Reverse Mortgage Self-Evaluation Checklist

A simple guide to decide if a reverse mortgage is a good idea for you.

Before committing to a reverse mortgage, take a few minutes to think through your goals, finances, and long-term plans. This quick checklist will help you see whether a reverse mortgage may fit your needs or if another option could make more sense.

1. Your Goals and Priorities

1. ▢ I need extra monthly income in retirement.
2. ▢ I want to stay in my home for the long term.
3. ▢ I need to pay off an existing mortgage.
4. ▢ I want to cover healthcare or in-home care costs.
5. ▢ I'm planning ahead to supplement savings or Social Security.
6. ▢ I'm helping a spouse or family member financially.

Tip: If you checked three or more, a reverse mortgage may align with your goals.

2. Your Financial Readiness

1. ▢ I have at least 50% equity in my home.
2. ▢ I can keep up with property taxes, insurance, and maintenance.
3. ▢ My income is steady enough for ongoing household expenses.
4. ▢ I understand that the loan balance and interest will reduce my equity over time.
5. ▢ I've talked with my family or a financial advisor about the decision.

Tip: Reverse mortgages work best when you're financially stable enough to maintain your property.

3. Your Home and Lifestyle Plans

1. ▢ I plan to live in my home for at least the next five years.
2. ▢ My home meets or could meet FHA property standards.
3. ▢ I'm comfortable knowing the loan becomes due if I move out or pass away.
4. ▢ I want to stay in familiar surroundings instead of downsizing.
5. ▢ I prefer flexible access to funds instead of fixed monthly payments.

Tip: The longer you plan to stay in your home, the more sense a reverse mortgage can make.

4. Understand the Tradeoffs

Pros	Cons
No monthly mortgage payments required	Your home equity decreases over time
Tax-free access to your home's equity	You must keep up with taxes, insurance, and upkeep
You keep ownership of your home	Upfront fees can be higher than other loan types
Funds can supplement retirement income	The loan is repaid when you move out, sell, or pass away

Tip: Discuss both the benefits and tradeoffs with a HUD-approved counselor before applying.

5. Alternatives to Consider

If you're unsure a reverse mortgage is the right move, explore these other ways to access home equity:

1. Home Equity Line of Credit (HELOC) – flexible borrowing with monthly payments
2. Home Equity Loan – one-time lump sum at a fixed rate
3. Cash-Out Refinance – replace your current mortgage with a larger one
4. Home Equity Investment (HEI) – sell a share of your home's future value for cash
5. Downsizing – sell and purchase a smaller, more manageable home

Learn more at themortgagereports.com for detailed comparisons and guides.

6. What Your Answers Mean

Count your total "Yes" or checked boxes.

10 or more: A reverse mortgage could be a strong fit for your needs.
6–9: It might help, but review your situation with a counselor or mortgage expert first.
Fewer than 6: Another equity option or financial plan may be a better choice.

Next Step: Discuss your results with a trusted mortgage professional or financial advisor.

If your answers show a reverse mortgage might fit your needs, talk with a qualified reverse mortgage specialist to understand your options and get personalized guidance.