

## **Money on the House-Withdrawing Equity for the House Rich and Cash Poor**

Are you one of many homeowners who are having trouble making ends meet each month? Are all of your assets tied up in your home and you are living primarily on Social Security? Many Americans have found themselves in this situation and are using their homes to provide them with the extra income they need and deserve. Consider a few of the options listed below to give yourself more financial freedom and peace of mind:

1. Rent Out One or More Rooms- Especially if you live near a college town, a popular vacation destination, or a community that is currently experiencing a rapid increase in population, it will be very easy for you to secure a substantial monthly income by renting out a spare bedroom. The fear of a troublesome tenant or losing privacy is very real and should be taken very seriously. But, by using good judgment, thorough screening techniques, and securing a large deposit many problems can be avoided and the experience can be very fulfilling. A report by an associate professor, Deborah Altus, at the Kansas State University has found that seniors who have roommates ate and slept better, had higher activity and energy levels, and worried less about money and safety, they liked their homes more and followed the news more closely. (To read a short article on her report, go to:  
<http://www.wfu.edu/users/harrwt1/RetireesWithRoommates.htm>)

The National Shared Housing Resources Center of the AARP operates a home sharing programs in 200 communities throughout the U.S. To access their national database go to: <http://www.nationalsharedhousing.org/>

2. Move to a Less Expensive Home- Why not move to a smaller home or purchase a condo? You can bank a significant amount of the equity in your home and cut expenses at the same time. Imagine having less house and yard to clean and maintain, freeing up more time and money to travel or pursue other hobbies. If you are considering relocating to a smaller, more manageable home, contact your local SRES® Agent. To find one in your area, click on the SRES Specialist button on our homepage: <http://www.seniorsrealestate.com/>

3. Sell Your Home and Become a Renter- Renting can be an affordable, sensible option for those who want to remain independent but want somebody else to be responsible for the maintenance and repairs. Selling your home and renting can free up all the equity in your home for other needs as well. Contact your local SRES® Agent to discuss your options.

4. Get a Reverse Mortgage- If you want to remain in the family home and preserve some of the equity, you may want to consider a reverse mortgage. The

concept is simple: you, the homeowner, trade some of the equity in your home in exchange for a monthly payment from a bank or other lender. The payment can be in the form of a lump sum, a monthly payment, or a line of credit that you can draw upon as needed. After your death, or the sale of your home, the lender is repaid (plus interest, of course). Whatever is left over goes to you or your heirs. If you want more information on a reverse mortgage, contact your local SRES® agent, or contact the Fannie Mae Foundation at 1-800-7FANNIE and ask for a reverse mortgage marketing kit, along with their Five Steps to Safety brochure that tells you things to look for when shopping for a reverse mortgage.

Source: <http://www.grandtimes.com/house.html>