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FOR REAL ESTATE AGENTS

Reverse Mortgages: What Real Estate Agents Should Know

The opportunity with older homeowners, how to help with listings, buyers and sellers, and the reverse mortgage rules that affect your deals.



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Why it comes up in your work

Homeowners 62 and older (55 and older for some loans) hold record home equity, and they're staying in their homes longer. When they do decide to move, they need an agent who understands their options.

$15.34 trillion

in housing wealth held by homeowners 62 and older (Q2 2026)

NRMLA / RiskSpan Reverse Mortgage Market Index, Oct 2026

62 and 64

the typical age of repeat buyers and of sellers, both record highs; sellers stayed a record 11 years

NAR 2025 Profile of Home Buyers and Sellers, Nov 2025

13.9 million

homes older owners are projected to release from 2026 to 2036 (projection; method not published)

Realtor.com "Generational Housing Succession 2026," via HousingWire, Oct 2026

75%

of adults 50 and older want to stay in their current home as they age

AARP Home and Community Preferences, Dec 2024

64.6 million

Americans 65 and older (July 1, 2025), up 16.2% since April 2020

U.S. Census Bureau, Vintage 2025 estimates, June 2026

About 7 in 10

homeowners aged 75 to 84 have no mortgage

NAHB analysis of Census ACS 2024 data, Sept 2026

What it means for you: many listings, purchases and inherited sales involve owners in their 60s, 70s and 80s, their adult children, and decisions about staying, downsizing or selling. Knowing how a reverse mortgage fits in is part of serving them well.



Where reverse mortgages show up in your business

Buyers 62 and older

A HECM for Purchase lets an older buyer move, often to downsize or to be near family, with part of the price paid by a reverse mortgage and no required monthly mortgage payment on the new home. The buyer brings their own funds for the rest of the price and closing costs, must move in within 60 days, and still pays property taxes, insurance, HOA dues and upkeep. It isn't offered everywhere; Tom can offer it, through New American Funding.

Sellers who already have one

A homeowner with a reverse mortgage can sell at any time. The loan is paid from the sale, and the rest belongs to the seller. With a HECM, the seller is never personally liable for a shortfall. If the home may sell for less than the balance, get HUD's minimum price from the servicer in writing first: it's the lesser of the balance or the appraised value, or 95% of the appraised value once the loan is due. Private loans may differ.

Inherited homes

When the last borrower dies, the family often needs to sell, and the reverse mortgage rules set the clock. Knowing them helps you price, plan and keep the heirs on track (see "Selling a home with a reverse mortgage after a death").

Clients who'd rather stay

Some older clients ask whether to sell or stay. A reverse mortgage is one of several options. The honest answer is sometimes that selling or downsizing fits better, and an independent counselor helps them compare.

Private (proprietary) reverse mortgages, such as HomeSafe, set their own rules. The HECM rules in this guide don't automatically apply to them.

Helping clients 62+ (55+ for some loans)

Older homeowners move less often, but when they do, it's often a big decision made with family. Agents who earn their trust early are in the best position to help.

1. **Be the "stay or sell" adviser**
   Many older owners want to stay put. Help them compare staying, downsizing and selling, with a free home-value review and an honest look at each path.

2. **Serve downsizing buyers**
   With a HECM for Purchase, a 62+ buyer can bring part of the price and have no required monthly mortgage payment on the new home (taxes, insurance, HOA dues and upkeep still apply). Talk to a lender early: counseling, California's 7-day wait and a 60-day move-in rule affect the timeline.

3. **Move fast on inherited homes**
   Heirs have 30 days from the servicer's notice to choose a plan. A quick, honest pricing opinion, a clear plan with the executor or trustee, and a record of your marketing (which supports extension requests; HUD must approve, so don't count on the extra time) help families move forward with confidence.

4. **Know how to sell a home that has one**
   Have the seller or estate request the payoff in writing early. The loan is paid from the sale, and any remaining equity belongs to the seller or the estate. If a HECM balance is more than the home is worth, ask the servicer in writing for HUD's minimum sale price: the lesser of the balance or the appraised value, or 95% of the appraised value once the loan is due. Private loans may differ.

5. **Teach, don't pitch**
   A plain-English talk on downsizing, staying and your options (at a library, club or community center, with your broker's OK) builds trust with older owners and their adult children. Hand out neutral resources, such as the CFPB's reverse mortgage guide or a HUD-approved counselor's number (800-569-4287), not sales sheets. Keep events and ads open to everyone; don't state who may or may not attend.

6. **Build a trusted network**
   Estate attorneys, CPAs, senior move managers and any lender your clients choose can help them. Under RESPA and your broker's rules, never pay or accept anything for referrals, in either direction.

> **A good first question:** "If you picture the next ten years, where do you see yourself living?" Then listen. Treat every client the same way, and follow fair-housing rules in everything you advertise.

Selling a home with a reverse mortgage after a death (HECM)

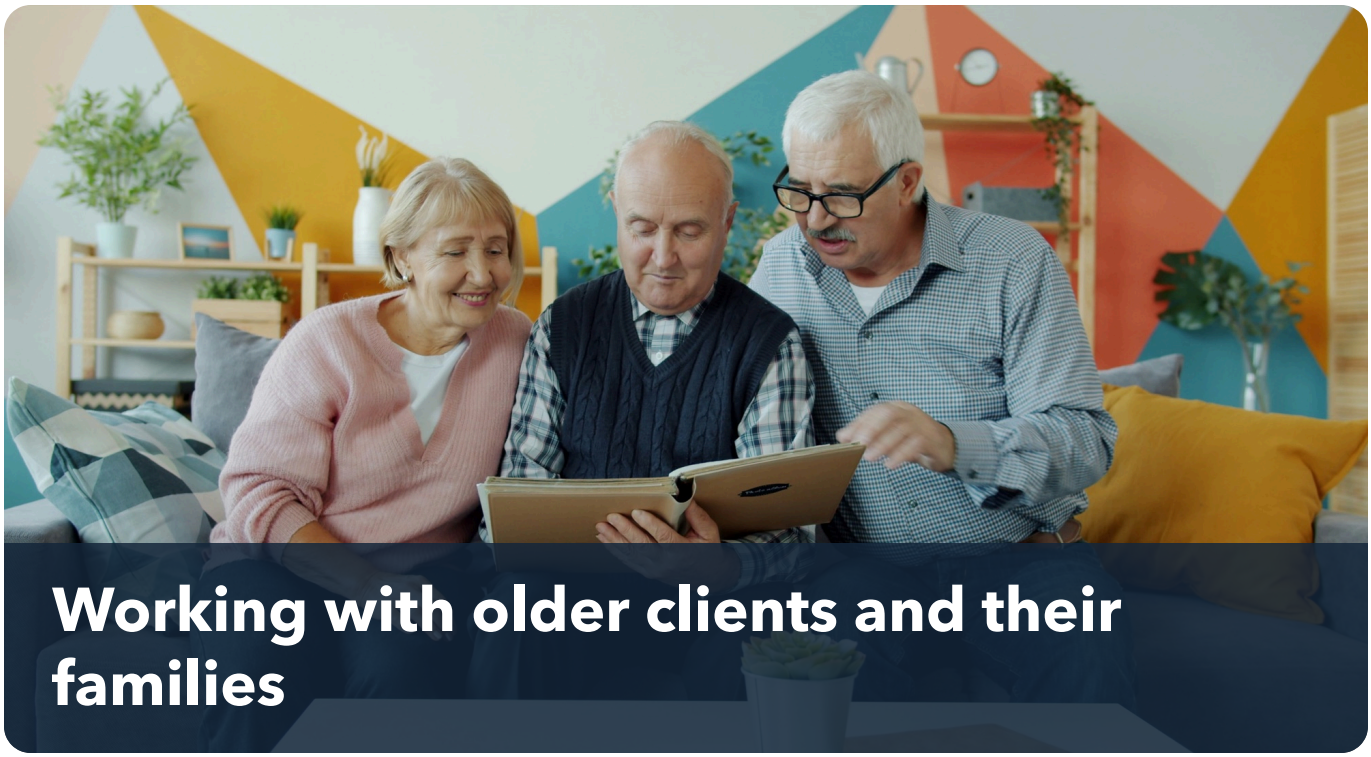
1. **Get the servicer's letter early**
   The servicer sends the estate or heirs a notice that the loan is due. They have 30 days from that notice to tell the servicer their plan: pay it off, sell, or sign the home over.

2. **Price with the 95% rule in mind**
   If the loan balance is more than the home is worth, a sale for at least the lesser of the balance or 95% of the current appraised value can satisfy the loan. Ask the servicer for the appraisal and payoff in writing.

3. **Keep a record of the marketing**
   If the heirs are actively marketing the home, have a delayed sale contract, or are trying to pay off the loan, the servicer can ask HUD for up to two 90-day extensions. HUD must approve, so don't count on the extra time. Your listing activity is part of that proof, so keep dates and records.

4. **Confirm who can sign**
   Someone with legal authority, such as an executor, administrator, trustee or heir with title, has to sign the listing and the sale. Probate timing matters.

> **Meanwhile:** property taxes and homeowners insurance stay the estate's job until the title transfers. A spouse who was named in the loan papers as an eligible non-borrowing spouse may be allowed to stay, so ask the servicer before listing.



Working with older clients and their families

Do

- Plan escrow timing around California's rules: independent counseling, then a 7-day wait before a final application.
- Bring adult children or a trusted adviser into the conversation when the client wants them there.
- Counseling with an independent HUD-approved counselor is required before your client can apply: (800) 569-4287.
- Ask the servicer for payoff and timeline letters in writing.

Don't

- Promise a loan amount or approval; that depends on age, home value, rates and the lender's review.
- Suggest using reverse mortgage money to buy an annuity, insurance or an investment.
- Describe it as a government program or say a client "can't lose the home."
- Rush anyone. Pressure is a warning sign of elder financial abuse.

A reverse mortgage is a loan: the balance grows, and borrowers must keep paying property taxes, insurance, HOA dues and upkeep, and live in the home.

Questions about a reverse mortgage in one of your deals?



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