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OCC Releases Consumer Advisory: Reverse Mortgages: Are They for You?

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OCC Releases Consumer Advisory: “Reverse Mortgages: Are They for You?”

WASHINGTON — The Office of the Comptroller of the Currency (OCC) today issued a consumer advisory to help consumers better understand reverse mortgages. Reverse mortgages generally are available to consumers who are 62 or older, and can be used to supplement retirement income or meet health care or other financial needs.

The information developed for consumers discusses basic facts about reverse mortgages, which are complex, home-secured loans. Under a reverse mortgage, a consumer receives payments from the lender – either over time or all at once – based on the value of the home at the time of the loan. As the consumer receives payments, and interest and fees accrue, these amounts are added to the loan balance. The advisory also reviews the costs and benefits of reverse mortgages.

In addition, the OCC’s consumer advisory provides basic “rules of thumb” for consumers who are considering a reverse mortgage -- the advisory urges consumers to (1) investigate other alternatives in addition to reverse mortgages, (2) remember that reverse mortgages generally make more sense the longer the consumer remains in the home, and (3) be wary of anyone trying to sell other products along with a reverse mortgage.

The OCC urges consumers to consult with a qualified, independent housing counselor before entering into a reverse mortgage, and explains how consumers may obtain additional information about reverse mortgages.

“[Reverse Mortgages: Are They for You?](http://www.occ.gov)” is available on the OCC’s website, www.occ.gov.

