



**Comparison Chart  
Reverse Mortgage – 30-Year Mortgage – HELOC**

*This chart is provided as a general overview only. Terms and conditions may change by mortgage company. Reverse mortgages do require borrowers to receive HUD-approved counseling prior to closing on loans. As with any loan, study loan details thoroughly. Consulting with an elder-law attorney and estate planner may be advisable.*

	<b>Reverse Mortgage</b>	<b>30 Year Mortgage</b>	<b>Home Equity Line of Credit</b>
<b>Payments</b>	Lump sum or monthly payments made to you	Monthly payments to bank	Monthly payments to bank increase as credit used
<b>Credit Approval</b>	No credit approval required	Required	Required
<b>Income Requirements</b>	None	Must meet bank rules	Must meet bank rules
<b>Employment Requirements</b>	None	Must meet bank rules	Must meet bank rules
<b>Credit Line Availability</b>	Available	Not available	Available
<b>Credit Line Advances</b>	By request of borrower	No	Credit card/checks tied to home equity
<b>Potential to lose home</b>	Cannot lose home to lender foreclosure	Lender may foreclose	Lender may foreclose
<b>Medicaid Eligibility</b>	May not disqualify	Equity pulled out of home may disqualify	Equity pulled out of home may disqualify
<b>Refinancing</b>	Home appreciation factored into credit availability	Must refinance and pay closing costs	Must refinance and pay closing costs
<b>Interest Tax Deductible</b>	Tax deductible	Tax deductible	Limitations to tax deductibility
<b>Loan Payback</b>	From proceeds of sale of house; any deficiency paid by mortgage insurance – not by borrower or heirs	Borrower or heirs must pay full balance of loan – even if greater than value of home	Borrower or heirs must pay full balance of loan – even if greater than value of home
<b>Banker Compensation</b>	Paid at time mortgage is set up	Paid monthly while open	Paid more the higher credit balance is