Stand Alone Reverse Second Mortgage

A **Reverse Second Mortgage** allows homeowners to access a portion of their home equity without paying off an existing first mortgage that is at a favorable rate.

It provides much of the same payment flexibility as a traditional Reverse Mortgage. Borrowers can make payments when and how they choose or defer payments for the life of the loan, subject to the loan terms.

For homeowners who want to preserve their current first mortgage while accessing additional equity, this program can be a strategic option.

It may also offer an attractive alternative to the **Home Equity Sharing Agreements** that are currently being promoted as an alternative to Home Equity Lines of Credit (HELOCs). *For more information on the implications of Equity Sharing Agreements, you can go to our page "Better than an HEI" in our Resource section.*

Program Features

Ideal for homeowners who want to keep an existing first mortgage with a favorable rate and payment.
An attractive alternative to the Home Equity Sharing Agreements that are being promoted right now. (*For additional information on Equity Sharing Arrangements, you can go to our Resources section on this site*).
Available to Homeowners who are 55 and above.
No monthly payments required.

Credit scores down to 640 allowed.
No income or asset documentation required with credit scores above 720.
Loan amounts from $50,000 to $1 million.
Owner-occupied properties only. ***However, loan proceeds may be used to acquire, repair, or improve second homes and investment properties.***
Available for single-family homes, townhomes, condominiums, and 2–4 unit residential properties.
All loan proceeds disbursed at closing.
Fixed interest rate.
Allows higher loan to values than a first position reverse loan product.
Funds may be used for the construction of an Accessory Dwelling Unit (ADU).