

Case study: Using a reverse mortgage for health and quality of life

Did you know?

A reverse mortgage could allow you to access some of your home equity to fund in-home health care services, purchase medical equipment, and outfit your home to cater for health needs, ultimately helping you maintain independence and quality of life while staying in the home you love.



Scenario

Margaret, a 74-year-old widow lives in her family home in Vancouver, British Columbia. She's owned the home for over 30 years, and it is now valued at \$1,200,000. Margaret has been diagnosed with early-stage Parkinson's disease and while she's still able to live independently, her doctor has suggested she have part-time in-home care to assist her with daily tasks and monitoring her health.

Margaret's pensions and savings provide her a comfortable living, but the additional costs of in-home care which are estimated around \$2200 per month, would quickly deplete her savings. Given her attachment to her home and love for her neighbourhood, she would like to remain there and maintain her quality of life. However, she is concerned about the long-term affordability of the care she requires.

Margaret is considering :

1. Selling her home and moving to an assisted living facility
2. Using a reverse mortgage to fund her-home care
3. Selling her home and downsizing, using the extra funds for in-home care

Solution

- Borrow up to \$552,000 of her \$1.2 million home value using a reverse mortgage without making any monthly payments
- Use approximately \$30,000 per year from the reverse mortgage to cover the cost of in-home care, ensuring she has funds available for several years, and when she may need full-time care.
- Keep the remaining funds as a financial cushion for future health needs or expenses.

With a reverse mortgage, Margaret is able to age comfortably in her home, receive the care she needs while preserving her assets. This solution allows her to focus on her health and enhance her overall quality of life, without the stress of monthly loan payments or the need to relocate. A reverse mortgage gives her the peace of mind knowing she has a financial safety net for future health needs.

Ready to get started?

If you'd like to learn more about how a reverse mortgage may similarly suit your needs, I'd be happy to help answer any questions you may have—with no obligations.

Name:

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Email:



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