

MONEY

Reverse Mortgages Benefit Younger Seniors

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Homeowners who are 62 (the youngest eligible age for a reverse mortgage) have an advantage over older seniors when it comes to getting a reverse mortgage: more time to grow their line of credit.

A reverse mortgage line of credit is an adjustable rate loan option that allows you to draw money as needed. The product is similar to a home equity line of credit; however, the key differences are that no monthly mortgage payments are required and the available funds increase over time. You are still responsible for paying your homeowners insurance, property taxes, and home maintenance costs.

Younger seniors have such an advantage with the reverse mortgage line of credit because the earlier you start it, the more time you allow the available amount to increase. The available amount in your line increases by the "growth rate," which is your interest rate plus your mortgage insurance premium. The growth occurs yearly and compounds over time. Given a sufficient time, the available amount could even exceed the value of your home.

You are not required to draw any funds at the time you start the line of credit, and you can draw from the line at any time while the available amount continues to increase. So, if you need to draw money for an emergency, such as home repairs or medical bills, any amount that is left over in the line



of credit will still grow.

Another benefit? The growth will not be affected by housing market values. That means that even if the value of your home declines, the line will continue to increase.

And because the reverse mortgage is a non-recourse loan, you will never owe more than your home is worth.

Making an informed decision is most important. The licensed specialists at One Reverse Mortgage can provide more information, talk to you about your specific financial goals, and help you determine if a reverse mortgage is right for you. So call (888) 980-4839 today to get started or visit www.onereversemortgage.com/ns to get a free information kit.

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