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How to diversify with reverse mortgages

If you're not already offering reverse mortgages or equity release products to your customers, you could be missing out on a prime opportunity for additional business with subsequent referral potential.

If the demographic is right, your clients may be open to the idea of accessing capital using the equity in their property through a reverse mortgage product.

"Asset rich and cash poor baby boomers will significantly accelerate the number of reverse mortgage loans within the next ten years. This trend is in line with what has been shown over the past decade in Deloitte's survey^{*}," MFAA Perth Forum President and director of Diversifi, Rose M De Rossi says.

Despite its obvious potential in a society where there is an ageing population and a highly valued housing market, reverse mortgage lending will require an understanding of specific broker disclosure and regulatory obligations for these clients.

It is crucial to consider a specialty course that helps build broker skills and competency to service tailored solutions for these customers.

"Falling interest rates, the rising cost of living and current economic downturn are also driving baby boomers to use reverse mortgages. We are finding that some older clients still hold debt and are not managing on their pension or savings," says De Rossi.

Consider a specialty course that suits your business needs, says Rose.

Due to recent changes to the reverse mortgage lending sector, Rose completed the MFAA's Reverse Mortgage course which helped to guide her decision to add this skill set to her business service offerings.

"Reverse mortgages offer many benefits including the fact that they improve cash flow, no repayments are required, quick access to equity is usually available, proof of income is not required, the interest rates are relatively low, they offer peace of mind in retirement, extra money is available for activities such as travel and as far as we know it does not affect the pension unless the money is invested," she says.

The MFAA offers an accepted training module that could assist you in identifying potential customers who could benefit from using a reverse mortgage. [Find out more via our course catalogue](#) on how you can bring reverse mortgages into your business.

Important: *By enrolling in this course you agree to complete the course within 90 days from the date of purchase. If you do not complete the course within this timeframe your enrolment will automatically expire. If you wish to complete the course you must repurchase and start the course from the beginning.*

***Source:** [Deloitte annual reverse mortgage report 2016](#), 'More sources emerging for retiring Australians to fund retirement'