

## What is the first step?

Call CAPSH and ask to speak with a reverse mortgage counselor.

### Contact Numbers

952-697-1302 (metro)

1-877-645-0621 ext. 135 (greater MN)

## How does the process work?

- Reverse mortgage counselors gather information from the homeowner on their financial situation and help them evaluate their circumstance.
- Counselors provide homeowners with information on programs they can use instead of, or in addition to, a reverse mortgage.
- Counselors explain reverse mortgage options with examples tailored to individual circumstances.
- Sessions are individual, confidential, and available to any Minnesota senior.

## Why do I need to see a housing counselor before applying?

- The State of Minnesota requires counseling by a HUD-approved housing counseling agency before you apply for any reverse mortgage.
- Family members are strongly encouraged to attend the counseling session. There is no cost or obligation for these services.

*This information is available in alternate formats upon request*

CAPSH is a HUD-approved Housing Counseling Agency.

## Community Action Partnership of Suburban Hennepin (CAPSH)

33 Tenth Avenue South, Suite 150

Hopkins, MN 55343

Phone: 952-933-9639

Fax: 952-933-8016

[www.capsh.org](http://www.capsh.org)

Serving the residents of these  
suburban Hennepin communities:

Bloomington	Hassan	Orono
Brooklyn Park	Hopkins	Osseo
Brooklyn Center	Independence	Plymouth
Champlin	Long Lake	Richfield
Chanhausen	Lorretto	Robbinsdale
Corcoran	Maple Grove	Rockford
Crystal	Maple Plain	Rogers
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Edina	Mtka Beach	Shorewood
Excelsior	Minnetrista	Spring Park
Golden Valley	Mound	Tonka Bay
Greenwood	New Hope	Wayzata
		Woodland

This program is generously funded by:

U.S. Bank  
Hennepin County  
Minnesota Senior Federation  
Minnesota Dept. of Human Services  
Minnesota Housing Finance Agency  
U.S. Dept. of Housing and Urban Development  
The cities of suburban Hennepin County (and  
local HRA's)  
Individuals like you

### Minnesota Senior Federation

1885 University Avenue West, Suite 190

St. Paul, MN 55104

Phone: 651-645-0261

Fax: 651-641-8969

[www.mnseniors.org](http://www.mnseniors.org)



Reverse Mortgage



Money from  
your home

For assistance, call

952-697-1302



### Basic Reverse Mortgage Facts:

- A reverse mortgage is a special type of mortgage that may enable older homeowners to remain in their homes for as long as they choose.
- It is a loan against home equity that provides homeowners with cash advances according to the plan they select.

### How is a reverse mortgage different from a home equity loan?

- With a home equity loan, you must make regular payments to repay the loan.
- HUD reverse mortgages require no repayment until the home is sold or the last surviving borrower dies or permanently moves.

### Who is eligible for a HUD reverse mortgage?

- Borrowers must be at least 62 years of age and have the title to the property.
- Homeowners do not need good credit to qualify.

### What types of properties are eligible?

- Single-family homes, condos, townhomes, duplexes, triplexes or fourplexes qualify.
- Homeowners must either own their home or have a mortgage balance that can be paid off with the reverse mortgage.

### Does the lender get the house?

- No, you keep the title to the property. You are still responsible for property taxes, insurance and repairs.
- You may sell the home at any time. If you decide to sell, the mortgage will be paid off and you will keep the remaining equity.

### How much can I get?

- The age of the youngest borrower (your age or your spouse's age, if younger), your home's equity, and the interest rate, will determine how much you can receive.
- For a more expensive home, not all of the home's equity will be used to determine the maximum mortgage you can obtain.

### How can I withdraw my equity?

- Receive cash at closing.
- Receive monthly cash advances until you sell your home.
- Receive monthly cash allowances for a specified amount of time.
- Establish a line of credit for withdrawing as you need it.
- Have a combination of a line of credit and monthly cash advances.

***\*You are permitted to change plans at any time over the life of the loan.\****

### Are there closing fees?

- Yes, the homeowner will need to pay approximately \$300 at the time of application. The charges can be financed and include closing costs, mortgage insurance premiums and lender servicing fees.

### Are there restrictions on how I spend my equity?

- No. A reverse mortgage can be used to meet a variety of needs, including increasing your monthly income, or paying for property taxes, home improvements or other expenses.

### Will this loan affect my retirement benefits?

- No, there is no effect on Medicare, Social Security or pensions.
- It is possible to receive assistance from public programs like Medical Assistance, food stamps or home health care and still utilize a reverse mortgage.

### Where can I receive reverse mortgage counseling?

- Counselors provide sessions at the CAPSH office in Hopkins. Counseling sessions are also offered in St. Paul at the Minnesota Senior Federation (Metro Region) office.