Retiring on Long Island: Is a Reverse Mortgage a Smart Move or a Last Resort?

Scan for the live version with working links

RETIREMENT

# Retiring on Long Island: Is a Reverse Mortgage a Smart Move or a Last Resort?

**Coltrain Mortgage Team** · September 12, 2026 · 7 min read

Reverse mortgages carry a reputation that hasn't fully caught up with how the product actually works today. The truth is more nuanced than "smart move" or "last resort"- it genuinely depends on your situation. Here's a straight, honest look at both sides.

## What a reverse mortgage actually is

A reverse mortgage (most commonly a HECM, or Home Equity Conversion Mortgage) lets homeowners age 62 and older convert home equity into cash, with no required monthly mortgage payments. You keep the title to your home. The loan is repaid, typically from the home's sale, when you move out, sell, or pass away.

**Age 62 or Older**

**No Required Monthly Payment**

**You Keep the Title**

**Non-Recourse Loan**

## Myth vs. reality

**Myth: "The bank owns your home"**

You retain full ownership and title. The lender places a lien, the same as with any mortgage - it doesn't take ownership.

**Reality: It's a non-recourse loan**

You (or your heirs) will never owe more than the home is worth when the loan comes due, even if the balance has grown larger.

## The real trade-offs, honestly

> **This isn't free money, and it isn't right for everyone.** The loan balance grows over time as interest accrues, which reduces the equity left for your heirs. Closing costs tend to run higher than a typical mortgage. And you're still responsible for property taxes, homeowners insurance, and basic upkeep - falling behind on those can put the loan into default. Anyone considering this should understand these trade-offs clearly, not just the upside.

# You Keep the Title

The single most misunderstood fact about reverse mortgages - ownership never transfers to the lender.

## When it's genuinely a smart move

**STAYING LONG-TERM**

You plan to stay in your home for years, not sell in the near future.

**NEED SUPPLEMENTAL INCOME**

You want to strengthen retirement cash flow without taking on a monthly payment.

**ELIMINATE AN EXISTING PAYMENT**

Using a reverse mortgage to pay off an existing mortgage frees up your current monthly payment entirely.

**HEIRS AREN'T THE PRIORITY**

Leaving the home debt-free to heirs isn't your top financial priority.

## When it's probably not the right fit

If you're planning to move within the next few years, if leaving your home to your children free and clear matters most to you, or if you're not confident you can keep up with taxes and insurance long-term, a reverse mortgage likely isn't the right tool - and we'll tell you that directly if that's what your numbers show.

**Want an honest read on whether this fits your situation?**

---

← **Back to all posts**

READY WHEN YOU ARE

## Let's talk through whether this is right for you.

No pressure, no obligation - just a clear answer from a local loan officer.

**Ready to talk it through?**
Scan to reach a loan officer, or call (631) 851-4420.
coltrain.com/our-staff

Call (631) 851-4420 | coltrain.com