



If I Do A Reverse Mortgage, Will The Bank Own My Home?

By David Prulhiere

Very often, the concern is that the bank will own your home after you do a reverse mortgage, but is this really true?

The fact is, there is virtually nothing different about a reverse mortgage than any other mortgage when it comes to ownership. The bank uses your home for collateral the same way for either style loan. You still own the home, and you have all the rights associated with it. You can sell or refinance, without penalty, at any time you choose. If you desire to sell your home, the lender will need to be paid off, and any remaining equity is yours to spend how you wish.

Usually, the confusion on this topic is when someone is thinking about is a life estate. This is where you sell your home to an investor, and they allow you to live there until you die. Normally this is done with a property that can be developed and in this case, you do give up the property. Don't confuse this with a reverse mortgage. They are two different programs, not related in any way.

Just to clarify another point before you have to ask, the State does not take your home either. As long as you maintain your property taxes, you will be in their good graces. By the way, if you live in Oregon, you can have your property taxes deferred. Don't do it before you get your loan, or you will have to pay them off. But instead, do the reverse mortgage and after that is complete, you can defer your property taxes.

In summary, you own your home. There is never a time that a reverse mortgage requires you to give up the home. You have the right to sell your home, keep any remaining equity, and do with it as you please.

The same rule applies to your heirs upon your passing. They inherit the home along with the mortgage and existing equity. If they want to keep the home, they will be required to pay off the existing mortgage. If the decision is to sell the home, any remaining equity will be theirs.

Prior to committing to any [reverse mortgage programs](#), make sure you have all the facts. Visit our website for more [reverse mortgage information](#). Use our [reverse mortgage calculator](#) to see how much money is available to you.

Call our professionals if you have any questions at (877) 339-6633.