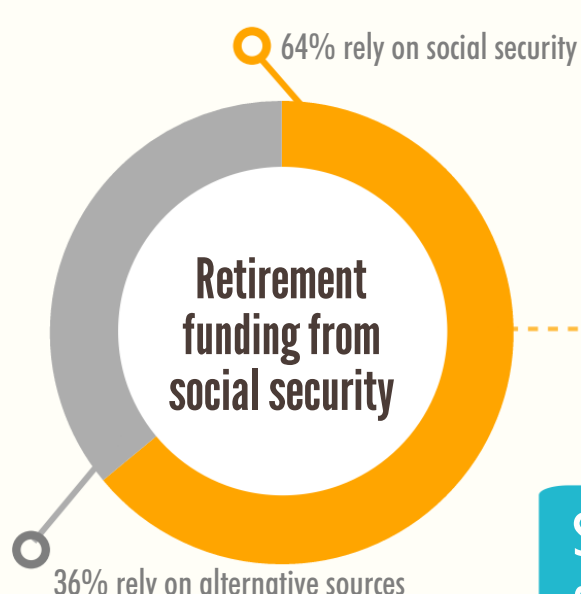


# Why a reverse mortgage can change your finances in retirement

## Will using Social Security to fund retirement be enough?



Average social security income ranges from just \$1,165 to \$1,329 per month, totaling about \$14,964 a year!

64% of aged beneficiaries received at least half of their income from Social Security in 2013.

Social Security payments make up 34% of aggregate income for persons 65 years or older, meaning that seniors are relying mostly on other alternatives incomes in retirement.

As it is unlikely that seniors can rely solely on social security to fund their retirement years comfortably, they need to find alternative sources of income. Though often overlooked, **home equity** can provide a new source of income in retirement.



## America's Seniors Hold \$5.76 Trillion in Home Equity

That's a whole lot of equity that could help finance a retirement. But how can you tap into home equity? Seniors 62 and older can apply for a **reverse mortgage** as a way to access the equity in their home and convert it into usable funds.

## What you need to know about Reverse Mortgages:

95%

of reverse mortgages that originated in the United States were HUD Home Equity Conversion Mortgages (HECM).

67%

of HECM counseling clients in 2010 wanted a reverse mortgage to lower household debt.

21%

or one in five of today's reverse mortgage counseling clients are between age 62 to 64.

73

is the average age of borrowers. This average age has been continuously declining since the 1990s.

\$168,700

The average Principal Limit in 2015

3.38%

The average interest rate in 2015

54,926

The total Reverse Mortgages issued in 2015

8,777

The most Reverse Mortgages from one state, California

If you have established considerable equity in your home and are 62 years or older, a reverse mortgage can help supplement all types of retirement income, especially Social Security payments. A reverse mortgage allows you to still live in your home and own it, while tapping its equity. You can use the funds from a reverse mortgage loan to pay off other debts, such as an existing mortgage or you can use the funds for regular expenses.