A Guide for Heirs and Family

When the loan comes due

The loan becomes due when the last borrower passes away or permanently leaves the home. Heirs are notified and given time to decide what to do.

Your options

- Keep the home by paying off the balance or 95% of the current appraised value, whichever is less.
- Sell the home and keep any remaining equity.
- Sign the home over to the lender (deed in lieu) if you don't want it.

Non-recourse protection

An FHA-insured HECM is a non-recourse loan: heirs never owe more than the home is worth, and other assets are not at risk.

Plan ahead

Talk with your family now, keep your documents together, and share your loan servicer's contact information.