

**WTNS Radio OSU Extension Update for October 16, 2023**  
**Healthy People. Healthy Finances. Healthy Relationships.**

On today's OSU Extension update for Healthy People, Healthy Finances, & Healthy Relationships we'll talk about reverse mortgages, and as always look at some upcoming programs from OSU Extension.

Last week I had a call about reverse mortgages. The Consumer Financial Protection Bureau (CFPB) at [consumerfinance.gov](https://consumerfinance.gov) has some great information about this type of home loan. A Home Equity Conversion Mortgage (HECM) is the most common type of reverse mortgage. It is a special type of home loan only for homeowners who are 62 and older that is federally insured.

How does a reverse mortgage work? Typically, when someone purchases a home, they obtain a mortgage, or home loan, which they pay down over time. As they pay off this loan, they build up equity. Equity is the amount your property is worth today minus the amount you owe on your mortgage and any home equity loan or line of credit in your home. With a reverse mortgage, you borrow against your equity.

With a reverse mortgage, interest is added to the loan balance each month. This means the balance grows. Just like any loan, it must be repaid. This payment is required when the last borrower, co-borrower, or eligible spouse sells the home, moves out of the home, or dies.

There are some other requirements for a reverse mortgage. You must either own your home outright or have a low mortgage balance. Though you don't have to pay back the loan principle or interest while you or an eligible spouse live in the home, you still must pay taxes, insurance, and keep the home in good repair. Most people need to sell their home to pay off the loan. But, neither you nor your heirs will have to pay back more than your home is worth.

Most financial education resources suggest being very cautious about a reverse mortgage. There are times when it may be beneficial, but for the most part there are more alerts than advantages. Fees associated with reverse mortgages are generally higher than with other financial products. Not only does the balance of the loan increase over time, but so does the interest on the loan and the associated fees.

The CFPB suggests that you consider alternatives to a reverse mortgage to make the best-informed decision for you and your unique situation. One of the first considerations is your age.

If you are only 62, then statistics would say you have a lot of life before you. Current actuary tables suggest a 62-year-old man will live an average of 19 years and woman will live 22 years.

There are other financial products that allow you to use the equity you have built in your home to borrow money. A home equity loan or a home equity line of credit might be a cheaper way to borrow cash against your equity. However, these loans carry their own risks and usually have monthly payments.

You could consider refinancing your current mortgage with a new traditional mortgage to lower your monthly mortgage payments. Also, there are state and local programs that may help you defer property taxes or provide assistance with utilities and home repairs. Though it may not seem like the best option, if you are finding it very difficult to pay your current mortgage, then you may also consider selling your home. Moving to a more affordable home may be your best option to reduce your overall expenses.

And now let's look at what's new from OSU Extension.

The Coshocton County Ohio State University Extension, Soil & Water Conservation District and Farm Service Agency will again sponsor a Drive-It-Yourself Fall Foliage and Farm Tour. The tour will be held Saturday, October 21, 10:00 a.m. until 5:00 p.m. and Sunday, October 22, 12:00 Noon until 5:00 p.m. in Coshocton County. This year's tour will highlight the northwest section of Coshocton County. Some features of the 2023 Coshocton County Fall Foliage and Farm Tour are a beef farm, a therapeutic horse-riding facility, a dairy farm, and more! The lunch stop will be held at Tiverton Grange which is located at the intersection of State Route 206 and County Road 20 and will be hosted by Tiverton Grange.

The tour will begin with the first stop and map pickup at River View Community Park in Warsaw, OH, located just off U.S. Route 36, 10 miles west of Coshocton. Tour maps will be available at this first stop on Saturday between the hours of 10:00 a.m. and 3:00 p.m. and Sunday, from 12:00 Noon until 3:00 p.m.

In closing, at OSU Extension, we are proud to work for Coshocton County to help educate and improve our families, farms, and businesses. Please feel free to contact OSU Extension for more information at 740-622-2265 or visit our website at [coshocton.osu.edu](http://coshocton.osu.edu). Make it a healthy day!