



# What You Should Know about Reverse Mortgages



## Presentation Topic

# What You Need to Know about Reverse Mortgages:

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# What is a reverse mortgage?

- A loan against your home that allows you to access a portion of your equity as cash
- A loan that does not need to be repaid as long as you live in your home
- A loan that will accrue interest and fees and continue to grow as long as you have it



# Who qualifies for a HECM?

- Homeowners 62 years of age and older
- People who own their homes without a mortgage or have enough equity to payoff existing mortgages and/or lines of credit
- People who have completed HECM counseling and received a certificate



# Why is HECM Counseling Required?

- To educate borrowers about using a reverse mortgage including
  - The financial implication
  - Alternatives
  - Borrower obligations
  - Costs of obtaining the loan
  - Repayment conditions



# How Can I Take the Money?

- All or part of your proceeds as a lump sum.
- All or part of it as a monthly salary
- All or part of it in the line of credit
- A combination of these choices to suit your situation.



## Repayment of the Loan

- The loan is due and payable when none of the borrowers lives in the home.
  - The borrowers may sell the home and repay their HECM
  - They may need to move to some sort of senior or assisted living for a year or more and not be able to return to their home
  - Someone else may have inherited the property



## Your Particular Situation

- Please contact a HUD listed HECM Counselor to discuss your options and concerns.
- Housing Counseling Services can be contacted at 202-667-7006.





# Questions?



## Connect with DISB



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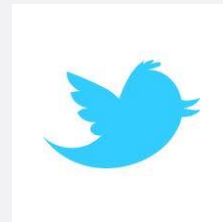
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