A HOMEOWNER'S GUIDE

Your Home Can Help

How the equity you've already built can ease the rising cost of retirement — for Michigan homeowners 62+.

Presented by **Christopher Gibson**

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THE COST-OF-LIVING SQUEEZE

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

Most people I meet 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 aren't confident they'll have enough money to last through retirement — and 57% of lower-income households feel that same uncertainty.

Pew Research Center, 2025

~20%

of Social Security's buying power has been lost since 2010 (about 40% since 2000). Rule of 72: at 4% inflation, your cost of living doubles roughly 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

More afraid of running out of money than of death

67%

of Americans are 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've been taught to never touch. This guide is about looking honestly at that idea.

FROM THE SQUEEZE TO THE SOLUTION

What wealth really is

Wealth isn’t a big pile of money. It’s 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	2. Enough to last	3. Enough to leave
CASH FLOW	LONGEVITY	LEGACY
Cover the bills and live comfortably every month — without the stress of a payment.	Money that doesn’t run out — for as long as you live, whatever comes up.	Something for the people you love — a home and an estate, passed on wisely.

THE THREE BUCKETS

Where does retirement money come from?

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

Income	Assets	Home Equity
STOPS AT RETIREMENT	YOU DRAW THESE DOWN	THE FORGOTTEN BUCKET
Your paycheck. It covers everyday life — until the job goes away.	401(k), IRA, Social Security, savings. You spend these down over time.	The money in your home — often the largest bucket, and the one most people never touch.

Reverse mortgages across Michigan

Years of appreciation have built real equity for Michigan homeowners — while property taxes climb and fixed incomes do not. A reverse mortgage is one way to put that equity to work without selling the home you love.

$290K

The typical Michigan home value today. Longtime owners — and lakefront and Ann Arbor-area owners especially — often hold far more equity than they realize.

Zillow / MLS, 2026

$1,249,125

The 2026 FHA HECM lending limit. Higher-value Ann Arbor, Oakland County and Lake Michigan waterfront homes above it may qualify for a jumbo or proprietary reverse mortgage that unlocks even more.

HUD / FHA, 2026

I serve homeowners in Detroit, Grand Rapids, Ann Arbor, Lansing, Traverse City and communities across Michigan. Michigan requires independent, HUD-approved counseling before you close — a consumer protection that's usually low-cost or free. I'll walk you through it and point you to an approved counselor near you.

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’s always your home — live there, sell, or move whenever you want.
“You could owe more than it’s worth and burden your kids.”	Non-recourse & FHA-insured — you and your heirs can never owe more than the home is worth.
“You’re forced to make a monthly payment.”	Payments are voluntary — you get a statement, not a bill.
“It’s a shady last resort.”	A government program — created by Congress, signed into law in 1988, FHA-insured and HUD-regulated.

You keep your home as long as you live there and stay current on property taxes, insurance, and upkeep. A reverse mortgage is a loan; interest accrues on the balance.

YOUR OPTIONS

Three ways to access your home equity

Sell & Move	HELOC / Home Equity Loan	Reverse Mortgage (HECM)
OPTION 1	OPTION 2	OPTION 3
Downsize or rent and cash out — but selling costs about 10% in commissions and moving, and it means leaving the home you love.	Borrow against the home — but monthly repayments are required, and the bank can cut or freeze the line.	For homeowners 62+. Stay in your home, no required monthly payment, draw funds your way — and it's FHA-insured.

THE BASICS

Who qualifies?

To qualify for an FHA-insured HECM, you must:

- Be **62 or older** (or have a spouse who is).
- Live in the home as your **primary residence** and plan to keep living there.
- Keep up the home's basic obligations — property taxes, homeowners insurance, any HOA dues, and upkeep.

Some proprietary programs start at age 55. This material has not been reviewed or approved by HUD, FHA, or any government agency.

HOW YOU GET IT

Ways to receive your money

Lump sum	Line of credit	Monthly payments
AT CLOSING	DRAW AS NEEDED	STEADY INCOME
All available funds at closing — the one option on fixed-rate loans.	Draw when you want, and the unused portion can grow over time.	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.

REAL-WORLD USES

Common ways people use it

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

Individual situations vary. Educational purposes only — not a recommendation of any specific use.

WHAT WE SEE MOST OFTEN

The two biggest mistakes we see

1. Draining savings while the home sits untouched.

Spending 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’re already behind.

Late bills, missed housing payments, and credit-card debt — then looking into a reverse mortgage. By the time you’re in trouble, it can be harder to qualify.

The point

Set it up early — while you still qualify — and only draw on it when you need it.

The “4% rule” is a planning benchmark introduced by William Bengen in 1994, not a guarantee.

A REAL EXAMPLE

How it helped my mom

BEFORE	AFTER
Still making a mortgage payment. To cover it plus rising costs, she was pulling about $1,000 more from her IRA every month than she wanted to.	Mortgage payment — gone. We set up a reverse mortgage and eliminated it. Now she draws about $1,000 less from her IRA each month — and that money stays invested.

$1,000 a month back in her pocket — and her savings last longer. A real client example; individual results vary and are not a guarantee.

A REAL EXAMPLE

When the advisor recommends it

A client of mine — and her financial advisor — both knew she didn’t have quite enough saved to feel secure. Her advisor’s idea: a reverse mortgage, to lift the mortgage payment off her monthly expenses. The result — she draws less from savings now, so her portfolio can keep growing. **Even her advisor saw it: use the home to protect the portfolio.**

Client details anonymized. Individual results vary and are not a guarantee.

EVERY CHOICE HAS A COST

What does it really cost?

THE KNOWN COST	THE HIDDEN COST
The reverse mortgage	*Doing nothing — or draining savings*
• 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.	• Money you spend from savings can never grow back. • A big IRA withdrawal can mean more taxes, a higher bracket, even higher Medicare premiums. • The mental and physical toll of financial stress.

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

Let’s look at your situation — together

A free, no-obligation conversation. We’ll map out your buckets and see whether this is a fit for you — no pressure, just answers.

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