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A younger spouse who isn't on the reverse mortgage

QUICK ANSWER

A spouse who isn't a borrower may be able to stay in the home after the borrower dies, but only as an "eligible non-borrowing spouse." That means they were married to the borrower at closing and stayed married, were named in the loan documents at closing, and live in the home. A spouse who wasn't named at closing can't qualify later.

Key points

- **Naming happens at closing.** The spouse must be named as an Eligible Non-Borrowing Spouse in the loan documents.
- **Married at closing and still married.** And the spouse must live in the home as their main home.
- **Staying isn't the same as getting more money.** No loan money is paid out during the deferral period.
- **The loan terms keep going.** Taxes, insurance and upkeep still have to be paid, and if the spouse stops qualifying, the loan is due right away.
- **Counseling includes the spouse.** A non-borrowing spouse takes part in counseling, eligible or not.

Why a spouse might not be on the loan

Here's how I explain it. For a reverse mortgage (HECM), the youngest borrower must be 62 or older at closing. A spouse who is younger can't be a borrower, though they can be an eligible non-borrowing spouse. HUD counts that spouse's age when it figures how much can be borrowed.

A HECM is an FHA-insured reverse mortgage. New American Funding is not acting for HUD, FHA or any government agency.

What "eligible" means

Requirement	What it means
Married	Married to the borrower at closing, and still married
Named	Named in the loan documents as an Eligible Non-Borrowing Spouse
Living there	Lives in the home as their main home

If the spouse isn't named at closing, they can't qualify later.

When the borrower dies

Normally the loan comes due when the last borrower dies and no other borrower lives there. For HECMs with FHA case numbers assigned on or after Aug. 4, 2014, an eligible non-borrowing spouse can **defer** that, which means they can stay in the home during what HUD calls the deferral period.

Within 30 days of learning of the death, the servicer sends the spouse a notice explaining the deferral rules. Still, the spouse should contact the servicer soon after a death. The deferral lasts until the eligible spouse dies or stops meeting the requirements above.

If the spouse stops qualifying, the deferral ends and the loan is due right away.

You may see a "90-day rule" on older websites, saying the spouse must get title or a legal right to stay within 90 days. HUD removed that in Mortgagee Letter 2021-11, though the federal regulation text still shows it.

For loans with FHA case numbers from Aug. 4, 2014 on, HUD's 2021 letter also lets deferral apply when the borrower moves into a care facility for more than 12 months in a row.

What deferral does and doesn't mean

- **No more money is paid out.** The spouse can stay, but no more loan money is paid out.
- **Obligations continue.** The spouse must keep paying property taxes, homeowners insurance, HOA dues and upkeep, and keep living there. The yearly occupancy certification includes an eligible spouse. See the occupancy rules.
- **If obligations aren't met,** or the spouse stops qualifying, the loan can come due.

If a spouse isn't eligible

An ineligible spouse gets no deferral. When the last borrower dies, the servicer's notice gives the estate or heirs these options: pay the loan in full, sell for at least the lesser of the balance or 95% of the current appraised value, or give a deed in lieu of foreclosure.

If your spouse is on the title but isn't an eligible non-borrowing spouse, ask the servicer in writing how the home will be treated, and ask an estate attorney early. Questions about title, trusts and probate belong with a California estate attorney. See after a parent dies.

Do and don't

My advice:

Do

- **Do** ask that your spouse be named as an Eligible Non-Borrowing Spouse, and check the loan documents at closing.
- **Do** go to counseling together.
- **Do** keep your marriage papers and loan papers where family can find them.
- **Do** call the servicer soon after a death and answer its letters.

Don’t

- **Don't** assume marriage alone protects a spouse. They must be named at closing.
- **Don't** count on loan money after the borrower dies.
- **Don't** rely on the old 90-day rule.

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

Example: Gil and Marisol at the kitchen table

Gil, 74, wanted a reverse mortgage on their home in Chino Hills. His wife, Marisol, is 60, so she couldn't be a borrower. They asked how she'd be protected if Gil died first.

They learned she would need to be named in the loan documents at closing, married and living there, and that no more loan money would be paid out after Gil's death. She'd also need to keep up the taxes, insurance and upkeep on her own income.

That last part worried them. They weren't sure the loan was worth the trade. Together they met with a HUD-approved counselor, then talked it through with a lender.

Questions families ask

What happens to a reverse mortgage when one spouse dies?

If another borrower still lives there, the loan continues. If the last borrower dies, the loan comes due unless an eligible non-borrowing spouse qualifies to defer. Then the spouse can stay while keeping up the taxes, insurance and upkeep.

Can my spouse stay in the home if they're not on the loan?

Possibly, if they're an eligible non-borrowing spouse: married at closing and still married, named in the loan documents, and living there. If they weren't named at closing, they can't qualify later.

I'm nervous about a reverse mortgage my husband wants. What should I do?

That's a fair reaction. You are part of the conversation: a non-borrowing spouse takes part in counseling. Ask the counselor and the lender what happens to you if he dies first. Ask the counseling agency whether family can sit in.

Does a non-borrowing spouse have to go to counseling?

Yes. HUD requires counseling for the borrower, any non-borrowing spouse (eligible or not) and any non-borrowing owner. The counselor is independent. See how counseling works.

Sources (read October 28 to November 2, 2026)

- 24 CFR 206.55, eligible non-borrowing spouse (section 206.55 of Part 206, eCFR): https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-206
- 24 CFR 206.27(b)(1) and (c), disbursements and when the loan comes due (section 206.27 of Part 206, eCFR): https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-206
- 24 CFR 206.33, age: https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-206/subpart-B/section-206.33
- 24 CFR 206.41, counseling: https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-206/subpart-B/section-206.41
- 24 CFR 206.211(a), occupancy certification (section 206.211 of Part 206, eCFR): https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-206
- HUD Mortgagee Letter 2021-11 (May 6, 2021): https://www.hud.gov/sites/dfiles/OCHCO/documents/2021-11hsgml.pdf
- HUD Handbook 4000.1, Part III.B.2.b (Update 18, last revised Aug. 12, 2026): https://www.hud.gov/hud-partners/single-family-handbook-4000-1
- HUD, HECM information and counselor search: https://www.hud.gov/hud-partners/single-family-hecmhome



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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