As explained in Chapter 6 [1], reverse mortgages are complex loans that have benefits and costs. Evaluating whether to take out a reverse mortgage is a difficult decision and requires consultation with a knowledgeable nonprofit counselor. Both your home and a sizeable amount of money are at stake. For this reason, the federal government creates standards for legitimate reverse mortgages, called HECM mortgages. Be extremely suspect of any reverse mortgage offer that is not a HECM mortgage, because you risk losing not only a lot of money, but even your home.

Source: National Consumer Law Center, Surviving Debt [50th NCLC Anniversary Edition], updated at www.nclc.org/library
Source URL: https://library.nclc.org/sd/0705

Links
[1] https://library.nclc.org/nclc/link/SD.06