



SOUTH CAROLINA FAMILY AND COMMUNITY LEADERS

Affiliated with
National Volunteer Outreach Network, Country Women's Council, U.S.A., Associated Country Women of the World
and in partnership with Clemson University Cooperative Extension Service

Is a Reverse Mortgage Right for You?

Objectives:

1. Participants will become aware of the uses of a reverse mortgage as a financial planning tool.
2. Participants will understand the advantages and disadvantages of reverse mortgages.
3. Participants will understand the process of obtaining a reverse mortgage.
4. Participants will determine if a reverse mortgage is an acceptable financial tool for their situation.

Suggested Program Idea:

Invite a loan officer or other financial professional to the meeting to answer participant questions about reverse mortgages.

Introduction:

Have you ever heard of a reverse mortgage? Do you know anyone who has one? Have you wondered if a reverse mortgage might be a good financial tool for you?

Say:

A reverse mortgage can be beneficial to a home owner for additional financial peace of mind; to make home improvements and/or repairs; to finance a second career or new business venture; to travel to exotic places or just visit friends; for health care and medical expenses; to pay premiums for long term care insurance; or, for some other significant expenditure.

Distribute copies of Extension Publication FL 533: "Is a Reverse Mortgage Right for You? [<http://www.clemson.edu/psapublishing/Pages/FYD/FL533.pdf>]

Cut the following questions into individual strips and pass out to small groups of participants. Have participants read the publication, then read their question and answer it out loud so the group will understand the important information. Allow time for all groups to answer their questions.

1. What is a reverse mortgage?
2. How old do all owners have to be to qualify for a reverse mortgage?
3. Can you qualify even if you still owe some money on your traditional mortgage?
4. Does everyone have to attend counseling sessions before getting a reverse mortgage?

5. Will having a reverse mortgage affect your Social Security or Medicare benefits?
6. After attending counseling sessions, what are the next steps?
7. What are some advantages of having a reverse mortgage?
8. What are some disadvantages of having a reverse mortgage?
9. Are there different types of reverse mortgages offered by different financial institutions?
10. What are some additional sources of information about reverse mortgages?

ASK:

Do each of you think that a reverse mortgage would be a good financial tool for your situation? Why or why not?

Summary:

A reverse mortgage can provide a source of funds for necessary living expenses, pay for emergencies, to purchase additional insurance protection, or to enhance quality of life. There are costs involved in securing a reverse mortgage and the decision should only be made after careful research and consideration of your total financial situation. A trusted financial advisor should be enlisted to help in this decision-making process.

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