

Your reverse mortgage after a natural disaster

A guide for borrowers with a Home Equity Conversion Mortgage (HECM), the most common type of reverse mortgage loan.

After a natural disaster you may experience damage to your home, unexpected expenses, and a sudden loss of income.

Follow this guide to understand how you can meet your reverse mortgage obligations while recovering from a natural disaster.

Obligation 1: Keeping your home in good repair

If your house was damaged by a natural disaster:

- File a claim with your insurance company as soon as possible—some policies may require you to file within a certain period after a disaster.
- Notify your lender or servicer of the damage by certified mail. Keep a copy of the letter.



- Take pictures or videos of the damage to help with your claim. Do this before and after any repairs are performed.
- Apply for financial assistance with the Federal Emergency Management Agency (FEMA), if your home is in a Presidentially-Declared Major Disaster Area (PDMDA). You can find out if you qualify and apply for assistance at [DisasterAssistance.gov](https://www.disasterassistance.gov) or call (800) 621-3362 or (800) 462-7585 (TTY).
- Contact your state emergency management office to find out what other assistance is available. Go to [fema.gov/emergency-management-agencies](https://www.fema.gov/emergency-management-agencies) to locate your state office.

Avoid home repair scams

- Beware of contractors going door-to-door. Do not feel pressured into making a decision right away.
- Get estimates from several contractors on what they think the repairs will cost.
- Make sure written contracts match any verbal promises made.
- FEMA can provide additional information on home repair scams and make referrals on where you can report instances of fraud.

Obligation 2: Occupy your home as your principal residence

If you cannot live in your home because it was damaged by a natural disaster:

- Send written notice to your lender or servicer that you plan to return when your home is repaired. Send your notice by certified mail.
- Provide your lender or servicer up-to-date-contact information such as a forwarding address, email, and telephone number.

Obligation 3: Pay your property charges on time

If you cannot pay your property charges after a natural disaster:

- Check with your local tax authority to see if you can delay property tax filing deadlines, pay your taxes in installments, or waive penalty fees. If you enter into one of these options, let your servicer know.
- Reach out to Area Agencies on Aging (AAA) to find state and local assistance programs that may help you pay for missed property charges. To find the nearest AAA, call (800) 677-1116 or visit eldercare.acl.gov.
- If you miss a payment, contact your lender or servicer as soon as possible. Your lender or servicer may pay your property charges by using money from your monthly loan payout or line of credit.
- If your loan is in default, ask your lender or servicer what options are available. See if your lender or servicer has special “hardship” options or repayment plan options for disaster victims.
- Ask your servicer for an “at-risk extension.” This may help you delay a foreclosure if you are 80 years or older and are experiencing critical circumstances (such as long-term disability or terminal illness).

How to deal with your insurance company

- If your insurance policy covers the damage, your insurance company will issue a check to the lender as the payee or to you and the lender jointly. If you receive a joint check, contact your lender or servicer for instructions on where to forward it.
- If the estimated cost of repairs is greater than your insurance coverage, you can use money from your homeowners insurance and your own money to complete the necessary repairs or pay off the reverse mortgage loan.
- If you cannot pay your remaining loan balance, work with your lender or servicer to avoid foreclosure. Consider seeking the advice of a housing counselor or attorney.
- If your insurance company denies coverage or does not pay you what you believe you are owed, ask the company to provide in writing the reasons for denial and if there is an appeals process.
- If you believe your insurance company wrongfully denied you coverage, consider seeking the advice of an attorney or filing a claim with your state insurance department or commissioner.

If you are facing foreclosure

- Take immediate action. Do not ignore it.
- Check with your lender or servicer to see if the U.S. Department of Housing and Urban Development (HUD) extended the foreclosure timeline for your area. Sometimes HUD requires foreclosure delays in Presidentially-Declared Major Disaster Areas.
- If HUD extended the foreclosure timeline in your area, try to bring your account up to date before the foreclosure resumes. You can find out when it resumes by checking HUD's website, contacting your lender or servicer, or calling a HUD-approved housing counseling agency.

Where to get help

- Consult an attorney. You may qualify for free legal services through legal aid. If you need help finding an attorney, visit your local or state bar association's website.
- Talk to a housing counselor. HUD-approved housing counseling agencies offer free or low-cost expert assistance. You can find a housing counselor by going to [hud.gov](https://www.hud.gov) or calling (800) 569-4287.
- Submit a complaint with the Consumer Financial Protection Bureau if you are having problems with your lender or servicer, by going to [consumerfinance.gov](https://www.consumerfinance.gov) or by calling toll-free (855) 411-CFPB (2372).
- For more information on disaster-related issues to go: [cfpb.gov/recover](https://www.cfpb.gov/recover).

About us

The Consumer Financial Protection Bureau regulates the offering and provision of consumer financial products and services under the federal consumer financial laws, and educates and empowers consumers to make better informed financial decisions.

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