

Home Equity Conversion Mortgage (HECM) Refinance

A HECM Refinance is what most people think of when they hear the term "reverse mortgage" or "reverse refinance." Many homeowners across the nation have chosen a HECM Refinance to help them meet their financial and personal goals. A HECM loan can be a smart and secure financial option for seniors who want to tap into a portion of equity in their home to gain access to tax-free¹ funds.

With a HECM loan, fixed and variable rates may be available and most closing costs and fees can be financed as part of the loan, resulting in little up-front fees.²

The amount available is based on the age of the youngest borrower, current interest rates, existing mortgage amount, and the lesser of the appraised value of your home, sale price or the maximum lending limit.

You can receive your funds in a lump sum, a regular monthly payment, a credit line, or a combination of these options. Due to HECM requirements, the funds available to you may be restricted for the first 12 months after the loan closing. Consult your advisor for detailed program terms.

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Benefits

- Eliminate existing monthly mortgage payments.³
- Stay in your home and maintain the title.⁴
- Heirs inherit any remaining equity after paying off the HECM loan.
- Federal Housing Administration (FHA)-insured HECM loan program.
- Loan proceeds are tax-free.

Eligibility

- The youngest borrower must be at least 62 years of age.
- You must live in your home as your primary residence and have sufficient equity.
- Live in a single family, two- to four-unit ⁵ owner-occupied home, townhouse, approved condominium or manufactured home.

In addition to eligibility, you must meet the following conditions to obtain a HECM loan:

- Complete a HUD approved counseling session.
- Maintain your home according to FHA requirements.
- Continue to pay property taxes and homeowners insurance.
- FHA Insured.
- Mandatory Mortgage Insurance. This protects the borrower and their heirs in the event the loan balance is higher than the home's value at the time of sale.
- Independent Counseling from an HUD-approved counselor. Independent counselors provide objective information, and help the borrower understand the process.
- Capped Interest Rates. If the loan has an adjustable rate, there is a limit on how much some rates can change during a period of time.
- Full Disclosure of Costs. Bank of Utah discloses the estimated loan costs and fees upfront.

¹ Please consult your financial advisor.

² Does not include HUD-required counseling and the cost of the appraisal.

³ The borrower must still live in the home as your primary residence, continue to pay required property taxes, homeowners insurance, and maintain the home according to FHA requirements.

⁴ Like any loan, defaulting on the terms of the loan puts the borrower at risk of foreclosure.

⁵ Not applicable to [HECM for Purchase](#).

Contact Us

For more information about whether or not a HECM is right for you, contact one of our Reverse Mortgage Loan Officers, [Brian Young](#) or [Jim Nebeker](#).

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[Contact Brian](#)

[Contact Jim](#)



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