

# PUTTING YOUR EQUITY TO WORK

## COMPARING TWO POWERFUL FINANCIAL TOOLS

### THE REVERSE MORTGAGE (HECM)

*Designed for homeowners age 62 and older*

A Reverse Mortgage allows you to convert a portion of your home equity into cash without monthly mortgage payments. Instead of you paying the lender, the lender pays you.

The loan is repaid only when the home is sold, the homeowner moves out permanently, or passes away. This option is often used as a long-term financial strategy to improve cash flow and create flexibility in retirement.

### HOME EQUITY LINE OF CREDIT (HELOC)

*Ideal for homeowners seeking short-term flexibility*

A HELOC works similarly to a credit card secured by your home. It provides a revolving line of credit you can draw from as needed during a set draw period (typically 10 years).

Unlike a reverse mortgage, a HELOC requires monthly principal and interest payments and is subject to income, credit, and employment qualification.

### SIDE-BY-SIDE COMPARISON

Reverse Mortgage (HECM)	HELOC
Available to homeowners 62+	Available with no age restrictions
No monthly mortgage payments required	Monthly principal & interest payments required
Income and credit requirements are more flexible	Stricter income and credit requirements
Loan balance increases over time	Loan balance fluctuates based on usage and repayment
Can provide a growing line of credit that cannot be frozen or reduced	Credit lines can be frozen or reduced by the lender
Ideal for long-term cash flow and retirement planning	Ideal for short-term needs and specific projects
Repayment occurs when home is sold, vacated, or borrower passes away	Repayment required immediately during draw and repayment periods

### Which Option Is Right for You?

The best solution depends on your age, financial goals, cash flow needs, and long-term plans. Understanding the differences is the first step toward making a confident, informed decision.



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