

Longer Life Expectancy Is Reshaping Retirement Planning for Older Homeowners

"The Three M's"—Myths, Misconceptions & Mistakes—to Help Seniors Separate Fact from Fiction

ORANGE COUNTY, CA, UNITED STATES, July 9, 2026 /EINPresswire.com/ -- Americans are living longer than previous generations, prompting renewed attention to retirement strategies that can help homeowners sustain income, preserve financial flexibility, and remain independent throughout retirement.

As many retirees prepare for 25 to 30 years—or more—of retirement, financial professionals are encouraging homeowners to evaluate all available resources, including home equity, as part of a comprehensive retirement plan.

According to Paul E. Scheper, CRMP, CSA, SRES, one of the nation's most misunderstood retirement planning tools continues to be the federally insured reverse mortgage.

"The conversation shouldn't begin with reverse mortgages. It should begin with longevity," Scheper said. "People are living longer, healthcare costs continue to rise, and many retirees have substantial home equity but limited monthly income. Before families dismiss any option, they deserve to understand the facts."



Myths & Misconceptions

A California mortgage professional specializing in retirement housing strategies, Scheper has spent more than 43 years educating homeowners, financial planners, Realtors®, CPAs, attorneys, and adult children about the role home equity can play in retirement planning.

Holding three nationally recognized professional designations—Certified Reverse Mortgage Professional (CRMP), Certified Senior Advisor (CSA), and Senior Real Estate Specialist (SRES)—Scheper says his educational philosophy is simple.



Loangevity Mortgage

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Scheper says many of the questions he receives from homeowners fall into three categories: myths, misconceptions, and mistakes. Understanding the differences can help families make more informed retirement decisions.

Myths

Many of today's myths originated decades ago and no longer reflect the modern federally insured Home Equity

Conversion Mortgage (HECM) program.

Among the most common myths are:

"The bank takes your home."

"You lose ownership."

"Your children inherit the debt."

"The lender can force you to move."

"Those statements simply aren't true when describing today's FHA-insured reverse mortgage

program," Scheper said.

Misconceptions

One of the most common misconceptions involves title and ownership.

Homeowners who obtain an FHA-insured reverse mortgage remain the owners of their property. Their names remain on title, they continue to benefit from future appreciation, and they may sell their home at any time. Ownership does not change because of the loan.

Like any homeowner with a mortgage, borrowers are responsible for:

Paying property taxes

Maintaining homeowner's insurance

Keeping the home in reasonable repair

Occupying the home as their primary residence

Mistakes

Scheper believes one of the biggest retirement mistakes homeowners make is failing to evaluate every available financial option before making permanent financial decisions.

"I've met families who depleted retirement savings, sold appreciated investments, or unnecessarily reduced their standard of living simply because no one explained all of the available options," Scheper said. "Education creates informed choices."

Consumer protections are another aspect of today's reverse mortgage program that Scheper believes many homeowners do not fully understand.

Among those protections are:

Independent HUD-approved counseling is required before the loan can close, ensuring borrowers receive education from an independent counselor before making a decision.

The homeowner remains on title throughout the life of the loan.

The loan is non-recourse, meaning neither the homeowner nor the heirs are generally personally responsible for any loan balance beyond the value of the home, provided program requirements are met.

The program is insured by the Federal Housing Administration (FHA) and administered under rules established by the U.S. Department of Housing and Urban Development (HUD), providing standardized consumer protections for older homeowners.

"The mandatory counseling requirement is one of the strongest consumer safeguards in the mortgage industry," Scheper said. "Families receive independent education before any loan documents are signed. That's exactly the way it should be."

Scheper says the value of education becomes clear when families fully understand all of their options before making major financial decisions.

He recalls one family whose experience continues to reinforce why those conversations matter.

According to Scott McCabe, whose father obtained a federally insured reverse mortgage during retirement, the additional cash flow allowed his father to remain in the home he loved for approximately 22 additional years despite relying primarily on Social Security income.

"Our family saw firsthand how the reverse mortgage gave my father something that was priceless—time," McCabe said. "It allowed him to remain independent, stay in the home he loved, and enjoy many more years there than would have otherwise been possible."

Scheper emphasizes that retirement planning should focus on helping homeowners understand every available financial option rather than recommending a single solution.

"A reverse mortgage isn't appropriate for every homeowner, and I tell people that every day," Scheper said. "But every homeowner deserves to understand how it works before deciding whether it fits their circumstances. Knowledge removes fear. Education creates confidence."

As Americans continue living longer, Scheper believes retirement discussions should include investments, pensions, Social Security, housing costs, and home equity as part of a comprehensive financial strategy.

"Home equity is often the largest retirement asset many families own," Scheper said. "My mission is to help seniors understand every option available so they can make informed decisions that improve retirement longevity, preserve financial flexibility, and allow them to remain in the homes they love whenever possible."

Scheper continues to educate homeowners, financial professionals, and families about retirement housing strategies, emphasizing informed decision-making and a thorough understanding of available options before major financial decisions are made.

Holly Hackett
Education Director
+1 800-662-6784

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