naf Reverse

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Can a reverse mortgage be in a trust? Title, wills, probate and power of attorney

QUICK ANSWER

Yes, a reverse mortgage (HECM) can be made on a home held in a living trust, if the trust meets HUD's rules. With any reverse mortgage, the title stays in your name or your trust's name, not the lender's. Here's how I explain it: the paperwork around a home (who is on title, whether there's a trust, who can sign if you can't) matters as much as the loan itself, and it's far easier to settle while everyone can still sign.

This page covers HUD's rules for HECMs and the California basics families ask about. It's general information, not legal advice. An estate planning or elder law attorney should look at your own documents.

Key points

- **You keep the title.** The CFPB says the title to your home stays in your name. The lender has a lien, like any mortgage.
- **Living trusts can work.** HUD allows a HECM on a home held in a revocable or irrevocable living trust, if the trust meets HUD's conditions. The lender reviews the trust document.
- **Everyone on title takes part.** Any owner who isn't a borrower must go to counseling and sign the mortgage. A child added to the title before closing becomes part of the loan paperwork.
- **A will doesn't cancel the loan.** You can leave the home to anyone. When the last borrower dies, the loan still has to be repaid, usually from the home.
- **Plan for signing now.** A durable power of attorney or a trust lets someone act for you later. Once someone can't sign, the family may need a court-appointed conservator.

Who owns the home with a reverse mortgage?

You do. The CFPB puts it simply: as with a regular mortgage, "the title to your home remains in your name." The lender records a lien (a legal claim on the home) that is paid off when the loan ends.

A HECM also has a second lien in HUD's name, which is part of how FHA insurance works. That insurance protects the lender, not you. New American Funding is not acting for HUD, FHA or any government agency.

What you keep with ownership, you also keep as duties. There's no required monthly mortgage payment, but you still pay property taxes, homeowners insurance, HOA dues and upkeep. The balance grows over time as interest, mortgage insurance and fees are added.

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.

Living trusts

HUD's handbook allows a HECM on a home held by a living trust, revocable or irrevocable, when all of these are true:

HUD condition for a trust	What it means for your family
The primary beneficiaries are 62 or older at closing, go to counseling and qualify as borrowers	The people the trust is for right now are the borrowers
They live in the home as their main home	Same occupancy rule as any HECM
No new beneficiaries are added	Plan the trust before the loan, not after
The trust is valid and gives each beneficiary the right to live there for life	The lender's review checks this
The trust tells the lender about changes, such as who lives there	The trustee has an ongoing job
The trustee and beneficiaries sign the papers HUD requires	Sometimes contingent beneficiaries sign too

The lender must get a copy of the trust agreement or declaration of trust, so have it ready. Here's what I'd check first: whether the people the trust is for right now are the ones who would be borrowers.

Contingent beneficiaries (often the children) don't have to qualify as borrowers or go to counseling, unless they're also a spouse or an owner who must.

Moving the home into a trust after closing. HUD's handbook says a borrower may transfer the home to a living trust without making the loan come due, if the trust would have met HUD's rules at closing. Ask your servicer in writing before you record anything.

Private (proprietary) loans such as HomeSafe set their own rules on trusts. Ask for those rules in writing.

Adding a child to the title

The answer depends on timing.

- **Before the loan.** HUD's rule says any owner on title who isn't a borrower (HUD calls them a non-borrowing owner) must receive counseling, sign the mortgage, and sign a statement consenting to the loan. Only people 62 or older can be HECM borrowers. Being on title doesn't give that child a right to stay when the last borrower dies. The loan comes due then.
- **After the loan.** HUD's rule makes the loan due if a borrower conveys *all* of their title and no other borrower keeps title. A borrower who keeps any part of the title, in full ownership, a lease, or a life estate, still "retains title." So adding a child while you keep your own ownership isn't, by itself, that trigger. But it can create other problems.

My advice: before you add anyone to your deed, talk to an estate attorney and a tax professional. A transfer can affect property taxes, income taxes when the home is later sold, and your control of the home, and it can expose the home to the new owner's debts. Tell your servicer in writing before you record anything.

Life estates. If you hold only a life estate (the right to live there for life, with the home passing to someone else after), HUD allows a HECM only if everyone holding the future interest also signs the mortgage and goes to counseling.

Your will and the loan

You can leave the home to anyone in your will. Your heirs inherit the home, and the loan with it: when the last borrower dies, the loan must be repaid. The HECM is non-recourse, so your heirs never owe more than the home is worth.

They can pay it off and keep the home, sell it, or sign it over to the servicer. See keep, sell or walk away and what happens when a parent dies.

An heir can't take over the loan. HUD's rules allow an eligible non-borrowing spouse who was named in the loan papers to stay. That isn't the same as a child or other relative. See the non-borrowing spouse guide.

Probate and the servicer's clock

The loan doesn't go "through probate." The home might. Probate is the court process that gives an executor (or administrator) legal authority to handle a person's property. Someone with that authority, or a trustee, or an heir who already holds title, is who signs a sale or a payoff.

The servicer's deadlines don't wait for probate. After the last borrower dies, the servicer gives the estate 30 days from its notice to say what it plans to do.

Under HUD's rules the servicer generally must start foreclosure within about six months of the due date, and it can ask HUD for up to two 90-day extensions when the family shows it is actively selling or paying off.

So an executor should call the servicer early, tell it probate is open, send papers, and keep the property taxes and insurance paid.

California has some faster paths than full probate. These come from the California Courts and the Probate Code:

Path	What it is
Living trust	The successor trustee handles the home under the trust, without probate
Joint tenancy	The surviving joint owner gets the property

Path	What it is
Revocable transfer on death deed	You name who gets the home at your death. It must be recorded within 60 days after it's notarized. While you're alive it doesn't change your ownership. At death the home passes subject to recorded liens, such as the reverse mortgage. California's law on these deeds is set to end on January 1, 2032, unless extended
Petition for a main home	If the home was the person's main home in California and its gross value is no more than $750,000 (set by law for deaths on or after April 1, 2025), a successor may ask the court for an order after 40 days, without full probate

Which path fits depends on your family and the facts. That's a question for an estate attorney.

Power of attorney and conservators

A **durable power of attorney** names someone (the agent, or attorney-in-fact) to act for you, and it keeps working if you lose capacity.

California law says a power of attorney is durable when it says so in words like "This power of attorney shall not be affected by subsequent incapacity of the principal." It must be dated, signed, and either notarized or signed by two qualified witnesses.

For a HECM, HUD's handbook says:

- **The lender may accept papers signed by an agent** under a durable power of attorney written to survive incapacity, if the agent has specific authority to obligate the borrower.
- **The agent must go to counseling** before signing for the borrower.
- **If a borrower lacks legal capacity,** the papers may be signed by a court-appointed conservator or guardian (with the court order), or by an agent under such a durable power of attorney.
- **People connected to the deal can't sign for you** as your agent: the lender or its employees, the loan officer, the title company or closing agent, or a real estate agent. A family member can. HUD allows one narrow exception with a recorded online confirmation from the borrower.
- **Nobody may ask you to sign blank or incomplete pages.**

If your parent already has a reverse mortgage, see power of attorney basics for families.

From Tom: Tom has seen people on title become unable to sign before their family set anything up. A living trust or a durable power of attorney, set up early, can let someone sign when that happens. See power of attorney and conservatorship.

Made-up example: *Harold and Lupe are not real people.* Harold, 74, owns his home in Hacienda Heights through a living trust he set up years ago. His daughter Lupe is the successor trustee. Before applying for a HECM, Harold gives the lender a copy of the trust.

The lender checks that Harold is the primary beneficiary, that he's 62 or older and lives there, and that the trust gives him the right to live there for life.

Harold also has his attorney update his durable power of attorney, naming Lupe as his agent, and Lupe joins him at counseling so she understands the loan. Harold knows his property taxes, insurance and upkeep stay his, and that the balance will grow.

Lupe keeps a folder with the trust, the power of attorney, and the servicer's phone number.

Do and don't

My advice: bring your family, and do the paperwork while everyone can still sign.

Do

- **Do** gather your deed, trust, will and any power of attorney before you talk to a lender.
- **Do** bring any co-owner on title to counseling. HUD requires it.
- **Do** set up a durable power of attorney and talk to an estate attorney while everyone can still sign.
- **Do** tell your servicer in writing before changing the title.

Don’t

- **Don't** add a child to your deed to "protect" the home without legal and tax advice.
- **Don't** let anyone connected to the loan act as your agent, or ask you to sign blank pages.
- **Don't** pay a company a fee just to set up or "find" a reverse mortgage for you. HUD bars using loan money to pay these "estate planning service firms," and your counselor will ask about them.
- **Don't** assume probate stops the servicer's clock. Call early.

Questions families ask

Can a reverse mortgage be in a trust?

Yes, for a HECM, if the living trust meets HUD's rules: the primary beneficiaries are 62 or older, live there, go to counseling and qualify as borrowers, the trust gives them a lifetime right to live there, and no new beneficiaries are added. Private loans set their own trust rules.

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

You do, or your trust does. The lender holds a lien, not the title. The CFPB says the title remains in your name.

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

HUD's rule makes the loan due if a borrower conveys all of their title and no other borrower keeps title. Keeping your own share isn't that trigger. But a deed change has tax and legal effects, so talk to an estate attorney and tell your servicer in writing first.

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

Every HECM borrower must be on the title, be 62 or older, and live there as their main home. Anyone else who stays on title must go to counseling and sign the mortgage. Changing title just to qualify has big legal and tax effects. Talk to an attorney and a counselor first. See who qualifies.

Can my father will me the home even though he has a reverse mortgage?

Yes. You inherit the home, and the loan must be repaid when he dies. You can keep it by paying it off (often with a new loan), sell it, or sign it over. You never owe more than the home is worth. See keep, sell or walk away.

How long does a reverse mortgage go through probate?

The loan doesn't wait for probate. The servicer's 30-day notice and roughly six-month foreclosure timeline run while probate is open, with up to two 90-day extensions if HUD approves. Tell the servicer probate is open, send proof, and keep taxes and insurance paid.

Why might someone with a power of attorney apply for a reverse mortgage?

An agent under a durable power of attorney can apply and sign for a borrower, if the document gives specific authority and the agent goes to counseling. The agent must act for the borrower, not themselves. The CFPB has free guides for agents.

Do I need to remove a deceased spouse from the title?

If both spouses were borrowers, the loan continues for the surviving borrower who lives there. Clearing the late spouse's name from title usually takes a recorded document. Ask a title company or estate attorney how to do it, and send the servicer a copy of the death certificate.

Sources (read November 3, 2026)

- CFPB, "What is a reverse mortgage?" (title remains in your name; balance grows): https://www.consumerfinance.gov/ask-cfpb/what-is-a-reverse-mortgage-en-224/
- HUD Handbook 4000.1, Update 18, last revised Aug. 12, 2026, Part II.B (HECM origination: borrower ownership and title, living trusts, transfer into and out of a trust, life estates, non-borrowing owners and counseling, durable power of attorney and conservators, signing at closing, documents signed in blank): 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)
- HUD Handbook 4000.1, Part III.B.2 (heirs' notice, foreclosure timeline, 90-day extensions): same link as above
- 24 CFR Part 206: 206.3 (definitions, estate planning service firm), 206.27(c) (when the loan comes due; "retains title"), 206.27(b)(8) (non-recourse), 206.32 (no loan money to estate planning service firms), 206.35 (title; non-

borrowing owners sign and consent), 206.41 (counseling for non-borrowing owners; counselors ask about estate planning service firms), 206.125 (30-day notice; foreclosure timing), eCFR: https://www.ecfr.gov/current/title-24/subtitle-B/chapter-II/subchapter-B/part-206

- California Courts Self-Help, "Simple transfers" (small estates, joint tenancy, living trusts, the $750,000 main-home petition): https://selfhelp.courts.ca.gov/probate/simple-transfer
- California Probate Code 13151 (main home up to $750,000; 40 days): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PROB&sectionNum=13151
- California Probate Code 5626 (transfer on death deed recorded within 60 days; ends Jan. 1, 2032): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PROB&sectionNum=5626
- California Probate Code 5650 (no effect on ownership during life): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PROB&sectionNum=5650
- California Probate Code 5652 (transfer subject to recorded liens): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PROB&sectionNum=5652
- California Probate Code 4124 (durable power of attorney wording): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PROB&sectionNum=4124
- California Probate Code 4121 (dated, signed, notarized or two witnesses): https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PROB&sectionNum=4121
- CFPB, Managing someone else's money (guides for agents and trustees): https://www.consumerfinance.gov/consumer-tools/managing-someone-elses-money/
- 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.

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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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