

New Reverse Mortgage Products to Hit Market Soon

By Littman Krooks LLP | 01/23/07

Reverse mortgages are gaining in popularity, but if you are considering getting one, you might want to wait a little while. Better deals may soon be available as competition between companies entering the market heats up.

A reverse mortgage is exactly what it sounds like-instead of paying the bank money to build up equity, you use the equity in your home to take out a loan. You must be 62 years or older to qualify for a reverse mortgage, and the loan does not have to be paid back until you sell the house or die. The loan can be used for anything, including providing money for retirement or to paying for nursing home expenses.

Costs for reverse mortgages have traditionally been high, but more companies are beginning to offer reverse mortgages, and the competition is driving down costs, according to an article in the *Chicago Tribune*. In addition, companies are offering more options, such as flexibility in payment and higher loan amounts. All the changes mean that soon there will be more options for consumers. If possible, experts suggest waiting until late 2007 or early 2008 before getting a reverse mortgage.

Also, keep in mind that while reverse mortgages may look like no-lose propositions on the surface, they also have some significant downsides. For more information on reverse mortgages, [click here](#).

For the *Chicago Tribune* article about the new options, [click here](#)