Reverse Mortgage Decision Checklist

A reverse mortgage is expensive flexibility — price the flexibility, then decide. Bring these fifteen questions, in writing, to the lender representative, to your independent legal advice session, and to the family meeting.

THE MONEY

- [ ] **1.** Exact rate — fixed and variable options, and reset terms?
- [ ] **2.** How often does interest compound?
- [ ] **3.** All setup costs, itemized — and what is deducted from the first advance?
- [ ] **4.** Maximum approved amount — and can I take it as instalments or later draws? *(Lever one: draw late.)*
- [ ] **5.** Can I make optional interest or principal payments — limits, and prepayment penalties? *(Lever two: the brake.)*

THE OBLIGATIONS

- [ ] **6.** Exactly which obligations keep the guarantee intact — taxes, insurance, maintenance, occupancy?
- [ ] **7.** How is "permanently moved out" defined? *(Critical for long-term-care scenarios.)*
- [ ] **8.** What if one spouse moves to care and the other stays?

THE EXIT

- [ ] **9.** What can trigger default, and what is the cure process?
- [ ] **10.** The estate settlement window — in writing?
- [ ] **11.** Can heirs repay and keep the home — and how is the payout computed at that moment?
- [ ] **12.** The negative equity guarantee's precise conditions?
- [ ] **13.** Full cost to exit early — at years 1, 3, and 5?

THE COMPETITION

- [ ] **14.** Which two alternatives did this beat on paper — and where is that paper?

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- [ ] **15.** How do advances interact with my RRIF schedule, OAS, and GIS — sequenced optimally? *(Ask a fee-transparent planner.)*

Before any signature

- [ ] My own compounding table is built
  Advance × ~2 per decade vs. home value at 0%, 2%, and 3% growth
- [ ] My ILA lawyer was chosen by me
  Not by the lender — and the hour is a real one
- [ ] The family meeting has been held
  Disclosure, not permission — bring the table
- [ ] Annual re-decision is calendared
  House-rich/cash-poor is a condition, not a moment

RED FLAG DECODER *"It's completely safe — the government requires you to see a lawyer."* = *"I'm citing a consumer protection as proof no scrutiny is needed."* The safeguards exist to **lengthen** the conversation, in your favour.