

Mortgage Industry Expert Paul Scheper Explains How Reverse Mortgages Work for Today's Retirees

Industry expert Paul Scheper, CRMP, outlines five essential facts homeowners should understand about reverse mortgages and how they work in retirement planning.

ORANGE, COUNTY, CA, UNITED STATES, March 16, 2026 /EINPresswire.com/ -- As more Americans approach retirement with a significant portion of their wealth tied up in home equity, [reverse mortgages](#) are becoming an increasingly discussed financial tool. Yet many homeowners are unclear about how these loans work and the protections that surround them.

With many retirees holding a large share of their net worth in housing rather than liquid savings, home equity is increasingly being viewed as a potential resource for retirement planning. Financial professionals confirm that understanding how reverse mortgages work — and how they differ from traditional home loans — is becoming more important for today's homeowners.

Reverse mortgages — formally known as Home Equity Conversion Mortgages (HECMs) when insured by the Federal Housing Administration — allow homeowners aged 62 and older to



wealth in property



inheritance for next generation

convert part of their home equity into available funds while continuing to live in the home, according to industry professionals. Reverse mortgages are also available for high value homes and are called Conventional Reverse Mortgages, with loan limits reaching as high as \$4 Million dollars.

According to Paul Scheper, CRMP, President of Loangevity Mortgage, the key to understanding reverse mortgages is separating long-standing myths from the facts.



“Reverse mortgages today are highly regulated financial instruments designed to help seniors access equity while maintaining ownership of their homes,” Scheper said. “When consumers understand how they actually work, many of the common fears disappear. People can now see that they are able to "borrower from their own equity."

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Paul Scheper, CRMP

Below are five key things homeowners should know about reverse mortgages:

1. Homeowners Retain Title and Ownership

A reverse mortgage does not transfer ownership to the lender. The homeowner remains on title and continues to control the property just as they would with a traditional mortgage. This means they can continue living in the

home, sell it if they choose, or refinance the loan later if circumstances change. It works just like a regular loan, except that payments and interest "can be added" to the loan balance, instead of being paid every month from their savings account.

2. Monthly Mortgage Payments Are Not Required

Unlike traditional mortgages, reverse mortgages do not require borrowers to make monthly principal and interest payments. Instead, the loan balance grows over time as interest accrues. Homeowners must still meet the basic obligations associated with homeownership, including maintaining the property and keeping property taxes and insurance current. Prepayments are allowed, at no charge. Some homeowners make voluntary payments periodically in order for the balance to shrink.

3. Eligibility Is Based Primarily on Age and Equity

Reverse mortgages are generally available to homeowners age 62 or older who have sufficient equity in their property. The amount available depends on several factors including the borrower's age, the home's appraised value, current interest rates, and program guidelines. In many cases, homeowners use a reverse mortgage to eliminate an existing monthly mortgage payment. Conventional reverse mortgages are available for homeowners age 55 plus. For married couples, the bank uses "the younger of the two spouses" to calculate the maximum loan amount. Says Scheper, when explaining the maximum loan amounts, "The older you are, the more you get, and the higher your home value, the more you get."

4. The Funds Can Be Used for Any Purpose

Proceeds from a reverse mortgage are flexible and can be used for virtually any purpose. Some homeowners use the funds to supplement retirement income, eliminate existing mortgage payments, cover healthcare expenses, or complete home improvements. Others incorporate the funds into broader financial planning strategies to help preserve retirement assets. According to Sarah Scheper of Loangevity Mortgage, "Reverse mortgages are like hamburgers at Burger King — have it your way."

5. Repayment Rules

Reverse mortgages typically become due when the homeowner sells the home, permanently moves out, or passes away. At that time, the home is often sold and the loan balance repaid from the proceeds, just like with all mortgage loan payoffs. The good news is that reverse mortgages are non-recourse loans, meaning borrowers and their heirs will never owe more than the value of the home at the time it is sold. Sometimes, the kids simply refinance, pay off the reverse mortgage, and decide to live in their old home. It's up to the kids.

Scheper notes that education remains one of the most important factors when homeowners consider using home equity during retirement.

"A reverse mortgage is not the right solution for every homeowner, because not everybody qualifies," Scheper said. "But when people understand how the program actually works, it can become one of several tools available to help create additional financial flexibility during retirement. It needs to be the right time, for the right person, for the right reason."

As retirement planning continues to evolve and housing wealth represents a major portion of many Americans' net worth, industry professionals encourage homeowners to seek reliable information and professional guidance when evaluating their options.

[Learn More](#)

For more information about reverse mortgages, visit www.ScheperPaul.com or explore educational resources at www.ReverseTube.TV

About Loangevity Mortgage

Loangevity Mortgage specializes in helping homeowners understand their mortgage and home equity options. Led by Paul Scheper, CRMP, who has more than four decades of experience in the mortgage industry, the company focuses on providing education and personalized strategies to help seniors make confident financial decisions about their housing wealth.

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