

ARE REVERSE MORTGAGES SAFE?



Great question!
Did you know
Reverse Mortgages
Have Been Around
for Over Six
Decades?

In 1961, the first reverse mortgage was granted in Portland, Maine. Over time, numerous safeguards have been implemented. Enhanced legislation and protections render it a viable choice for many borrowers.

Let's take a closer look at those safeguards on the back.



Let's find out how
reverse could fit
your lifestyle.

HOUSE OF HIGHLIGHTS: CONSUMER SAFEGUARDS

1988

The FHA-insured Reverse Mortgage (HECM) is established when President Ronald Reagan signed the reverse mortgage bill into law.

2008

The enactment of the SAFE Act enhances consumer protections and diminishes fraud by establishing standards for the licensing and registration of mortgage loan originators.

2012

Independent counseling requirement revised, guaranteeing borrowers comprehend the workings of reverse mortgages through government-approved third-party counseling.

2013

HUD introduces additional protections on HECM loans, incorporating maximum claim equity limits and limiting the amount of equity borrowers can access in their first year.

2014

Proprietary products introduced, expanding financial choices for borrowers and more equity from high-value homes. NOTE: Not all FHA guidelines and protections apply to proprietary products.

2014

Non-borrowing spouse (NBS) protection instituted, enabling non-borrowing spouses to remain in the home after a reverse borrower passes away.

2015

Financial assessment requirement established to ensure that reverse mortgages are considered appropriate long-term solutions for borrowers before lending is permitted.



2018

Second appraisals are implemented, safeguarding against home value misappraisals.



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