A MICHIGAN HOMEOWNER'S GUIDE

Your Home Can Help

How the equity you have already built can ease the rising cost of retirement, and help you stay in the home you love. For Michigan homeowners age 62 and up.

Presented by Christopher Gibson

Gibson Home Loans · C2 Financial · NMLS #1910430

Serving the Detroit metro, Grand Rapids, northern Michigan, and communities across the state

THE COST-OF-LIVING SQUEEZE

After a lifetime of work, will it actually be enough?

Most people I meet in Michigan did everything right. They worked, they saved, they paid down the house. And yet retirement today asks more of that savings than it ever has. Three forces are squeezing at once.

4 in 10

U.S. adults are not confident they will have enough money to last through retirement. Among lower-income households, 57% feel that same uncertainty.

Pew Research Center, 2025

~20%

of Social Security's buying power has been lost since 2010 (about 40% since 2000). At 4% inflation, your cost of living roughly doubles every 18 years.

The Senior Citizens League

1 in 7

retirees have no income besides Social Security, and 4 in 10 rely on it for the majority of their retirement income.

Social Security Administration

The fear nobody talks about

67% of Americans are now more afraid of running out of money than they are of death, a record high, up from 57% in 2022 (Allianz Life 2026 Annual Retirement Study). Here is the part that gets me: most of those same people are sitting on a lifetime of home equity, often their single largest asset, that they have been taught to never touch. This guide is about looking honestly at that idea.

FROM THE SQUEEZE TO THE SOLUTION

Where does retirement money really come from?

Wealth is not a big pile of money. It is having enough for today, for as long as you live, and for the people you leave behind. Your home can strengthen all three.

1. ENOUGH FOR TODAY

Cash flow

Cover the bills and live comfortably every month, without the stress of a payment.

2. ENOUGH TO LAST

Longevity

Money that does not run out, for as long as you live, whatever comes up.

3. ENOUGH TO LEAVE

Legacy

Something for the people you love, a home and an estate, passed on wisely.

The three buckets

When the paycheck stops, most people picture only two buckets. There is a third, and it is often the biggest.

STOPS AT RETIREMENT

Income

Your paycheck. It covers everyday life until the job goes away.

YOU DRAW THESE DOWN

Assets

401(k), IRA, Social Security, savings. You spend these down over time.

THE FORGOTTEN BUCKET

Home equity

The money in your home, often the largest bucket, and the one most people never touch.

The two biggest mistakes I see

1. Draining savings while the home sits untouched. Pulling more than about 4% of your investments a year, while saving home equity for "last," is how a solid nest egg gets drained. Used early, your home takes the pressure off so your investments can keep growing.

2. Waiting until you are already behind. Late bills and credit-card debt, and then looking into a reverse mortgage. By the time you are in trouble, it can be harder to qualify. Set it up early, while you still qualify, and only draw on it when you need it.

LET'S CLEAR THE AIR

Reverse mortgage myths vs. facts

The myth	The truth
"The bank will own your home."	You keep the title. It is always your home. Live there, sell, or move whenever you want.
"You could owe more than it is worth and burden your kids."	It is non-recourse and FHA-insured. You and your heirs can never owe more than the home is worth at sale.
"You are forced to make a monthly payment."	Payments are voluntary. You get a statement, not a bill.
"It is a shady last resort."	It is a government program, created by Congress, signed into law in 1988, FHA-insured and HUD-regulated.

Who qualifies?

- [ ] Be age 62 or older (or have a spouse who is) for the FHA-insured HECM.
- [ ] Live in the home as your primary residence and plan to keep living there.
- [ ] Keep up property taxes, homeowners insurance, any HOA dues, and upkeep.
- [ ] Have enough equity, confirmed by a standard appraisal.

In Michigan, proprietary and jumbo programs can start at age 55. This material has not been reviewed or approved by HUD, FHA, or any government agency.

Three ways to reach your equity

OPTION 1

Sell and move

Downsize or rent and cash out, but selling costs about 10% in commissions and moving, and it means leaving the home you love.

OPTION 2

HELOC or home equity loan

Borrow against the home, but monthly repayments are required and the bank can cut or freeze the line.

OPTION 3

Reverse mortgage (HECM)

Stay in your home with no required monthly payment, draw funds your way, and it is FHA-insured.

HOW IT WORKS

How you receive the money, and how people use it

AT CLOSING

Lump sum

All available funds at closing, the one option on fixed-rate loans.

DRAW AS NEEDED

Line of credit

Draw when you want, and the unused portion can grow over time.

STEADY INCOME

Monthly payments

Equal payments for life (tenure) or for a set period (term).

Or any combination. Mix and match, and you can change how you receive it later.

Common ways Michigan homeowners use it

- **Erase your mortgage payment** and free up hundreds or thousands every month.
- **Add monthly income**, a steady check for as long as you live in the home.
- **Cover healthcare costs**, in-home care, medical bills, or long-term care.
- **Delay Social Security**, bridging income now for a bigger benefit later.
- **Wipe out high-interest debt**, credit cards and other balances.
- **Improve or adapt your home**, repairs, upgrades, or aging-in-place changes.
- **Open a standby line of credit**, a safety net that grows until you need it.
- **Buy or right-size a home** with a HECM for Purchase.

A real example: how it helped my mom

She was still making a mortgage payment, and to cover it plus rising costs she was pulling about $1,000 more from her IRA every month than she wanted to. We set up a reverse mortgage and the mortgage payment was gone. Now she draws about $1,000 less from her IRA each month, and that money stays invested. A real client example; individual results vary and are not a guarantee.

THE MICHIGAN PICTURE

Why it matters here, and the tax break most owners miss

Michigan's long run-up in home prices is exactly why that third bucket is so full for longtime owners. A few numbers worth knowing.

$290K

Typical Michigan home value, years of built-up equity for a longtime owner.

Zillow, mid-2026

$1,249,125

2026 FHA HECM lending limit. Homes above it may fit a jumbo program.

HUD / FHA, 2026

~1.08%

Michigan's effective property-tax rate. Home values are the most affordable of the states I serve.

ATTOM, 2024

Michigan's senior property-tax break

Michigan works differently from most states. Instead of an exemption, it offers the **Homestead Property Tax Credit**, a refundable credit on your state income-tax return worth **up to $1,900**, and the formula is **more generous for homeowners age 65 and older**.

Michigan also has a **Principal Residence Exemption** that removes local school operating taxes from your homestead, and some communities offer a senior property-tax **deferment**. Confirm current income limits and forms with the Michigan Department of Treasury and your local treasurer.

Source: Michigan Department of Treasury and local treasurers. Credit amounts and income limits change each year; confirm current figures with Treasury.

One more Michigan detail: counseling

Michigan requires independent, HUD-approved counseling before you can close. It is a consumer protection, usually low-cost or free, and I will point you to an approved counselor near you so it never slows you down.

THE CENTERPIECE

The Aging in Place Home Scorecard

Staying in your home is not just a money question, it is a house question. Walk through your home with this checklist and tick every box your home already meets. Add up your checks at the end. It takes about ten minutes, and it tells you exactly where you stand.

A. Getting in and around ___ / 5

- [ ] A step-free or ramped entrance at one or more doors.
- [ ] Single-floor living is possible: a bedroom, full bath, kitchen, and laundry all on one level.
- [ ] Doorways and halls are wide enough for a walker or wheelchair (about 32 inches or more).
- [ ] Lever-style door handles and faucets, not round knobs.
- [ ] No high thresholds or loose rugs to trip on.

B. The bathroom (where most falls happen) ___ / 4

- [ ] A curbless or low-threshold walk-in shower.
- [ ] Grab bars at the shower or tub and toilet, or solid backing to add them.
- [ ] A comfort-height toilet.
- [ ] Non-slip flooring and a handheld showerhead.

C. Kitchen and daily living ___ / 3

- [ ] The things you use most are reachable without a step stool.
- [ ] Good task lighting and easy-to-use controls.
- [ ] Laundry is on the main floor.

D. Safety and connection ___ / 4

- [ ] Working smoke and carbon-monoxide alarms on every level.
- [ ] Stair railings on both sides, if you have stairs.
- [ ] Well-lit paths, entries, and stairs.
- [ ] A medical alert device or a daily check-in plan with family or a neighbor.

E. The money side: can you comfortably stay? ___ / 4

- [ ] You can cover property taxes, insurance, and upkeep without strain.
- [ ] There are no major repairs you have been putting off.
- [ ] You have looked into the Michigan Homestead Property Tax Credit and Principal Residence Exemption.
- [ ] You have a plan for a possible future in-home care cost.

F. Location and support ___ / 4

- [ ] Medical care, a pharmacy, and groceries are within an easy trip.
- [ ] Transit or ride options are available if you stop driving.
- [ ] A senior center or community you would actually use is nearby.
- [ ] Family or close support is within reach.

Your total: _______ out of 24

20 to 24

Well-suited. Your home already fits aging in place. Focus on keeping it up and planning for future costs.

13 to 19

A good foundation with gaps. A few targeted changes could make staying put realistic and safe.

0 to 12

Significant changes needed. Weigh the cost of modifying against right-sizing to a home that already fits.

What your score means for financing

The most common gaps, a walk-in shower, a step-free entry, a full bath on the main floor, are exactly the kind of modifications a reverse mortgage can fund **without adding a monthly payment**. And Michigan's senior property-tax programs can lower the ongoing cost of staying. Bring this scorecard to our conversation and we will match your gaps to a plan, whether that is financing the changes, easing the monthly squeeze, or deciding that right-sizing is the smarter move.

EVERY CHOICE HAS A COST

What it really costs, and where to get help

THE KNOWN COST

The reverse mortgage

The same closing costs as any loan, plus FHA mortgage insurance, the premium that makes it non-recourse so you never owe more than the home is worth. Disclosed up front, in writing.

THE HIDDEN COST

Doing nothing, or draining savings

Money you spend from savings can never grow back. A big IRA withdrawal can mean more taxes, a higher bracket, even higher Medicare premiums, plus the toll of financial stress.

FHA mortgage insurance includes an upfront premium (currently 2% of the home's value) plus an annual premium; total costs vary by loan. The reverse mortgage's cost is known and on paper. The cost of doing nothing is hidden, and often bigger. Educational purposes only, not tax advice.

Michigan resource directory

What you need	Where to go
Homestead Property Tax Credit and exemptions	Michigan Department of Treasury, michigan.gov/taxes, and your local city or township treasurer.
HUD-approved reverse mortgage counseling	HUD counselor locator, or call HUD at 1-800-569-4287. I will point you to an approved counselor near you.
Aging and in-home care help	Michigan Aging and Adult Services Agency and your regional Area Agency on Aging. Eldercare Locator, 1-800-677-1116.

THE NEXT STEP

Let's look at your situation, together

A free, no-obligation conversation. We will map out your three buckets, walk through your scorecard, and see whether this is a fit. No pressure, just answers.

Wondering how much home equity you can access?

No credit check. No income check. Just your age, your home value, and your current mortgage balance is all we need to run the numbers.

Christopher Gibson

Gibson Home Loans / C2 Financial · NMLS #1910430

Call or text
720-449-6622

Email
C@ChrisRayGibson.com

Online
GibsonHomeLoans.com

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