naf Reverse

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HomeSafe Second: tap your equity and keep your first mortgage

QUICK ANSWER

HomeSafe Second is a reverse second mortgage: it lets homeowners 55 and older in California borrow against their equity while keeping the first mortgage they already have, with no required monthly payment on the new loan. You still pay your first mortgage, property taxes, homeowners insurance, HOA dues and upkeep, and the new loan's balance grows over time.

Key points

- **It keeps your first mortgage.** It sits behind the mortgage you have now, so that loan's rate and terms stay the same.
- **No required payment on the new loan, with conditions.** You keep paying your first mortgage, property taxes, insurance, HOA dues and upkeep, and you live in the home as your main home.
- **The balance grows.** Interest is added to what you owe over time unless you choose to make payments.
- **It isn't a HECM.** It's a private (proprietary) loan, not part of HUD's program, and its rules are different.
- **California's protections still apply.** Independent counseling before you apply, a 7-day wait, and a non-recourse loan.

What it is

HomeSafe Second is a proprietary (private) reverse mortgage. It isn't part of HUD's Home Equity Conversion Mortgage (HECM) program and isn't FHA-insured. It's one of the reverse mortgages I can offer through New American Funding.

Most reverse mortgages replace the mortgage you have. HomeSafe Second doesn't. It's a **second** mortgage that sits behind your current one, a little like a home equity line of credit, except no monthly mortgage payment is required on it (you still pay your first mortgage, property taxes, insurance, HOA dues and upkeep).

That matters if your first mortgage has a rate you don't want to give up.

The basics (from the HomeSafe Second product page)

Feature	HomeSafe Second
Minimum age	55 in California
Loan amount	The program sets its own minimum and maximum; ask for them in writing
How you receive it	A lump sum, or a line of credit you draw from in stages. Money you repay on the line can't be drawn again.
Monthly payment on this loan	None required. You can pay any amount, any time, without a penalty.
Your first mortgage	Stays in place, and you keep making its payments
Where it's offered	Select states, including California

No monthly mortgage payment is required on HomeSafe Second, but you still pay your first mortgage, property taxes, homeowners insurance, HOA dues and upkeep, and live in the home as your main home.

What it costs you

I'll show you every cost first. Like other mortgages, it has upfront costs. The product page lists counseling, an appraisal, a loan origination fee (it varies by state; ask for the exact amount in writing), and other closing costs such as title, escrow, credit report and recording fees. Some of these can be paid from the loan.

The bigger cost is over time, and I want you to understand this part: interest is charged on what you've borrowed and added to the balance, so you owe more each year unless you make payments. That leaves less equity for you or your heirs.

Who it may fit, and who it may not

May fit	May not fit
You want to keep a first mortgage you're happy with	You want to leave as much equity as possible to your heirs
You'd rather not take on a new monthly bill	You don't have much equity in the home
You have a lot of equity built up	Keeping up the home would be hard
You need money for planned or unexpected costs	You plan to move soon

What you keep doing

Because your first mortgage stays, you keep making its payments. You also pay property taxes, homeowners insurance, HOA dues and upkeep, and live in the home as your main home. If you don't meet the loan terms, including the terms of your first mortgage, the loan can come due and the home can go to foreclosure.

How it ends

The loan comes due when you move out, don't meet the loan terms, or pass away. It can be paid off by selling the home, or with other money if you or your heirs want to keep it.

California law defines a reverse mortgage as a non-recourse loan, and the product page says neither you nor your heirs will owe more than the home's value on this loan when it comes due and the home is sold.

Your first mortgage is a separate loan: it must also be paid off, or kept up, by you or your heirs.

California's protections

California's reverse mortgage law covers any reverse mortgage, not just HECMs. Before a lender can take your final application or charge a fee, you meet with an independent HUD-approved counselor, and then 7 days have to pass. See counseling near Diamond Bar. HomeSafe Second also gives you three business days after signing to cancel for any reason.

HomeSafe Second, a HECM, or a home equity line?

Feature	HomeSafe Second	HECM (FHA-insured reverse mortgage)	Home equity line of credit
Your first mortgage	Stays	Paid off by the new loan	Stays
Monthly payment on the new loan	None required	None required	Required
Minimum age	55 in California	62	Set by the lender
Insured by FHA	No	Yes (the insurance protects the lender)	No
Set-aside for taxes and insurance	Ask the lender	May be required after the Financial Assessment	No
Balance	Grows unless you pay	Grows unless you pay	Goes down only when you pay principal

With all three, you still pay property taxes, homeowners insurance, HOA dues and upkeep, and your first mortgage if it stays. A HECM may let you stop paying a first mortgage altogether, but only if the new loan is big enough to pay it off.

See refinancing into a reverse mortgage. New American Funding is not acting for HUD, FHA or any government agency.

Do and don't

My advice, in short:

Do

- **Do** compare it with a HECM refinance and a home equity line before you decide.
- **Do** ask for every cost in writing, including the origination fee and closing costs.
- **Do** keep paying your first mortgage, property taxes, insurance and HOA dues on time.
- **Do** meet with an independent HUD-approved counselor, and bring your questions about your first mortgage.

Don’t

- **Don't** assume HUD's HECM rules apply. This is a different loan with its own terms.
- **Don't** borrow more than you need just because it's available, because the balance grows.
- **Don't** take it if you plan to move soon, since upfront costs are hard to make back over a short time.

A made-up example to show how it works. Your situation will be different.

Example: Lorraine keeps her mortgage

Lorraine, 59, lives in Walnut. Her first mortgage has a rate she doesn't want to lose, and she'd like money for a new roof and some medical bills. She isn't old enough for a HECM, and a home equity line would add a monthly payment.

A lender explains HomeSafe Second: her first mortgage stays, no monthly mortgage payment is required on the new loan, and the balance will grow unless she pays something toward it. She'd still pay her first mortgage, taxes, insurance and upkeep.

She asks for the costs in writing, books a session with an independent counselor, and waits the 7 days before deciding.

Questions families ask

Can I get a reverse mortgage and keep my current mortgage?

With HomeSafe Second, yes: it sits behind your current mortgage, which stays in place. With a HECM, the new loan has to pay off any existing mortgage.

Is HomeSafe Second the same as a HECM?

No. It's a proprietary (private) loan. It isn't part of HUD's HECM program and isn't FHA-insured, so its age rules, loan amounts and terms are different.

Do I have to make monthly payments?

None are required on HomeSafe Second, and you can pay any amount without a penalty. You still make your first mortgage payments, and you still pay property taxes, homeowners insurance, HOA dues and upkeep.

Can my kids keep the house?

Yes, if they pay off HomeSafe Second, for example with their own money or a new loan, and also pay off or keep up the first mortgage. They can also sell the home and use the proceeds.

I'm 58. Is that too young?

Not for HomeSafe Second in California, where the minimum age is 55. A HECM requires the youngest borrower to be 62.

Sources (read November 2, 2026)

- California Civil Code 1923, definition of a reverse mortgage as a non-recourse loan: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CIV&sectionNum=1923
- California Civil Code 1923.2, counseling and the 7-day wait: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CIV&sectionNum=1923.2
- HUD housing counselor search: https://answers.hud.gov/housingcounseling/s/?language=en_US
- 24 CFR part 206 (HECM rules: age 62, existing liens paid at closing, set-asides), for the comparison table: https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-206



Talk with me first

I'll answer your questions and tell you plainly if a reverse mortgage isn't the right fit. No pressure.

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Personal estimate and more free guides: thereverseguide.com. Before you can apply, you'll meet with an independent HUD-approved counselor; it's required.

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