naf Reverse

**Tom Jarboe**, Regional Sales Manager
NMLS #210600 · (909) 869-6588
tom.jarboe@naf.com



# Who has the title to a home with a reverse mortgage? Life estates, survivorship and trusts

QUICK ANSWER

With a reverse mortgage, you keep the title to your home. The lender holds a lien, the same way it would with any mortgage. How your title is held still matters a lot: it decides who can be a borrower, who must sign, and what happens when one owner dies. Here's the part I want you to understand first: being on the title is not the same as being on the loan, and only a borrower (or an eligible spouse named at closing) can stay after the last borrower dies.

## Key points

- **You keep the title.** A HECM is a loan secured by your home. The loan comes due when the last borrower dies, sells, moves out for good (or is away more than 12 months in a row for illness), or doesn't meet the loan terms.
- **Every borrower must be on the title.** Other owners on title who aren't borrowers must get counseling and sign the mortgage.
- **A life estate can work, with conditions.** HUD allows a borrower who holds only a life estate, if everyone who holds the remainder also signs the mortgage and attends counseling.
- **Living trusts are allowed.** A HECM can be made on a home held in a living trust that meets HUD's rules.
- **Ask before you change the deed.** Adding a child, moving the home into a trust, or recording a new deed can affect the loan, property taxes and benefits. Ask the servicer in writing and an attorney first.

These are HUD's rules for HECMs, the FHA-insured reverse mortgage. Private (proprietary) reverse mortgages, such as HomeSafe, set their own rules. This page is general information, not legal or tax advice. An estate planning attorney is the right person to decide how your title should be held. New American Funding is not acting for HUD, FHA or any government agency.

## The words, in plain English

| Term | What it means |
|---|---|
| Title | Legal ownership of the home, shown on the recorded deed |
| Borrower | A person who signs the note and owes the loan; for a HECM, 62 or older, on title, and living there |
| Non-borrowing owner | Someone on title who isn't a borrower and isn't a borrower's spouse |
| Joint tenancy | Two or more owners in equal shares; when one dies, the survivors own it without probate |
| Community property with right of survivorship | A way spouses can hold title so it passes to the surviving spouse without probate |
| Life estate | The right to own and live in a home for life; it ends at death |
| Remainder | The interest of the person who owns the home after the life estate ends |
| Living trust | A trust created during your lifetime; the trustee holds title for the beneficiaries |
| Revocable transfer on death deed | A California deed that passes the home to a named person at death and can be changed until then |

## What HUD requires on title

- **Borrowers must hold title.** Every borrower must hold title (or a qualifying leasehold) in their own name or in a living trust, be obligated on the note, and sign the security documents (Handbook 4000.1; 24 CFR 206.35).
- **All the owners together must hold the whole property.** If someone else on title isn't a borrower, they must sign the mortgage to pledge the property and sign a certification consenting to the loan (24 CFR 206.35).

- **Counseling for every owner.** Borrowers, any non-borrowing spouse and any non-borrowing owner must receive HECM counseling (24 CFR 206.41).
- **Age is per borrower.** Every borrower must be at least 62 at closing. A younger co-owner can't be a borrower on a HECM.

In California, a spouse who isn't a borrower may still need to sign the deed of trust so the lien is valid. HUD's Handbook says the mortgage must be signed by everyone needed under state law.

## Joint tenancy and survivorship

When two borrowers own the home together (for example as joint tenants, or as spouses with community property with right of survivorship), and one dies, the survivor owns the home under California law.

Under HUD's rule, the loan doesn't come due at the first death as long as the home is still the main home of a surviving borrower. The surviving borrower keeps meeting the loan terms: property taxes, homeowners insurance, HOA dues and upkeep.

To clear the deceased owner's name, California law lets anyone record an affidavit of death with a certified death record in the county where the home is (Probate Code 210). Tell the servicer about the death too.

**The catch with co-owners who aren't borrowers.** If a child is on title but isn't a borrower, the loan comes due when the last *borrower* dies or moves out, even though the child still owns part of the home. The child doesn't get the deferral that an eligible non-borrowing spouse may get.

The family then has the same choices as other heirs: pay the loan off, sell, or sign the home over. See keep, sell or walk away.

## Life estates

Some parents deed their home to their children and keep a life estate, so the parent can live there for life and the children own it afterward. California law recognizes estates for life (Civil Code 761).

For a HECM, HUD says a borrower who holds only a life estate is eligible only if **all** holders of the remainder also sign the mortgage and attend HECM counseling. The lender must get a copy of the document that created the life estate. So if your children hold the remainder, every one of them must agree and take part.

When the life tenant dies, the life estate ends and the remainder holders own the home, with the reverse mortgage still on it. If no other borrower lives there, the loan comes due, and the new owners choose to pay it off, sell, or sign the home over.

Recording an affidavit of death (Probate Code 210) clears the life estate from the title.

Under HUD's rule, a borrower who keeps a life estate is still treated as keeping title. Even so, never record a new deed on a home with a reverse mortgage without asking the servicer in writing and an attorney first.

## Living trusts

"Can a reverse mortgage be in a trust?" Yes. HUD lets a lender make a HECM on a home held in a living trust, revocable or irrevocable, if the trust meets its rules.

Among them: the primary beneficiaries are 62 or older, complete counseling, are eligible borrowers and live in the home; new beneficiaries can't be added; the trust gives each beneficiary a legal right to live there for life; and the trust must tell the lender about changes. The trust's name must appear on the deed of trust.

If you already have a HECM, you can move the home into a living trust without making the loan due, if the lender finds the trust meets those same rules. Ask the servicer before you do it. Many families use a trust so a successor trustee can act without probate. See power of attorney and conservatorship.

## Adding a child to the title

Here's what I'd think through before you do it:

- **It doesn't put your child on the loan.** Your child won't be a borrower and won't gain a right to stay after you.

- **It can change the loan picture.** HUD's rule makes the loan due if a borrower transfers all their title and no other borrower keeps title. Your loan papers and servicer have the final word, so ask in writing first.
- **It can change taxes and benefits.** A deed to a child can affect property tax reassessment, gift tax and income tax on a later sale, and Medi-Cal planning. Ask the county assessor, a tax professional and an elder law attorney.
- **A will or transfer on death deed is different.** California's revocable transfer on death deed passes the home at death and can be changed until then (Probate Code 5614). The child inherits the home with the reverse mortgage still on it. Ask an attorney which fits.

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

### Example: Rodrigo and his daughters

Rodrigo, 72, lives in Walnut. Years ago, on a relative's advice, he deeded the home to his two daughters and kept a life estate. Now he's looking at a HECM.

The lender explains HUD's rule: both daughters, as remainder holders, must sign the mortgage and attend counseling, and the lender needs a copy of the deed that created his life estate. Both daughters agree. They attend counseling with him, and the family waits the 7 days California requires before the final application.

The counselor reminds them that the balance grows over time, that Rodrigo keeps paying property taxes, insurance and upkeep, and that the loan comes due when he dies or moves out for good. They also book an estate planning attorney to make sure the plan still fits the family.

### Do and don't

My advice:

**Do**

- **Do** look at your current deed before you apply, and bring it to the lender.
- **Do** tell the servicer about the death of any owner, and record an affidavit of death when an owner dies.
- **Do** talk with an estate planning attorney about trusts, life estates and how title should be held.

**Don’t**

- **Don't** add a child to the title, record a new deed or move the home into a trust without asking the servicer in writing first.
- **Don't** assume a co-owner who isn't a borrower can stay after the last borrower dies.
- **Don't** take title advice from anyone selling you another product.

## Questions families ask

### Who has the title to a home with a reverse mortgage?

You do. The lender holds a lien on the home, like any mortgage, and you keep the title. When the loan comes due, you or your heirs pay it off, sell, or sign the home over.

### Does adding my child to the title break the reverse mortgage?

It can affect the loan, taxes and benefits, so don't do it without asking the servicer in writing and an attorney. Your child doesn't become a borrower, and doesn't gain a right to stay after you.

### Can I put my mom on my house title and get her a reverse mortgage?

A HECM borrower must be 62 or older, on title, and living in the home as their main home. Any other owner on title who isn't a borrower must get counseling and sign the mortgage.

When your mom, as the last borrower, dies or moves out, the loan comes due, even though you still own part of the home. Talk with a counselor and an attorney first.

### Can a reverse mortgage be in a trust?

Yes, if the living trust meets HUD's rules, including that the primary beneficiaries are 62 or older, eligible borrowers who live in the home and complete counseling. The trust's name goes on the deed of trust.

### Can my father leave me the home in his will even though it has a reverse mortgage?

Yes. The home passes to you with the loan still on it. When the loan comes due, you choose to pay it off, sell, or sign the home over. A HECM is repaid from the home, not from your own money. See keep, sell or walk away.

### I pay my dad's taxes and insurance. Should my name be on the deed?

Helping pay doesn't require it, and adding your name has its own effects. Ask the servicer in writing and an attorney first. A power of attorney or a trust may do what you need without changing the deed.

**Sources (read November 3, 2026)**

- 24 CFR 206.35, Title of property which is security for HECM (eCFR): https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-206/subpart-B/section-206.35
- 24 CFR 206.27(c) (due and payable; "retains title ... as a life estate") and 206.41 (counseling), eCFR: https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-206
- HUD Handbook 4000.1, Part II.B.2 (Borrower Ownership and Obligation Requirements; Living Trusts; Transfer into and from a Living Trust; Borrowers Holding Only Life Estates) and II.B.1.c (Non-Borrowing Owner; who must be counseled), last revised Aug. 12, 2026: https://www.hud.gov/hud-partners/single-family-handbook-4000-1 (full text: https://www.hud.gov/sites/default/files/Housing/documents/40001-hsgh-Update-18-Redline.pdf)
- California Civil Code 683 (joint tenancy): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CIV&sectionNum=683
- California Civil Code 682.1 (community property with right of survivorship): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CIV&sectionNum=682.1
- California Civil Code 761 (estates for life): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CIV&sectionNum=761
- California Probate Code 210 (affidavit of death): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PROB&sectionNum=210
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- California Civil Code 1923.2 (counseling and 7-day wait): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CIV&sectionNum=1923.2
- California Courts Self-Help, probate and simple transfers: https://selfhelp.courts.ca.gov/probate/simple-transfer
- HUD housing counselor search: https://answers.hud.gov/housingcounseling/s/?language=en_US




## Talk with me first

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

**(909) 869-6588 · tom.jarboe@naf.com**

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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