

	HECM	HELOC
Age Requirement	62+	18+
Mortgage Type	Reverse Mortgage based on equity. Can take out a percentage of home value, but no payments are made on loan until property is permanently vacated by borrower/s.	Loan based on home equity. Can take out a percentage of home value, but must make monthly payments to reduce loan balance.
Government Insured	Yes	No
Qualifying Requirements	Amount received based on age and home value.	Loan-to-value, Debt-to-income ratio.
Proceed Options	Monthly income, line of credit, or lump sum (or a combo of all three).	Line of credit and/or lump sum.
Monthly Payment Made to Lender	None.	Minimum of interest only payments to be made.
Interest Rate	Variable, tied to the T-bill.	Variable, tied to prime.
Average Turn Time for Closing	30 days approximately.	2 weeks approximately.
Closing Costs	Varies depending on lending limit or appraised value.	Varies depending on loan amount and lender.
Tax Write Off	When loan is paid in full.	Annually based on interest paid.
Spending Restrictions	None.	None.

