



USING A REVERSE MORTGAGE TO HELP AVOID FORECLOSURE

Conditions where a Reverse Mortgage might help avoid foreclosure:

1. The homeowner(s) must be 62 or over.
2. The Reverse Mortgage must provide adequate funds to resolve the debt, or a LENDER MAY BE WILLING TO TAKE A SHORT PAYOFF.

If there is enough money from a Reverse Mortgage to satisfy the debt, it certainly can work. But a Reverse Mortgage will provide only 50% to 90% of a home's value (depending on age). So there are many cases where a Reverse Mortgage does not provide adequate funds to cover the debt.

Sometimes though, a lender may be willing to take a short payoff. Lenders who have done something improperly when they sold that loan may be inclined to accept a short payoff rather than be exposed to litigation.

If the gap between debt owed and what a Reverse Mortgage will provide is small enough, the lender may come out ahead by accepting a short payoff rather than have to go through the expense of foreclosure.

IMPORTANT: If a short payoff is done, it is important to realize that the borrower will have taxable income! It is important to anticipate this future cost.

Additional programs may be available to help you avoid with or deal with foreclosure issues (regardless of your age).

Counseling to help you deal with,
and possibly avoid foreclosure,
is available through

Beyond Housing - call 314-533-0600