

GoodLife Reveals 5 Factors that Affect Reverse Mortgage Proceeds

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LAGUNA HILLS, CA, USA, December 4, 2019 /EINPresswire.com/ -- GoodLife Home Loans ("GoodLife"), a top national reverse mortgage lender, unveils five factors impacting reverse mortgage proceeds so that seniors may plan for retirement.

Until recently, many American adults were uncertain about [how reverse mortgages work](#) and how they might be used to plan for retirement.



Couple Reviewing Reverse Mortgage Proceeds

Commonly referred to as a home equity conversion mortgage (HECM), these loans have a relatively young history in the United States, which leaves many potential mortgagors in the dark regarding how much money they may be eligible able to borrow for supplemental retirement income.

Uncertainty is not a pleasant emotion to experience in the face of retirement. Aging seniors can't predict how long of a retirement they'll need to finance or what possible medical expenses they may face down the road. Investments within retirement accounts are vulnerable to market volatility and a fixed Social Security income might not be enough to make ends meet.

Knowing only bits and pieces of the HECM program, many people often ask how much a reverse mortgage pays and whether it may be a viable retirement planning tool – but not anymore.

Now, seniors can find better peace of mind when planning for their financial future by learning five different factors that impact reverse mortgage proceeds. No more guesswork.

The information presented by GoodLife empowers elderly Americans to confidently plan for retirement by estimating their potential reverse mortgage proceeds. According to GoodLife, loan proceeds are determined by the borrower's principal limit, which is a function of the home's value, among four other factors.

GoodLife's guide discusses five different factors that impact principal limit:

1. Age. To qualify for the HECM program, one of the borrowers must be at least 62 years old, but the principal limit is based on the age of the youngest borrower. Generally speaking, the older the borrower, the higher the limit. New rules allow spouses under the age of 62 to qualify for reverse mortgages.

2. Property Value. Reverse mortgages allow eligible homeowners to tap into a portion of their home equity and convert it into loan proceeds, and the higher value the property is appraised, the greater your principal limit may be.

3. Interest Rates. The lower the interest rate, the more money you may receive from a reverse mortgage loan. The key is to find a lender with the lowest possible rate in order for the senior homeowner to maximize or optimize their savings.

4. Outstanding Obligations. If a borrower has any outstanding mortgage obligations, the new reverse mortgage funds must first be applied to the remaining balance(s) before the loan proceeds may be accessed by the homeowner (via a lump sum or monthly payments or an equity line).

5. Distribution Method. Depending on whether a borrower receives funds as a lump sum, monthly installment, or line of credit, the amount of reverse mortgage proceeds may vary depending upon how the homeowner "mixes and matches" the type of distribution of their proceeds. GoodLife has their GLOW – GoodLife Optimizer Worksheet – that customizes the distribution method based on what the borrower wants and needs.

GoodLife also reported that, according to recent news, the Fair Housing Administration raised the maximum amount of home equity that may be considered for a reverse mortgage loan to \$765,600.00 (effective January 1, 2020). This higher limit coupled with lower interest rates has boosted GoodLife's reverse mortgage rankings substantially over the past year (Reverse Market Insights).

To estimate how much you may be able to increase your retirement income, make use of the [GoodLife reverse mortgage calculator](#) or call GoodLife to receive your free GLOW. By simply entering details about yourself and your property, you can learn how you might be able to augment a fixed income and secure a future with greater financial security. See if your customized GLOW can add some shine to your retirement.

About the Company

GoodLife Home Loans is a reverse mortgage lender dedicated to helping seniors live a comfortable life, and The GoodLife, in retirement. Their team of experts adopts a customer-first approach and values integrity when showing eligible retirees how they may be able to optimize and leverage their home equity. Learn more at GoodLifeHomeLoans.com and ask for your free GLOW Analysis.

GoodLife Home Loans

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