



Ask The Mortgage Consultant ...

“Reverse Mortgages and the Idea of Disinheriting Your Kids... and Paying for the Long-Term Care You Will Most Likely Need in Your Lifetime”

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Reverse mortgages are profoundly misunderstood. And while all the aging Hollywood stars pitching them in TV commercials may be familiar faces, they rarely get to the true point, purpose, or value of considering one.

With limited knowledge, many people form strong opinions about reverse mortgages—they just know they’re *not* interested.

But when asked why, one of the most common responses is: *“We don’t want to disinherit our children... we want to leave the house (and the equity) to them.”*

That’s a noble intention. Wanting to leave something behind for your children is admirable. But is it possible that this thinking is based more on misinformation than reality?

Let’s consider a few facts:

- 1.) Roughly **80% of women** and **55% of men** will require some form of long-term care or assistance at some point in their lives.
- 2.) The monthly cost of care ranges from **\$3,000 to \$8,500 or more**, depending on the level of care—and those costs are expected to rise significantly as the population ages.
- 3.) The average stay in a residential care facility is **27 months**.

Now do the math... that’s approximately **\$81,000 to nearly \$230,000**—and that’s for *one* person.

So where does that money come from?

At some point, you may find yourself asking, *“What house?”*—because the equity in that home may be what ultimately pays for Mom or Dad’s care.

Alternatives and Options:

- 1.) **Purchase a Long-Term Care policy** – if you can medically qualify and afford it. Depending on age, health, and coverage, this can realistically cost **\$250–\$450 per month**.
- 2.) **Pay out of pocket** – using savings or existing assets.
- 3.) **Become the caregiver** – have Mom or Dad move in and provide full-time care yourself.
- 4.) **Use a Reverse Mortgage** – access available funds to pay for long-term care or even fund a long-term care policy. Any unused funds remain part of the family’s financial picture.
- 5.) **Leverage home equity into insurance** – such as a single-premium whole life policy with a long-term care rider.

A well-designed reverse mortgage gives you options—real, practical options—to prepare for the inevitable expenses that come with aging. Equity is simply an asset. Whether it’s in a home (which can fluctuate in value), in cash, or in an insurance product that helps share the financial risk, the goal is the same: **protection and flexibility**.

There are valid arguments for each of these strategies. The key is not to be swayed by hysteria, misinformation, or well-meaning advice that may not apply to your situation. Reverse mortgages aren’t right for everyone—but when structured properly, they can keep you in control, provide needed resources, and, in many cases, actually help you do right by your children.

If you want to understand what a modern reverse mortgage really looks like—and whether it makes sense for *you*—let’s have a conversation. I take the time to understand your specific situation and walk you through your options clearly and honestly. You may be surprised at what’s possible.