AFFECTS THE AMOUNT. NOT TO SCALE OR AN ESTIMATE.

GOOD TO KNOW: I can run a no-obligation estimate based on your age, home value and current rates, so you can see real numbers before you decide anything.

YOUR RESPONSIBILITIES

No monthly mortgage payment doesn't mean no costs.

You still own your home, and that means you're still responsible for it. **This page is the most important one in this guide.** If these obligations aren't met, the loan can become due, and you could lose your home.

PROPERTY TAXES

Pay them on time, every year. In New York, that includes school taxes.

HOMEOWNERS INSURANCE

Keep a policy in force, plus flood insurance if your home requires it.

MAINTENANCE

Keep the home in good repair. The home is the security for the loan.

LIVE IN THE HOME

It must stay your primary residence. Being away more than 12 months in a row, even for health reasons, can make the loan due.

HOA OR CONDO DUES

If your home has association fees, keep them current.

ANNUAL OCCUPANCY CHECK

Each year, you'll confirm you still live in the home. Watch for the letter and return it.

REAL TALK: If the financial assessment shows these costs could be hard to cover, part of your funds may be set aside to pay taxes and insurance for you. That's a safeguard, not a penalty.

WHEN THE LOAN COMES DUE

What happens for you, your spouse and your heirs.

The loan becomes due when the **last borrower**, or an eligible non-borrowing spouse, sells the home, moves out permanently, doesn't meet the loan obligations or passes away.

SELL THE HOME

The loan is repaid from the sale. **Any equity left belongs to you or your heirs.**

KEEP THE HOME

Heirs can pay off the loan, often by refinancing, and keep the house.

HAND IT BACK

Heirs can sign the home over to the lender instead of selling it themselves.

YOU'LL NEVER OWE MORE THAN THE HOME IS WORTH

A HECM is **non-recourse**. If the loan balance grows larger than the home's value, neither you nor your heirs owe the difference. FHA insurance covers it. Heirs who want to keep the home generally can pay the lesser of the loan balance or 95% of the appraised value.

PROTECTING A YOUNGER SPOUSE

If your spouse is under 62 or isn't on the loan, they may qualify as an **eligible non-borrowing spouse** and be able to stay in the home after you pass. This must be set up correctly at closing, so tell me about your household from the start.

WHAT IT COSTS

Know every cost up front. Most can be paid from the loan.

Reverse mortgages have costs similar to other mortgages, plus FHA insurance. Most of them can be **paid from the loan proceeds** rather than out of pocket, but that also means they add to your balance.

COST	WHAT IT IS	GOOD TO KNOW
UPFRONT MORTGAGE INSURANCE	A one-time FHA insurance premium at closing	Based on your home's value, up to the FHA limit
ANNUAL MORTGAGE INSURANCE	An ongoing FHA premium added to the balance	Pays for the non-recourse protection
ORIGINATION FEE	The lender's fee to set up the loan	Capped by HUD rules
THIRD-PARTY CLOSING COSTS	Appraisal, title, recording and similar fees	Similar to a traditional mortgage
INTEREST	Charged on what you've borrowed	Added to your balance each month
SERVICING FEES	For managing the loan, where charged	Disclosed before you commit

GOOD TO KNOW: You'll receive a full written breakdown of every cost before you commit, and you'll review costs again in your counseling session. Ask me anything that isn't clear.

COUNSELING & THE PROCESS

Built-in time to think it through.

Before you can apply for a HECM, you're **required to meet with an independent, HUD-approved counselor**. The counselor doesn't work for me or any lender. Their job is to make sure you understand the loan and your alternatives.

1. **AN INITIAL CONVERSATION**
   We talk about your goals, your home and your options. No obligation.

2. **HUD-APPROVED COUNSELING**
   A session with an independent counselor, by phone or in person. You'll get a certificate when it's done.

3. **APPLICATION & FINANCIAL ASSESSMENT**
   We review your income, credit and ability to keep up with taxes, insurance and upkeep.

4. **APPRAISAL**
   An FHA appraiser values the home and confirms it meets property standards.

5. **CLOSING & YOUR RIGHT TO CANCEL**
   For most reverse mortgages on your current home, you have **three business days** after closing to change your mind.

MYTHS VS. FACTS

A lot of what people hear isn't true.

WHAT PEOPLE HEAR	WHAT'S ACTUALLY TRUE
"THE BANK TAKES MY HOUSE"	You keep the title and ownership. The loan is repaid when you leave the home.
"MY KIDS WILL INHERIT MY DEBT"	A HECM is non-recourse. Heirs never owe more than the home is worth.
"I CAN'T HAVE A MORTGAGE ALREADY"	You can. It's paid off from the proceeds at closing.
"I'LL NEVER HAVE TO PAY ANYTHING"	You still pay taxes, insurance and upkeep, or the loan can come due.
"IT'S ONLY FOR PEOPLE IN TROUBLE"	Many homeowners use it as part of a planned retirement strategy.
"MY SPOUSE WILL HAVE TO MOVE OUT"	An eligible non-borrowing spouse may be able to stay, if set up correctly.

BRING YOUR FAMILY AND YOUR ADVISORS

I encourage you to include your adult children, your financial advisor or your attorney. A reverse mortgage affects your whole financial picture, and everyone should understand it.

PROTECT YOURSELF: No legitimate lender will pressure you to buy an annuity, insurance or other product with your reverse mortgage funds. If anyone does, call me.

DOCUMENT CHECKLIST

Have these ready, and the process moves a lot faster.

- [ ] Government-issued photo ID for each borrower
- [ ] Social Security card or Medicare card
- [ ] HUD counseling certificate, once completed
- [ ] Most recent mortgage statement, if you have one
- [ ] Property tax bill (including school taxes)
- [ ] Homeowners insurance declarations page
- [ ] Income documents: Social Security, pension, other
- [ ] Recent bank statements
- [ ] Trust documents, if the home is held in a trust
- [ ] Power of attorney documents, if applicable

Every situation is a little different. I'll give you the exact list for your scenario before you gather anything.



BRIAN MARCHAND
SR. LOAN CONSULTANT · NMLS #481563
(518) 396-7392 call or text
brian.marchand@naf.com
naf.com/brianmarchand

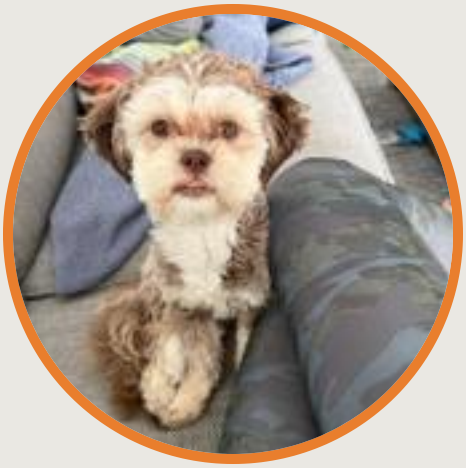
BOOK 15 MINUTES

EQUAL HOUSING OPPORTUNITY

These materials are not from HUD or FHA and were not approved by HUD or a government agency. This guide is for educational purposes only and is not a loan commitment or guarantee of approval. A reverse mortgage is a loan. Borrowers must be at least 62 years of age, occupy the home as their primary residence, complete HUD-approved counseling and meet financial assessment requirements. Borrowers remain responsible for paying property taxes, homeowners insurance, flood insurance if required, HOA dues and maintaining the home; failure to meet these obligations may cause the loan to become due and payable and could result in foreclosure. Interest and fees are added to the loan balance over time, which reduces home equity. The loan becomes due when the last surviving borrower or eligible non-borrowing spouse sells the home, permanently moves out, fails to meet loan obligations or passes away. Amounts available depend on the age of the youngest borrower or eligible non-borrowing spouse, interest rates, home value and the FHA lending limit. Reverse mortgage proceeds may affect eligibility for certain need-based government benefits. Brian Marchand and New American Funding do not provide tax, legal or financial planning advice; consult your own advisors. © 2026 New American Funding, LLC. NMLS #6606 (nmlsconsumeraccess.org). 1 MacArthur Place, Suite 800, Santa Ana, CA 92707 · newamericanfunding.com · (800) 450-2010. Licensed Mortgage Banker, NYS Department of Financial Services. Equal Housing Lender. October 2026.

PENNY'S CORNER

A few words from our Chief Belly-Rub Officer.



PENNY SAYS

CHIEF BELLY-RUB OFFICER

Dad wants you to read this with your family and bring them to the conversation. Big decisions are better together. Walks are too.

He'll walk you through every responsibility and every cost, plainly, with no pressure. And no pressure from me either, unless you have treats.

CONNECT WITH PENNY ON FACEBOOK

Tips, updates and plenty of Penny.

SCAN WITH YOUR PHONE'S CAMERA

Marchand

The Marchand Team

Powered by naf newamerican FUNDING

Scan to read our client reviews