



Reverse Mortgage

A reverse mortgage is an FHA loan from the U.S. Department of Housing and Urban Development (HUD). It is a loan against your home that you do not have to pay back for as long as you live there. With a reverse mortgage, you can turn the value of your home into cash without having to move or to repay the loan each month. The cash you get from a reverse mortgage can be paid to you in several ways:

- all at once, in a single lump sum of cash;
- as a regular monthly cash advance;
- as a “credit line” account that lets you decide when and how much of your available cash is paid to you; or
- as a combination of these payment methods.

No matter how this loan is paid out to you, you typically don't have to pay anything back until you die, sell your home, or permanently move out of your home. To be eligible for most reverse mortgages, you must own your home and be 62 years of age or older.

A few more details...

- The monthly income is guaranteed.
- No repayment is made until the home is sold or the owner is no longer living in the home.
- You will never owe more than the value of your home.
- Social Security benefits and Medicare are generally not affected.
- The title of your home stays within your name and passes to your heirs.
- The program guarantees no debt will pass to your heirs.
- The release of equity is tax-free income.
- When the loan is due, your heirs have choices - they can repay the loan and keep the house, or sell the home and repay the loan.
- There are no monthly payments required from you.
- There is no income or credit verification required.
- Closing costs and fees incurred can be financed as part of the loan; there is zero to minimal out of pocket costs to you.
- You are guaranteed to stay in your home as long as you like.

Contact your First Michigan Bank Loan Officer and ask if a reverse mortgage is right for you.

Michigan's Relationship Bank

