

Here’s a Reverse Mortgage Alternative That Eliminates the FHA Mortgage Insurance Premium

A recent column about FHA’s Home Equity Conversion Mortgage (commonly called a “reverse mortgage”) struck a nerve with one of my readers. He hoped to use a reverse mortgage to tap his home’s equity. By using the line of credit on a reverse mortgage, he could access cash without making the monthly payments that come with a traditional Home Equity Line of Credit (HELOC).

He was disappointed, however, by the upfront and annual mortgage insurance premiums required on the loan. The upfront premium is the lesser of 2% of the appraised value of the home or the FHA lending limit. The annual premium is .50% of the loan balance.

On an FHA reverse mortgage, borrowers pay a Mortgage Insurance Premium (MIP). The premium goes into a government-managed insurance fund overseen by the Federal Housing Administration (FHA). The fund protects both lenders and borrowers. Reverse mortgages are “non-recourse” loans, meaning that if the home is sold and the loan balance is higher than the value of the home, *neither the borrow-*

er nor their heirs are responsible for the difference. The insurance fund covers any shortfall. On the other hand, if the home sells for more than what’s owed, the remaining equity goes back to the borrower or their heirs. It’s important to note that while borrowers may choose to pay the accruing interest, they are not required to make monthly payments on the loan until the home is sold or they move out of the home.

In a conversation with **Jaxzann Riggs**, owner of **The Mortgage Network**, she mentioned a new alternative that mirrors an FHA reverse mortgage. A conventional reverse mortgage (sometimes called a proprietary reverse mortgage) allows for higher loan amounts and, in some cases, lower overall costs. These loans are still non-recourse but are insured privately rather than by the federal government. Both FHA and conventional reverse mortgages are used to eliminate monthly mortgage payments and may be used to refinance an existing loan or to purchase a new home. In addition, some lenders now offer what is referred to as a “Reverse

HELOC” for borrowers age 55 and older.

Most Senior Americans wish to retire in their current home. Senior home equity (62 years+) has recently hit \$14 trillion. *Another new product for seniors is a “Reverse HELOC.”* Unlike a traditional HELOC, borrowers are not required to make monthly payments. The balance is repaid when the home is sold. This option appeals to seniors who anticipate that they will soon be on a fixed income or for those that have a low interest rate on their current first mortgage. A reverse HELOC allows them to keep their low-rate mortgage while accessing equity — without adding a new monthly payment. .

For example, Ben, a 56-year-old homeowner, owes \$250,000 on a home worth

\$800,000. He has a low interest rate and only eight years remaining on his current mortgage. He would like to help his son with college expenses but does not want to increase his monthly bills.

Using a reverse HELOC, he can access \$120,000 of his home equity. After fees and expenses, he will net \$108,500 — without increasing his monthly liabilities. The loan and accruing interest will be repaid when the home is sold. The total amount of equity that may be withdrawn is dependent upon the borrower’s age and credit profile.

If you or a senior family member would like more information about such options, call Jaxzann Riggs today at **(303) 990-2992**.

Help Me Convince Congress to Reduce Junk Mail This Way

As you and I move increasingly toward email instead of “snail mail,” have you noticed that the majority of what’s in our mailboxes is junk mail? You can identify it by the ‘STD MAIL’ or ‘NON-PROFIT ORG’ indicia, or by a third-class stamp .

Back in 2003, Congress passed the CAN-SPAM Act which requires all email promoting products or services to contain an opt-out or “unsubscribe” link. It’s great! And for the few emails which violate that law, your email app allows you to block future emails from that sender.

Given today’s widespread acceptance of QR codes, Congress could pass a law requiring all 3rd-class mail to have a QR code under the return address (or in the top left corner if there’s no return address) that a recipient could scan to go a website to quickly and easily be removed from the sender’s mailing list.

I’m appealing to my representative and both senators to sponsor such a law, and I urge you to do the same. Feel free to send *your* representative and senators this article.

3-Bedroom/1-Bath Pleasant View Bungalow Just Listed

Pleasant View is often referred to as being in South Golden, but it’s actually in unincorporated Jefferson County. It is a transitional neighborhood undergoing tremendous growth from a combination of new single-family construction, including scrape-offs, and both townhome and apartment construction. This home at **1105 Russell Street** is geographically in the heart of this quiet and growing community and presents a great opportunity for appreciation. Located at the end of a cul-de-sac, it is sufficiently far from the traffic and construction activity you find on South Golden Road, yet still convenient to the trails, parks and open space that makes the greater Golden area an inviting place to live, play and work. Formerly a rental, the owner has refinished the hardwood floor in the kitchen, installed all new kitchen appliances and replaced all the wall-to-wall carpeting on both levels. Take a narrated video tour at www.GRElistings.com, then come to tomorrow’s open house.



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Two decades of these columns are archived at JimSmithColumns.com.

You’ll Like Homes.com’s New AI-Powered Search Tool

It’s called “**Homes.com AI**” and it went live on Tuesday. To use it, simply open Homes.com as usual and click on an icon in the search field (see below). You’ll hear a voice inviting you to speak your search request, which can be as complicated as you’d like.

For example, I said “show me homes in Jefferson County under \$850,000 with 5 or more bedrooms and at least 10kW of solar panels,” and it quickly displayed four listings matching those criteria. You can then click on one of the displayed listings and ask endless follow-up questions such as:

- ◆ What is the elementary school serving this listing and how is it rated?
- ◆ What’s it like living in this neighborhood?
- ◆ Is there an HOA and if so, what are the dues and what do they cover?

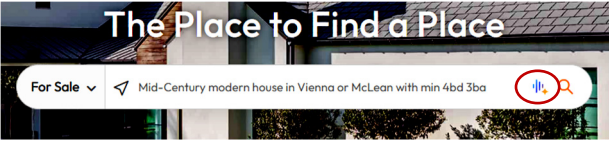
Or start over and say, “Show me all the townhomes served by South High School” or “Show me all the listings within walking distance of a Whole Foods store.”

This is a breakthrough for consumer-facing real estate websites, because that kind of detail could not be obtained otherwise, since most of those search criteria aren’t searchable in any consumer-facing real estate site — including homes.com without this AI tool.

Other examples of useful commands

which Homes.com AI responds to include the following:

- ◆ Show me what the living room looks like without furniture.
- ◆ What makes this home special?
- ◆ Will a king-size bed fit in the primary bedroom? (It will display dimensions.)
- ◆ Please repeat that in Japanese.



The possibilities are endless. I suggest you go to Homes.com and click on that funny icon I have circled in red above. You can type your query like the example above, but it’s so much easier to click on that icon and start conversing with it.

You may recall that in my December 27th column, I wrote about another use of AI — a synthetic human from Reliance.ai which they have named “Areia.” That article was under the headline, “*2026 Will Be a Year in Which Artificial Intelligence Transforms the Face of Real Estate.*” They sell Areia as a 24/7 human-like concierge for a real estate website, which can assist visitors with all kinds of real estate questions, not just searching on that website’s MLS search app. However, Homes.com offers a search-only AI assistant that works anywhere in the nation .