

Engel to HUD: Extend "reverse mortgage" option to co-op owners

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Washington, D.C.— Congressman Eliot Engel, a senior member of the House Energy and Commerce Committee, called on Housing and Urban Development (HUD) Secretary Julián Castro to issue regulations swiftly to allow co-op owners to take part in HUD's Home Equity Conversion Mortgage (HECM) program.

“While Congress extended the reverse mortgage option to co-op owners through the Housing and Economic Recovery Act of 2008, HUD has not issued the regulations needed to execute this section of housing law,” Engel said. “I spoke to Secretary Castro last week, and followed up with a letter, urging him to issue regulations so that co-op owners can also take advantage of this program.”

If you are 62 or older and own a private home or approved condominium, you may qualify for a “reverse mortgage” through the HECM program. This option permits homeowners to convert a percentage of the equity in their home into cash. That sum, along with interest and other necessary payments, does not need to be repaid until the home is sold or the owner passes away.

“Reverse mortgages are a valuable tool for older Americans,” Engel said. “Through the HECM program, homeowners can put the equity in their home towards medical care and other major living expenses. It just makes sense that those who own co-op units ought to be afforded this option. I hope that HUD will act quickly to carry out this section of the law, as Congress intended, and allow co-op owners to realize this significant benefit.”