



Real Estate Times

with Suzanne Dingley

A MORE PROFITABLE ALTERNATIVE

You've probably heard the term "reverse mortgage," which refers to a loan that allows homeowners aged 62 and older to tap the equity in their home, without repaying it. This has become an increasingly popular way for retirees to generate extra income for living expenses and paying off debt.

However, high fees and aggressive sales tactics prompted the Senate Special Committee on Aging to recently issue an investor alert. The intention behind the warning is not to discourage reverse mortgages, but rather to encourage homeowners to make sure it's the right loan product for them.

The biggest downside to such an agreement is that the up-front costs for application, legal fees, document recording, and loan origination fees can sometimes top 10% of the loan's value. For this reason, the

federal government requires meeting with a financial counselor prior to applying for a reverse mortgage, helping ensure that it's the best loan product for your situation.

In addition to a financial advisor, you are strongly encouraged to consult with a local real estate agent. Simply put, you might generate more income by selling your home and moving to a less expensive one, directly pocketing the equity you've worked so hard to build over the years. An agent can compare your home's value to other attractive properties on the market, and guide you to a profitable conclusion!.

*For responsible service in all your
Real Estate needs, call*

The Suzanne Dingley Team

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Free consultation

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