Reverse mortgages aren't the mortgages they were only a few years ago. Because of the financial meltdown the U.S. experienced between 2008 and 2012, HUD looked at the then-existing reverse mortgage program and, beginning in 2012 through 2017, has made substantial changes to the program. These major changes within the last several years give cause as to why reverse mortgage professionals have an obligation to educate consumers, their families, and other professionals.

I have found the clear majority of people have beliefs about the reverse mortgage program that today are simply not true and are based on hearsay or reverse mortgages of long ago. Subsequently*, the largest challenge facing the industry today is education*. The educational process isn’t only about educating senior homeowners who may benefit from a reverse mortgage: it is also about educating their families and the professionals who serve and support seniors.

I feel my most important job today as a reverse mortgage specialist is to be a *reverse mortgage educator*. Again, there have been and continue to be changes to the program. The product wasn’t a good product when it first came out, giving cause to the myths and misconceptions of today.

A diverse group of professionals, including financial advisors, real estate agents, insurance agents, elder law attorneys, mortgages professionals, HECM counselors, financial journalist, and senior care professionals (to name but a few), all work with and support seniors. Subsequently, they can often refer their senior clientele to a reverse mortgage specialist to help that senior. But this diverse group of professionals needs to know, at least at a high level, accurate information about today’s reverse mortgage.

Let’s look at my own profession, mortgage banking. Reverse mortgages are significantly different than a traditional forward mortgage, and as such they need to be viewed as a profession within a profession. The mortgage professionals selling reverse mortgages need to be educated in them and work with them full-time. And with all due respect to traditional forward mortgage professionals, I strongly don’t recommend working with a mortgage professional who isn’t a full-time reverse mortgage specialist. Let me say this a little differently: it is my strong belief that any person who hasn’t *studied* reverse mortgages since 2015,and *continues to study them*, doesn’t know today’s reverse mortgage… period.

Reverse mortgages were seen for years as a loan of last resort. When homeowners had run out of money and exhausted all other means to support themselves, only then was a reverse mortgage considered. Additionally, there was virtually no qualifying needed other than the equity in the home. All of this has changed and continues to change. This is my purpose in writing this book: to provide an informative book that educates people in today’s reverse mortgage, thereby giving them a new (and accurate) perspective of the features and benefits of today’s HECM. Today, HECMs are being recognized for what they are: **a retirement planning tool.** In fact, “new academic research demonstrates how HECMs can play a vital role in retirement planning–not just as a tool of last resort, but as a strategic way to provide greater financial flexibility to seniors with ample savings.”[[1]](#footnote-1)

In addition to the senior homeowner looking to obtain a reverse mortgage, often it is important for their children to understand how today’s reverse mortgage works. There are two main reasons for children, or at least one child, in the family to be educated in today's reverse mortgages. First, when their parent(s) consider taking out a reverse mortgage, if the children are educated in reverse mortgages they can be another set of eyes and ears in the decision-making process. The children are the people the parents trust the most (generally speaking) and as such if a family can discuss this together to make an educated decision on whether or not to proceed with a reverse mortgage. The second reason for the children to understand the basics of a reverse mortgage is that when Mom and Dad no longer live in the home, the children know their options in advance of a life changing event.

I have also consulted with single seniors who often have family or friends whom they trust and want them to sit in on their initial presentation to help them better understand how a reverse mortgage works and to see if it is in their best interest to obtain one. I always encourage this and see it with the same benefits of having the child of a senior participating in a presentation.

The final group of people that need to be educated in how a reverse mortgage works are what I call *senior supporting professionals*.This includes real estate agents, financial advisors, senior care professionals, and mortgage professionals. I believe that today the vast majority of these professionals do not have an accurate and basic understanding of today’s reverse mortgage.And why this is so important? Because their clients trust them to guide and inform them as to what is in their best interest.

One profession I want to call out inside of the senior supporting professionals is my own: mortgage professionals. With all due respect, if a mortgage professional only works with reverse mortgages part time and is not committed to reverse mortgages full time, run in the opposite direction! While he or she may be one of the best in traditional forward mortgages, a reverse mortgage is a *completely different mortgage vehicle*. I have often used the analogy of someone being a very good auto mechanic. And by being a very good auto mechanic, he or she believes they can take their knowledge of working on cars and wake up Monday morning and go to work on one of those big 18-wheel diesel trucks. Wrong! The big diesel trucks are way differentthan today’s automobiles. Same with a reverse mortgage: it is *way different* than any traditional forward mortgage. As such, it takes any mortgage professional additional training and a commitment to understanding how reverse mortgages work to be able to structure one that best serves the needs of the borrower.

I have been in the mortgage industry for almost 30 years and about three years ago I got introduced to reverse mortgages. I have invested a great deal of time educating myself and speaking to and learning from other reverse mortgage professionals. I finally feel confident and knowledgeable enough to call myself a reverse mortgage specialist. And as a reverse mortgage specialist, I am engaged daily in conversations with seniors, their families or trusted friends, and a diverse group of senior supporting professionals. I see first-hand how much education and a new perspective on today’s reverse mortgage is needed such that it will allow potentially millions of seniors, their families, and respective senior supporting professionals to make informed and educated choices with today’s reverse mortgage. And to know that today’s HECMs are now a retirement planning tool and not a loan of last resort. To this vision, I dedicate this book.

1. Salter, Pfeiffer and Evensky, Texas Tech University, “Standby Reverse Mortgages: A Risk Management Tool for Retirement,” Journal of Financial Planning, 2012. [↑](#footnote-ref-1)