



**THE OHIO STATE UNIVERSITY**

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**Aging in Place:  
Analyzing the Use of Reverse Mortgages to Preserve  
Independent Living**

**Summary Report of Survey Results**

**WORKING DRAFT:  
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## Preface: Study Background

Equity in a home can serve as an important source of supplemental income in retirement. Indeed, home equity makes up a substantial portion of wealth for senior households. Approximately 80 percent of households age 62 or over own a home (Poterba et al. 2011) and equity in owner-occupied homes comprises the primary source of wealth for most seniors (Sinai and Souleles 2013; Consumer Finance Protection Bureau 2012). However, homeowners may not be willing to sell their homes to access the equity, and may be unwilling or unable to make additional mortgage payments typically required to extract equity from a home.<sup>1</sup>

Reverse mortgages are designed to address this tradeoff by allowing seniors to draw down equity without selling their home, and without a monthly mortgage payment. Reverse mortgages are at the core of the U.S. Department of Housing and Urban Development (HUD)'s strategy "to help low-income seniors obtain suitable and affordable living environments that support independence" (U.S. Department of Housing and Urban Development 2006, p. 22). The underlying policy assumption is that reverse mortgages *can* provide seniors with "greater financial security" by providing a vehicle to "supplement social security, meet unexpected medical expenses and make home improvements" (U.S. Department of Housing and Urban Development 2006). Further, increased financial security combined with the ability to remain in one's own home may lead to independence and overall well-being (The National Council on the Aging 2005).<sup>2</sup>

Reverse mortgages are financial products that allow consumers aged 62 and older to borrow against the equity in their home.<sup>3</sup> The reverse mortgage loan and the accumulated interest is repaid when the individual dies, moves out, sells the home, or needs to foreclose due to unpaid property taxes and homeowner insurance, which remain the obligation of the homeowner.

The most widely used reverse mortgage product is offered by Federal Housing Administration's Home Equity Conversion Mortgage (HECM) program. The HECM program was initiated in the National Housing Act of 1987. The first HECM loan was made in October 1989; it became a permanent HUD Program in 1998 (Szymanoski 2010). During the 1990s, reverse mortgages were largely unknown, with less than 1 percent of eligible homeowners purchasing this product (Eschtruth, Sun, and Webb 2006). In the past decade, the market has greatly expanded, from 6,640 in 2000 to 114,692 reverse mortgages issued in 2009.<sup>4</sup> As of December 2014, nearly 900,000 reverse mortgages have been originated since program inception, 82 percent since 2006 (National Reverse Mortgage Lenders Association 2014).

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<sup>1</sup> For example regarding the desire of seniors to stay in their homes, by one AARP study, 95percent of persons 75 and older agreed with the statement "What I'd really like to do is stay in my current residence as long as possible" (Bayer and Harper 2000).

<sup>2</sup>The National Council on Aging refers to the use of the reverse mortgage to "maximize all resources, public and private, so that they [the older persons] can be as independent as possible in the residence of their choice" (no page) (The National Council on the Aging 2005).

<sup>3</sup>To obtain a HECM, homeowners must be age 62 or older, own their primary residence outright, and have a mortgage balance of less than 50percent of their home equity. For program requirements, see [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/sfh/hecm/](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/hecm/).

<sup>4</sup>So far this year, 50,371 were originated through May, 2011 (National Reverse Mortgage Lenders Association 2011).

Demand for equity extraction may increase over the next decade with aging of the baby boomer population, many of whom are retiring with low levels of savings and relatively higher levels of mortgage debt. Given the large proportion of household wealth held as home equity and the desire of seniors to stay in their homes as long as possible, prior studies tend to estimate relatively high demand for reverse mortgages that has yet to be realized (Venti and Wise 1991; Merrill, Finkel, and Kutty 1994; Rasmussen, Megbolugbe, and Morgan 1995; Mayer and Simons 1994; Costa-Font, Gil, and Mascarilla 2010).

Researchers typically attribute lower demand for HECMs to negative perceptions of the product and high up-front costs (Redfoot, Scholen, and Brown 2007). Reverse mortgages are complex financial products, and households may have difficulty assessing the true costs and benefits of the product for their financial situation. For borrowers that extract a large portion of available equity up-front and then sell the home or move in a short period of time, the costs of a reverse mortgage may be much higher than alternative modes of equity extraction.

On the other hand, recent research suggests that households may overestimate the costs of reverse mortgages, in light of the insurance feature and the actual costs incurred by borrowers over time (Davidoff 2015). The federal insurance underlying a HECM provides a mechanism by which households can lock in their equity, in anticipation of future house price declines (Shan 2011; Nakajima and Telyukova 2014; Haurin et al. 2015). And, the federal insurance covers the shortfall in the event of negative equity-- if the balance of the reverse mortgage grows to exceed the value of the property.

There is a critical need to better understand factors underlying the decision to obtain a reverse mortgage and the longer-term impacts on independence and general well-being. Specifically, research is needed at the consumer level that sheds light on the decision making processes of seniors who obtain reverse mortgages, and their rationales for and experiences with terminations.

A few previous, descriptive studies examined the differences between seniors obtaining reverse mortgages and seniors in the general population (Rodda, Herbert, and Lam 2000)(Redfoot, Scholen, and Brown 2007). Overall, those seeking reverse mortgages tend to be older (although the average age has declined from 76 years of age in 2000 to 73.5 years of age in 2006), and are more likely to be female-headed households. They also tend to be better educated than the general population, perhaps because those with education are more likely to be aware of reverse mortgages. As expected, they tend to have lower incomes than the general population, about 40 percent lower than the median income for other seniors (DeNavas-Walt, Proctor, and Lee 2006). At the same time, reverse mortgage borrowers tend to have more equity than non-borrowers.

In 2007, AARP conducted a survey of about 1,500 households who had considered reverse mortgages in the prior few years (Redfoot, Scholen, and Brown 2007). The AARP survey assessed motivations for seeking reverse mortgages, experience with the reverse mortgage process and a limited array of outcomes—primarily tied to the use of funds and satisfaction with the product. At that time, a majority (about 90 percent) reported that the reverse mortgage has “given them peace of mind,” “helped them have a more comfortable lifestyle,” and “improved their quality of life”. Seventy-nine percent agreed with the statement that a reverse mortgage “helped them remain at home” (Redfoot, Scholen, and Brown 2007).

While the AARP survey sheds light on senior experiences with reverse mortgages, it provides limited information about the longer term outcomes of borrowers in terms of their financial and personal well-being. More than one-third of the respondents had considered a reverse mortgage within the 12 month period prior to responding to the survey, with 90 percent considering the reverse mortgage in the prior three years. Further, substantial changes in the economy and in the reverse mortgage market since 2007 highlight the need for updated research on borrower experiences. The *Aging in Place* survey described here is one component of a broader research study intended to inform the link between reverse mortgages and longer term outcomes.

### **Aging in Place Study**

The *Aging in Place* study is a multi-phase research project being conducted by researchers at The Ohio State University, in partnership with the nonprofit organization *ClearPoint Credit Counseling Solutions*, with funding from The MacArthur Foundation and The U.S. Department of Housing and Urban Development (HUD). The overall goal of the study is to provide a better understanding of whether, and under what circumstances, reverse mortgages lead to increased financial security, well-being and independence in older age.

The study combines administrative data from households who have been counseled for reverse mortgages, HUD loan data for households who obtained HECMs, and survey data collected on households three to nine years after receiving counseling for a reverse mortgage. Counseling by a HUD certified housing counseling agency is currently a required component of the reverse mortgage process. The research sample includes about 30,000 seniors who were counseled by ClearPoint for a reverse mortgage between 2006 and 2011.

The study dataset includes demographic information, indicators of financial health, and credit and debt attributes obtained from credit files for households providing consent as part of the counseling process. In addition, data on loan outcomes has been provided by HUD, including data on whether or not the counseled senior took out a reverse mortgage, the type of mortgage taken, and draw amounts and termination outcomes. Finally, the study includes the administration of a survey to collect data on senior experiences with reverse mortgages, as well as longer term outcomes of household well-being. This report provides a summary of the responses obtained through the survey.

### **Aging in Place Survey**

The *Aging in Place* Survey was administered in phases from January, 2014 through July, 2015. A pilot survey was administered and analyzed from January, 2014 to June 30, 2014, with the full launch of the survey commencing July 1, 2014. All 30,000 counseled households were originally included in the sample population, with representation from three groups of respondents: (1) those who were counseled and decided not to take out a reverse mortgage; (2) those who were counseled and took out a reverse mortgage and it remains as of the survey date; (3) and those who were counseled and since have terminated their reverse mortgage.

The survey was administered by the Center for Human Resource Research (CHRR) at The Ohio State University, in partnership with ClearPoint Credit Counseling Solutions. ClearPoint mailed an advance letter to counseled households to invite their participation in the survey and to inform them that they would be contacted in the near future by the research team. Counseled households were given three options for completing the survey: (1) self-administered, online, via a customized web-link; (2) self-administered, by mail, paper survey; or (3) by telephone with a trained interviewer. The invitation letter provided a link to the online version of the Aging in Place Survey and included a toll-free number to call to set up a time to complete the survey over the telephone with an interviewer, or request a paper copy of the survey by mail. Participation in the survey was voluntary. Respondents were entered into a drawing to receive one of six \$100 gift cards, regardless of whether or not they completed the entire survey.

Survey respondents were provided with information about the study and asked for consent to use their data for research purposes prior to proceeding with the survey. The completion of the survey lasted an average of about 30 minutes per respondent. All survey responses are confidential, with data securely maintained following a protocol approved by the Institutional Review Board (IRB) at The Ohio State University. No identifying information on participants will be shared with anyone outside of the research team. All survey responses will be reported in the aggregate in this report.

### **Survey Sample and Response Rate**

The initial population for the survey included 29,702 households who had been counseled by ClearPoint for a reverse mortgage between 2006 and 2011. Of the 29,702 households, viable contact information (including a working telephone number) was available for 16,652 households at the time of survey administration. The remaining 13,050 contacts were deemed not viable for the following reasons: phone number disconnected or no longer in service, with no forwarding information (52%); no contact information provided in the participant's file (32%); phone number blocked (9.5%); death of both household members, with no alternative contact person provided (4.5%); and technical errors in the information provided (2%).

The remaining 16,652 households were contacted by mail, phone and email (when available) with an invitation to complete the survey. 1,917 responded to the request and were provided with information about the survey, for a response rate of 11.5%. Of the 1,917 responding, 1,778 (93%) consented to participate in the survey. Complete data on reverse mortgage status was available for 1,761 of the respondents. These 1,761 respondents are the base sample for the analysis of survey results.

### **Respondent and Non-Respondent Characteristics**

We compare the characteristics of respondents and non-respondents using the administrative study data linked to the survey data. This allows us to identify the extent to which the survey respondents are representative of the larger counseling sample. We compare respondents to both viable non-respondents as well as non-viable respondents.

Table P.1 presents the proportion of households in the three groups, by year of counseling. The majority of households responding to the survey (and consenting) were counseled in the year 2010 (38%) or 2011 (37%), followed by 2008 and 2009 (about 10% each year), and about 4% counseled in 2006 or 2007. The most common respondent would thus be 4 to 5 years post-counseling at the time of the survey, with a smaller proportion of respondents (14%) 6 to 9 years post counseling. This is generally representative of the proportion of households counseled in each year among non-responders, with a higher proportion of the households in the non-viable group counseled in the earlier years (2008 or earlier).

**Table P.1: Comparison of Respondents and Non-Respondents, by Year of Counseling**

	2006	2007	2008	2009	2010	2011	Total
<b>Response, Consent</b>							
	28	42	185	185	678	660	1,778
	1.57	2.36	10.4	10.4	38.13	37.12	100
	3.3	3.54	4.42	4.93	6.83	6.97	6.05
<b>No Response</b>							
	310	468	1,743	1,700	5,357	4,993	14,571
	2.13	3.21	11.96	11.67	36.76	34.27	100
	36.51	39.49	41.6	45.26	53.94	52.74	49.6
<b>Not Viable</b>							
	508	674	2,249	1,859	3,836	3,764	12,890
	3.94	5.23	17.45	14.42	29.76	29.2	100
	59.84	56.88	53.68	49.49	38.63	39.76	43.88
<b>Total</b>							
	849	1,185	4,190	3,756	9,931	9,467	29,378
	2.89	4.03	14.26	12.79	33.8	32.22	100
	100	100	100	100	100	100	100

Note: Households not consenting to participate in the survey are excluded from this table. The total sample size in a group may differ from the overall response numbers due to missing data in the administrative data.

Next, we consider the distribution of respondents and non-respondents by HECM status (Table P.2). Overall, a higher proportion of households who obtained and retained their HECM responded to the survey, comprising about 68% of the survey respondents.

By contrast, households who did not obtain a HECM comprised about 26% of the survey population. Households who did not obtain a HECM were much more likely to be in the group of not-viable respondents (comprising more than half of this group). It is likely that those not obtaining HECMs were more likely to relocate after counseling, thus contributing to lack of viable contact information for these households.

Finally, households who obtained and subsequently terminated their HECMs comprise about 6% of the survey response group. This is slightly higher than their overall representation in the total counseling population, and much higher than the proportion in the non-response group (less than 2%). As would be expected, more than three quarters of households terminating their reverse mortgage lacked viable contact information. Later waves of the survey administration focused outbound calls on households who did not take out a reverse mortgage, and those who had terminated their reverse mortgages in an attempt to increase the number of respondents in these groups.

**Table P.2: Comparison of Respondents and Non-Respondents, by HECM Status**

	<b>Did not Obtain HECM</b>	<b>Obtained &amp; Retained HECM</b>	<b>Obtained &amp; Terminated HECM</b>	<b>Total</b>
<b>Response, Consent</b>				
	471	1,203	104	1,778
	26.49	67.66	5.85	100
	3.49	8.38	6.88	6.05
<b>No Response</b>				
	6,134	8,185	245	14,564
	42.12	56.2	1.68	100
	45.42	57.03	16.21	49.59
<b>Not Viable</b>				
	6,854	4,875	1,159	12,888
	53.18	37.83	8.99	100
	50.75	33.97	76.7	43.88
<b>Total</b>				
	13,506	14,352	1,511	29,369
	45.99	48.87	5.14	100
	100	100	100	100

Note: Households not consenting to participate in the survey are excluded from this table. The total sample size in a given group may differ from the overall response numbers due to missing data on HECM status in the administrative data.

In addition to general sample distributions, our study provides the opportunity to examine differences in the respondent and non-respondent groups on specific demographic, financial, credit and housing indicators available in our administrative datasets. Table P.3 presents summary statistics for the survey population, and then tests for statistical differences in the mean characteristics compared to the no response group, and the not viable group. Most of the characteristics are measured at the time of counseling, with the exception of the HECM tax and insurance default data, which is derived from HUD HECM loan data as of July, 2014 for all HECM borrowers in our sample counseling population.

In terms of household financial characteristics, the average survey respondent had monthly income of about \$2,600 when they attended counseling, with a median amount of \$2,000 in non-housing assets, and 45% of the respondents reporting zero non-housing assets at the time of counseling. This is comparable to the non-respondents; however, those not viable tend to have significantly lower monthly incomes and are less likely to have non-housing assets.

The average survey respondent was 70 years old at the time of counseling, and about one-third of respondents were single female headed households—similar to the distribution in the non-response and non-viable populations. The survey was only administered in English; thus, it is not surprising that survey respondents are significantly less likely to be Hispanic than non-respondents, and are significantly less likely to report that English is not their native language (1% of survey respondents, compared to 7% of non-respondents). With regard to the highest level of education completed, the survey respondents tend to have more education-- 17% have a



4 year college degree, compared to only 11% of the non-respondent population, and 9% of the non-viable population.

Turning to credit attributes, the average survey respondent had a credit score of 698 at the time of counseling which is significantly higher than the average score of 683 for non-respondents and 663 for those without viable contact information. A very small proportion of households was in foreclosure at the time of counseling or had experienced a recent bankruptcy. Survey respondents had a significantly higher amount of revolving credit available from which they could borrow, and were slightly less likely to have been past due on their mortgage at the time of counseling than non-respondents.

With regard to mortgage debt, three-fourths of survey respondents had any mortgage debt at the time of counseling (prior to the HECM), which is slightly higher than the proportion of non-respondents with a mortgage. The average LTV of respondents at the time of counseling was just under 30 percent—with no significant differences between respondents and non-respondents. About 7 percent of survey respondents had a prior tax lien on their credit record at the time of counseling, which is slightly lower than the proportion of non-respondents with a tax lien.

Finally, merging in data from HUD, we consider attributes of the HECM loan among those respondents and non-respondents who originated a HECM after counseling. Across all groups, the average proportion of available equity extracted up-front is 78 percent, with a median of 95 percent among survey respondents. This likely reflects the relatively high proportion of households originating fixed rate, full draw mortgages from 2009 to 2011—the peak years of counseling for households in our sample.

The last thing that we consider is the proportion of households who originated a HECM and subsequently experienced technical default for not paying their property taxes and insurance. Technical default occurs when a HECM borrower does not make their property tax or insurance payment, and there are no available funds left on the HECM from which the lender could make the payment. Lenders must advance the funds, and proceed to call the loan due and payable if the borrower does not cure the default within two years. This has been a growing problem for HUD during our sample period, with approximately 12% of households in the HECM program as a whole experiencing technical default as of 2014 (Moulton, Haurin and Shi 2015).

Among our survey respondents, 11% had ever experienced technical default, and 3% were in severe default—which we define as owing \$2,000 or more and not making any repayments as of July, 2014. These proportions are relatively similar to the non-response sample. However, of the households lacking viable contact information in our sample, one in five had experienced technical default, and nearly one in ten were in severe default as of July, 2014.

**Table P.3: Household Characteristics, by Survey Response Status**

	<b>Response (Consent) N=1,178<sup>1</sup></b>		<b>No Response N=14,571<sup>1</sup></b>			<b>Not Viable N=12,890<sup>1</sup></b>		
	Mean	SD	Mean	SD		Mean	SD	
Years since counseling	4.61	1.16	4.71	1.24	**	5.04	1.40	**
Monthly income	2621	1986	2489	1977	**	2188	1868	**
Non-housing assets	65,842	227,981	78,341	2,801,917		47,383	911,960	
Zero non-housing assets	0.448	0.497	0.505	0.500	**	0.588	0.492	**
Hispanic	0.039	0.195	0.108	0.310	**	0.125	0.331	**
Race, white	0.699	0.459	0.643	0.479	**	0.586	0.492	**
Race, black	0.151	0.358	0.161	0.367		0.176	0.381	**
Race, Asian	0.007	0.085	0.009	0.095		0.009	0.096	
Unmarried male	0.171	0.376	0.144	0.351	**	0.157	0.364	
Unmarried female	0.330	0.470	0.339	0.474		0.340	0.474	
Age, youngest hhld	70.11	9.63	70.17	10.41		70.79	12.91	*
Non-English Speaking	0.012	0.111	0.069	0.253	**	0.086	0.280	**
Education, 2 YR college	0.083	0.275	0.069	0.253	*	0.058	0.234	**
Education, 4 YR college	0.165	0.372	0.112	0.315	**	0.094	0.292	**
Education, HS graduate	0.242	0.428	0.331	0.470	**	0.312	0.463	**
Education, missing	0.172	0.377	0.179	0.384		0.245	0.430	**
Education, some college	0.157	0.364	0.134	0.341	**	0.118	0.323	**
Revolving debt to income	0.236	0.457	0.247	0.461		0.206	0.432	**
Installment debt to income	0.208	0.470	0.235	0.487	*	0.240	0.503	**
Foreclosure, started	0.015	0.121	0.019	0.137		0.020	0.139	
Bankruptcy, 12 months	0.012	0.108	0.009	0.093		0.010	0.101	
No revolving credit	0.067	0.250	0.097	0.296	**	0.116	0.320	**
Revolving unused amount	25464	39703	20860	37686	**	15193	32648	**
FICO score	698	98	683	101	**	664	105	**
Past due mortgage	0.052	0.222	0.065	0.246	*	0.071	0.256	**
Home debt at counseling	75,686	100,900	72,133	109,534		67,977	112,842	*
Home value at counseling	265,931	264,780	252,924	278,320		227,070	272,401	**
Has any mortgage	0.749	0.434	0.723	0.447	*	0.676	0.468	**
LTV at counseling	0.286	0.261	0.279	0.281		0.279	0.301	
Tax lien	0.067	0.251	0.090	0.286	**	0.093	0.291	**
HECM T&I Default, Ever	0.110	0.313	0.124	0.330		0.202	0.401	**
HECM Default, Severe	0.035	0.183	0.049	0.216	*	0.085	0.279	**
HECM, initial draw	0.777	0.291	0.779	0.291		0.779	0.286	

Note: t-tests for significant differences in means between the response group and each group

\*p<.05; \*\*p<.01

<sup>1</sup> Sample size varies slightly per variable, based on missing data

# 1. The Reverse Mortgage Decision

## 1.1 Borrower and non-borrower status of survey respondents

Complete survey data was available for 1,761 older adults who completed counseling for a reverse mortgage from 2006 to 2011. A total of 68% obtained and retained their reverse mortgage (N=1,192). About 6% obtained a reverse mortgage, but had terminated it by the time of the survey (N=102). Reasons for termination included sale of the home, which was the most frequently provided reason for termination, refinancing it to another reverse mortgage, repaying or refinancing it with a non-reverse mortgage loan, and foreclosure. About one quarter of Aging in Place study participants, 27%, decided against obtaining a reverse mortgage after completing counseling (N=467).

**Table 1.1 Survey Respondent Status**

Status of Reverse Mortgage	N	%
<b>Did not obtain</b>	<b>467</b>	<b>27%</b>
<b>Obtained, retained</b>	<b>1,192</b>	<b>68%</b>
<b>Obtained, terminated</b>	<b>102</b>	<b>6%</b>
<i>Sold home</i>	46	45%
<i>Refinanced to another RM</i>	28	27%
<i>Refinanced with non-RM loan</i>	19	19%
<i>Foreclosed</i>	7	7%
<i>Other</i>	2	2%
Sample Size	<b>1,761</b>	<b>100%</b>

## 1.2 Satisfaction with the decision to obtain or not obtain a reverse mortgage

Reverse mortgage borrowers in this survey clearly expressed satisfaction with their decision to obtain a reverse mortgage. On a scale from 1=very dissatisfied to 5=very satisfied, respondents who retained their reverse mortgage scored 4.2 and those who terminated their reverse mortgage scored 4.0. Respondents who decided against obtaining a reverse mortgage scored 3.6 on this satisfaction measure.

- **“Very satisfied” with the reverse mortgage decision**—Among active borrowers, more than half, 53%, reported that they were “very satisfied” with their decision to obtain a reverse mortgage. Terminated borrowers ranked second, with 48% indicating to be “very satisfied” with their decision. Among non-borrowers, 40% provided the highest satisfaction score.
- **Reverse mortgage borrowers are satisfied with the reverse mortgage decision** — Among active borrowers, more than 80%, reported that they were “satisfied” or “very satisfied” with their decision to obtain a reverse mortgage. By contrast, only 15% report being somewhat or very dissatisfied with their decision.

**Table 1.2 Satisfaction with Reverse Mortgage Decision**

Satisfaction	Did not obtain RM		Obtained and retained RM		Obtained then terminated RM	
	N	%	N	%	N	%
Very satisfied	189	40%	633	53%	49	48%
Somewhat satisfied	82	18%	336	28%	29	28%
Neither satisfied nor unsatisfied	44	9%	34	3%	4	4%
Somewhat unsatisfied	53	11%	91	8%	7	7%
Very unsatisfied	80	17%	82	7%	11	11%
Don't know/Refuse/Missing	19	4%	16	1%	2	2%

### 1.3 How counselees first learned about reverse mortgages

Study participants were then asked how they first learned about reverse mortgages.

Advertisements, in particular television advertisements, were by far the most important primary information source, selected by 52% of the sample: 43% of respondents learned about this financial product from TV ads and 9% from print, internet or radio ads. Further, about 16% of Aging in Place survey respondents first heard about reverse mortgages from family, friends, church or a community organization, 9% from a lender who worked for a bank or mortgage company, and 5% from someone other than banking and financial counseling/advising professionals.

- **Did not obtain a reverse mortgage**—This group of study participants was more likely than those who obtained a reverse mortgage to first learn about this financial product from advertisement: 60% reported ads as their initial source.
- **Obtained and terminated a reverse mortgage**—This group of study participants were the least likely to first learn about a reverse mortgage through advertisement: 40% reported it as their initial source.
- **By satisfaction with reverse mortgage**—The initial source of information matters for the satisfaction with this financial product. For instance, Aging in Place study participants who were satisfied with their decision to obtain or not to obtain a reverse mortgage reported advertisements less often as their initial source of information compared to respondents who were not satisfied with their decision (51% vs. 56%).

**Table 1.3 How Counselees first Learned about Reverse Mortgages**

Learned of Reverse Mortgage (RM)	Did not obtain RM		Obtained and retained RM		Obtained then terminated RM		TOTAL	
	N	%	N	%	N	%	N	%
<i>Television advertisement</i>	234	50%	495	42%	28	27%	757	43%
<i>Newspaper or magazine</i>	30	6%	68	6%	8	8%	106	6%
<i>Internet advertisement</i>	12	3%	17	1%	4	4%	33	2%
<i>Radio advertisement</i>	3	1%	15	1%	0	0%	18	1%
<b>Advertisement Subtotal:</b>	<b>279</b>	<b>60%</b>	<b>595</b>	<b>50%</b>	<b>40</b>	<b>39%</b>	<b>914</b>	<b>52%</b>
<i>Friend or neighbour</i>	36	8%	102	9%	5	5%	143	8%
<i>Family member or relative</i>	27	6%	102	9%	8	8%	137	8%
<i>Church or community organization</i>	3	1%	5	0%	0	0%	8	0%
<b>Family/Friend/Community Subtotal:</b>	<b>66</b>	<b>14%</b>	<b>209</b>	<b>18%</b>	<b>13</b>	<b>13%</b>	<b>288</b>	<b>16%</b>
<b>Lender who worked for bank or mortgage company</b>	<b>37</b>	<b>8%</b>	<b>106</b>	<b>9%</b>	<b>11</b>	<b>11%</b>	<b>154</b>	<b>9%</b>
<b>Professional financial advisor or someone other than RM counselor or the lender</b>	<b>13</b>	<b>3%</b>	<b>62</b>	<b>5%</b>	<b>10</b>	<b>10%</b>	<b>85</b>	<b>5%</b>
<b>Information from AARP</b>	<b>10</b>	<b>2%</b>	<b>12</b>	<b>1%</b>	<b>1</b>	<b>1%</b>	<b>23</b>	<b>1%</b>
<b>Other</b>	<b>39</b>	<b>8%</b>	<b>101</b>	<b>8%</b>	<b>10</b>	<b>10%</b>	<b>150</b>	<b>9%</b>
<b>Don't know/Refuse/Missing</b>	<b>23</b>	<b>5%</b>	<b>107</b>	<b>9%</b>	<b>17</b>	<b>17%</b>	<b>147</b>	<b>8%</b>

#### 1.4 Initial reasons for considering reverse mortgages

The survey questionnaire provided a list of 10 reasons for why an older adult might have originally considered obtaining a reverse mortgage. Most study participants selected several reasons and 15% provided another reason outside the list. The most commonly chosen reason, selected by 41%, was to gain extra income for everyday expenses (other than health needs). Second was to pay off mortgage debt (38%) and to pay of non-mortgage debt (such as credit cards, personal loans, and other debts; 25%). Other initial plans for the reverse mortgage loan were to pay for home improvements (23%), to provide financial help for family members (18%) and to postpone using other sources of retirement income (15%), and to pay for ongoing health or disability-related expenses (14%). About 10% of study respondents selected reverse mortgage as a means to lock in home equity in case of declining housing prices and fewer than 10% were planning to afford a big purchase (such as a car or vacation) or to purchase a new property.

- **Initial reasons of non-borrowers**—Among respondents who decided against a reverse mortgage, the order of initial reasons is slightly reversed. The most often selecting reason for looking into reverse mortgages was to pay of mortgage debt: 42% of non-borrowers indicated this item as an initial reason. A close second reason was to cover everyday expenses: 39% of non-borrowers indicated this reason. Home improvements ranked third (27%), repaying non-mortgage debt ranked fourth (22%) and supporting family ranked fifth (18%).

- **Initial reasons of terminated borrowers**—Reverse mortgage borrowers who had terminated their reverse mortgage by the time of the survey indicated a distinctly different, more evenly distributed ranking of their initial reasons. While everyday expenses were still the most often selected item of the list of reasons, it was selected by only 36%. Second most-important reasons were repaying mortgage debt (24%) and paying for ongoing health and disability-related expenses (23%) as well as repaying non-mortgage debt (22%) and supporting family members (18%).
- **By Satisfaction with reverse mortgage**—The initial reason for obtaining a reverse mortgage is relatively independent of satisfaction with the borrowing decision. Whether satisfied or not, the extra income for everyday expenses is the top initial reason for a reverse mortgage. Repaying mortgage and non-mortgage debt take second and third place in the satisfaction ranking.

**Table 1.4 Primary Reasons for Considering a Reverse Mortgage**

(Select all that apply)	Did not obtain RM	Obtained and retained RM	Obtained then terminated RM	TOTAL
Pay off mortgage	42%	38%	24%	38%
Pay off non-mortgage debt	22%	27%	22%	25%
Health or disability expenses	13%	14%	23%	14%
Home improvements	27%	22%	21%	23%
Everyday expenses	39%	42%	36%	41%
Big purchase	6%	6%	6%	6%
Financial help to family	18%	19%	18%	18%
Postpone other retirement income	17%	15%	10%	15%
Purchase new property	5%	3%	5%	4%
Other	13%	16%	18%	15%
Lock-in home equity	12%	9%	6%	10%
Don't Know/Refuse/Missing	4%	2%	4%	2%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

### 1.5 How reverse mortgage borrowers spent the funds from their reverse mortgage

After providing their initial plans for the reverse mortgage, Aging in Place study participants were asked about the actual ways the money from the reverse mortgage was spent. The same list was provided as in the previous question. Study participants could select up to three items.

Overall, the initial and actual ways of using the reverse mortgage funds were similar. The top five actual uses of the reverse mortgage proceedings among active borrowers were to gain extra income for everyday expenses and to repay mortgage debt (each selected by 36% of respondents) and to repay non-mortgage debt (30%). Expenses for home improvement ranked fourth (28%)

and payments for health and disability-related reasons ranked fifth (14%). About 14% of study participants provided reasons that were not part of the list.

- **Actual reasons of terminated borrowers**—Among respondents who had terminated their reverse mortgage at the time of the survey, the actual uses of the reverse mortgage are slightly different. Repaying mortgage debt only ranks fifth (selected by 21% in this group), behind making ends meet (28%), paying off non-mortgage debt (27%), paying for home improvements (24%) and health or disability-related expenses (23%).
- **Actual reasons and satisfaction with decision**—Study participants’ satisfaction with the decision to obtain or not obtain a reverse mortgage differed according to the actual ways a reverse mortgage was spent. Notably, 38% “satisfied” survey respondents reported the extra income for everyday expenses as an actual use, compared to 25% of “not satisfied” respondents.

**Table 1.5 Use of Reverse Mortgage Funds**

<b>Actual uses of RM Funds</b>	<b>Obtained and retained RM</b>	<b>Obtained then terminated RM</b>	<b>TOTAL</b>
Pay off mortgage	36%	21%	35%
Pay off non-mortgage debt	30%	27%	30%
Health or disability expenses	14%	23%	15%
Home improvements	28%	24%	28%
Everyday expenses	36%	28%	35%
Big purchase	7%	7%	7%
Financial help to family	13%	13%	13%
Postpone other retirement income	9%	9%	9%
Purchase new property	2%	5%	2%
Other	14%	20%	14%
Don't Know/Refuse/Missing	2%	3%	2%
<b>Sample size</b>	<b>1,192</b>	<b>102</b>	<b>1,294</b>

### **1.6 Reasons for paying off mortgage debt among those who indicated mortgage debt as an initial reason for looking into a reverse mortgage**

Repaying mortgage debt is a mandatory purpose of reverse mortgage lending. Any existing mortgage debt must be paid off with the proceeds of a reverse mortgage. The Aging in Place survey thus inquired how reverse mortgage borrowers were dealing with existing mortgage debt.

To eliminate the monthly mortgage payment was the most often selected reason for a reverse mortgage. This reason was selected by 50% of non-borrowers, 66% of active borrowers, and 40% of borrowers who had terminated their mortgage by the time of the survey.

Not being able to afford the monthly mortgage payment was the second-most likely reason for the interest in a reverse mortgage among active and terminated reverse mortgage borrowers (38% and 27% respectively). The desire to pay off a home equity loan or other loan on the home ranked third for active and terminated borrowers (27% and 19%, respectively).

Among non-borrowers, to pay off a home equity loan or other loan on the home ranked second (21%) and a high interest rate on the mortgage ranked third (20%).

**Table 1.6 Reasons for Paying off Mortgage Debt**

<b>(Select all that apply)</b>	<b>Did not obtain RM</b>	<b>Obtained and retained RM</b>	<b>Obtained then terminated RM</b>	<b>TOTAL</b>
Behind on mortgage payments	14%	10%	23%	12%
Facing foreclosure	10%	8%	17%	9%
High interest rate	20%	18%	23%	19%
Adjustable Interest Rate	10%	6%	7%	7%
Unable to afford payments	19%	38%	27%	33%
Get rid of mortgage payments	50%	66%	40%	61%
Payoff home equity loan	21%	19%	27%	20%
Other	15%	12%	13%	13%
Don't Know/Refuse/Missing	25%	3%	3%	9%
<b>Sample size</b>	<b>197</b>	<b>523</b>	<b>30</b>	<b>750</b>



## 2. Reverse Mortgage Counseling (All Study Participants)

### 2.1 Remembering receiving reverse mortgage counseling

Nine of ten Aging in Place study participants, who obtained and retained a reverse mortgage, remembered the reverse mortgage counseling session.

- **Counseling impression of terminated borrowers**—The recall of the counseling session was lower among survey respondents who obtained and terminated their reverse mortgage: only 84% remembered the session, 6% did not remember it, 4% were unsure, and 6% did not provide an answer to this question.
- **Counseling impression of non-borrowers**—Similar to the active reverse mortgage borrowers, nine in ten study participants recalled the reverse mortgage counseling session.

**Table 2.1 Remember Receiving Counseling**

	<b>Did not obtain RM</b>	<b>Obtained and retained RM</b>	<b>Obtained and terminated RM</b>	<b>TOTAL</b>
Yes	90%	90%	84%	89%
No	6%	5%	6%	5%
Don't know	3%	2%	4%	2%
Refuse to answer	0%	1%	0%	1%
Blank	1%	3%	6%	2%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

### 2.2 Knowledge of different decision items at counseling

Aging in Place study participants were asked whether, knowing what they know today, they felt like they were informed about four key items at the time of reverse mortgage counseling:

Respondents felt best informed about the responsibility to pay property taxes and homeowner's insurance: 92% among reverse mortgage borrowers and 82% of non-borrowers indicated this. Respondents also felt quite well-informed about the different ways to receive the reverse mortgage money, for example a credit line, a lump sum, or a monthly payment: about 85% of borrowers and 79% of non-borrowers confirmed that they know about it at counseling.

- **Knowledge of marital status item**—Knowledge levels differed for married counselees and their understanding of the implications of removing or not having the spouse on the

deed. Only 42% of non-borrowers, 47% of active borrowers, and 59% of terminated borrowers felt they were informed about this item at the time of counseling.

- **Knowledge of reverse nature of loan balance**—Knowledge levels also differed about the fact that reverse mortgage loan balance increase due to accumulating interest and mortgage insurance premiums. Only 49% of non-borrowers, 66% of active borrowers, and 61% of terminated borrowers felt they were informed about it at the time of counseling.

**Table 2.2 Well Informed About the Following at the time of Counseling:**

(Percent responding “yes”)	Did not obtain RM	Obtained and retained RM	Obtained then terminated RM	TOTAL
Different ways to receive money (e.g. credit line, lump sum, monthly payment, etc.)	79%	85%	84%	84%
Responsibility to pay property taxes and homeowner's insurance	82%	92%	92%	90%
Increasing loan balance due to accumulating interest and mortgage insurance premiums	49%	66%	61%	61%
Don't know/Refuse/Missing	8%	7%	8%	7%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

(If married at time of counseling): Implications of removing or not having spouse on deed	42%	47%	59%	46%
<b>Sample size</b>	<b>199</b>	<b>567</b>	<b>39</b>	<b>805</b>

### 2.3 Experience with counselor and loan officer

When asked about their experience with the reverse mortgage counselor and loan officer, about four in five borrowers and non-borrowers confirmed that the reverse mortgage counselor provided enough information to inform your decision about a reverse mortgage. The approval rate was lower for reverse mortgage loan officers: 71% of non-borrower, 80% of terminated borrowers, and 84% of active borrowers confirmed that the reverse mortgage loan officer provided enough information to inform the decision.

- **Pressured by counselor**—Fewer than 10% of Aging in Place study participants felt pressured by the counselor to obtain a reverse mortgage. Pressure was better remembered among non-borrowers (8% reported it) compared to borrowers (4% of active borrowers reported it).
- **Pressured by loan officer**—About the same portion of non-borrowers and terminated borrowers, about one in ten in each group, remembered pressure to obtain a reverse

mortgage by their loan officer. In contrast, only 4% of active borrowers confirmed pressure from the loan officer.

- **Pressure at counseling and satisfaction with decision**—Aging in Place study participants who were satisfied with their decision to obtain or not obtain a reverse mortgage felt particularly well informed by counselor (90% confirmed) and loan officer (88% confirmed). They reported few instances of pressure of counselor and loan officer (4% reported pressure).
- **Pressure at counseling and dissatisfaction with decision**—It is in stark contrast to dissatisfied respondents. A smaller number of this group reported to have received enough information at counseling from counselor (67%) and loan officer (62%). A greater number of study respondents remembered feeling pressured by the counselor (10%) and loan officer (14%).

A follow-up question inquired whether loan officers exert pressure on consumers to take the reverse mortgage as a fixed rate, lump sum loan (all proceeds at closing). About 12% of terminated borrowers, but only 7% of non-borrowers and 6% of active borrowers remembered this kind of pressure.

- **Pressure to take lump sum and satisfaction with decision**—About 11% in the dissatisfied group reported that they felt pressured to take the reverse mortgage as a fixed rate, lump sum loan, compared to 6% in the satisfied group reported this type of pressure.

**Table 2.3 Experience with Counselor and Loan Officer**

(Percent responding “yes”)	Did not obtain RM	Obtained and retained	Obtained then terminated	TOTAL
RM counselor provided enough information to inform RM decision	79%	85%	86%	84%
Felt pressured by RM counselor to take out RM	8%	4%	6%	5%
RM loan officer provided enough information to inform RM decision	71%	84%	80%	81%
Felt pressured by RM loan officer to take out RM	10%	4%	11%	6%
Felt pressured by RM loan officer to take out RM as a fixed rate, lump sum loan (all proceeds at closing)	7%	6%	12%	7%
Don't know/Refuse/Missing	6%	6%	8%	6%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

## 2.4 Influential individuals

A number of people might have influenced the decision to obtain or not obtain a reverse mortgage. Aging in Place survey respondents reported that the spouse or significant other provided the largest influence: 15% of non-borrowers, 24% of active borrowers, and 22% of terminated borrowers reported this influence.

The reverse mortgage loan officer was another large source of influence: 23% of active borrowers, 24% of terminated borrowers, and 15% of non-borrowers noted this influence. Third in line was the reverse mortgage counselor: 21% of active borrowers, 19% of terminated borrowers, and 12% of non-borrowers mentioned this influence.

Besides these top-three sources of influence, children were another frequent source of influence for the reverse mortgage decision: 11% of non-borrowers, 13% of active borrowers, and 19% of terminated borrowers mentioned this. Friends, financial advisors and attorneys played a smaller role when consumer made the decision whether or not to obtain a reverse mortgage.

- **Influential individuals and satisfaction with decision**—Aging in Place study participants who were satisfied with their decision to obtain or not obtain a reverse mortgage reported significant other/spouse (24%), reverse mortgage loan officer and counselor (20% and 18%, respectively) as their top three sources of influence.
- **Influential people and dissatisfaction with decision**—In contrast, study participants who were dissatisfied with their decision, felt stronger influenced by their reverse mortgage loan officer and counselor (24% and 20%, respectively) compared to their spouse or significant other (15% reported this influence).

**Table 2.4 Individuals with Influence on the Reverse Mortgage Decision**

(Select all that apply)	Did not obtain RM	Obtained and retained	Obtained then terminated	TOTAL
RM counsellor	12%	21%	19%	18%
RM loan officer	15%	23%	24%	21%
Children	11%	13%	19%	13%
Significant other or spouse	15%	24%	22%	21%
Financial advisor	6%	10%	11%	9%
Attorney	3%	5%	1%	4%
Friends	6%	9%	6%	8%
Other people	11%	6%	12%	8%
Don't know/Refuse/Missing	9%	6%	11%	7%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

## 2.5 Alternatives to reverse mortgage

Survey respondents who elected to not take out a reverse mortgage were asked about alternatives that they pursued to meet their financial needs.

- **Alternative actions and satisfaction with decision**—Regardless of whether Aging in Place study participants were satisfied or dissatisfied with their decision to obtain or not obtain a reverse mortgage, they reported to reduce essential and non-essential expenses and to refinance their first mortgage as the top-three actions taken instead of reverse mortgage borrowing.

**Table 2.5 Actions Taken to Meet Financial Needs Instead of Reverse Mortgage**

(select all that apply)	Satisfied	Not Satisfied	TOTAL
Take out a home equity loan or second mortgage	12%	11%	12%
Sell home and move	6%	5%	6%
Go through foreclosure	2%	5%	3%
Move in with family or friends	1%	1%	1%
Refinance first mortgage	21%	18%	20%
Return to work	7%	13%	9%
Receive help from a government program	13%	17%	15%
Borrow money	8%	11%	9%
Take out payday loan or cash advance	5%	7%	6%
Cut back on essential expenses	23%	29%	25%
Cut back on non-essential expenses	46%	47%	46%
Don't know/Refuse/Missing	4%	4%	4%
<b>Sample size</b>	<b>271</b>	<b>177</b>	<b>448</b>

### 3. Reverse Mortgage Loan (Borrowers only)

#### 3.1 Reverse mortgage improved quality of life

The majority of Aging in Place study participants, 74% of active borrowers and 63% of terminated borrowers, agreed with the statement, “Having a reverse mortgage improved the quality of my life.”

- **Quality of life and high satisfaction with decision**—Aging in Place study participants who were satisfied with their decision to obtain or not obtain a reverse mortgage reported 83% agreement with the statement that the reverse mortgage improved the quality of life.
- **Quality of life and dissatisfaction with decision**—In contrast, study participants who were dissatisfied with their decision reported lower effects on their quality of life: only 30% said that the reverse mortgage improved their lives.

**Table 3.1 Reverse Mortgage Improved Quality of Life**

	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>TOTAL</b>
Strongly agree	41%	26%	40%
Agree somewhat	33%	37%	33%
Neither agree nor disagree	13%	18%	13%
Disagree somewhat	5%	9%	6%
Strongly disagree	5%	7%	5%
Don't know/Refuse/Missing	3%	3%	3%
<b>Sample size</b>	<b>1,192</b>	<b>102</b>	<b>1,294</b>

#### 3.2 Amount owed on reverse mortgage

Aging in Place study participants were asked, “if you were to sell your house today, about how much would you owe on your reverse mortgage?” Respondents reported an average outstanding loan value of \$156,500, with a standard deviation of \$137,818.

- **Remaining reverse mortgage loan balance**—About half of respondents report a remaining loan balance of \$100,000 or more. By contrast, only 9% report a remaining loan balance of less than \$25,000.

**Table 3.2 Amount Owed on RM**

<b>Amount owed on RM</b>	<b>Total</b>
Less than \$25,000	9%
\$25,000 to \$ 49,999	8%
\$50,000 to \$99,999	22%
\$100,000 or more	48%
Don't know/Refuse/Missing	13%
<b>Sample size</b>	<b>1,156</b>

### 3.3 How long reverse mortgage money lasted

A question at the core of reverse mortgage borrowing is whether the money from the reverse mortgage last longer, shorter or about the same amount of time that a consumer originally anticipated. Almost half of Aging in Place study participants, 47%, said that the money lasted about the amount of time they anticipated, about 21% said it lasted shorter, and 11% said it lasted longer than expected. About 21% did not know the answer to this question, refused it or left it blank.

- **Money lasting and quality of life**—About 53% of Aging in Place study participants who accurately estimated about how long the reverse mortgage proceedings would last reported that the reverse mortgage improved the quality of their live. In contrast, 17% of respondents who overestimated the availability of fund perceived improvement in the quality of their lives.

**Table 3.3 How Long did RM Funds Last, by RM Quality of Life**

<b>RM money lasted longer, shorter or same as anticipated</b>	<b>RM Improved Quality of Life</b>	<b>RM Did Not Improve Quality of Life</b>	<b>Total</b>
Longer	12%	8%	11%
Shorter	17%	36%	22%
About the same	53%	33%	48%
Don't know/Refuse/Missing	18%	23%	19%
<b>Sample size</b>	<b>946</b>	<b>309</b>	<b>1,255</b>

### 3.4 How much money extracted up front

When borrowers first obtain their reverse mortgage, how much money do they take out up front? We asked Aging in Place study participants to include money used to pay off mortgage or other debt and to exclude money used to pay up front closing costs or mortgage insurance premiums. The largest group of borrowers, 41%, reported taking a lump sum of less than \$25,000. This

contradicts loan level data reported in Table P.3 that indicates that the average survey participant withdrew more than 78% of their available funds at closing. It is likely that respondents did not include the amount of funds that were used to pay off a forward mortgage when they reported the amount withdrawn. In addition, one in five respondents didn't know the answer, refused it, or left it blank.

- **Initial lump sum and quality of life**—The size of the initial lump sum withdrawal is only slightly associated with survey participants' assessment of whether the reverse mortgage improved the quality of their lives. About 44% of those who experienced improved quality of life reported withdrawals of less than \$25,000, compared to 38% of respondents who felt that their lives had not improved.

**Table 3.4 Initial Withdrawal and RM Quality of Life**

<b>Amount took out when first got RM</b>	<b>RM Improved Quality of Life</b>	<b>RM Did Not Improve Quality of Life</b>	<b>Total</b>
Less than \$25,000	44%	38%	42%
\$25,000 to \$50,000	9%	9%	9%
\$50,000 to \$100,000	11%	17%	13%
\$100,000 or more	17%	16%	17%
Don't know/Refuse/Missing	19%	20%	20%
<b>Sample size</b>	<b>946</b>	<b>309</b>	<b>1,255</b>



## 4. Reverse Mortgage Termination (Borrowers who terminated their reverse mortgages only)

### 4.1 Ways reverse mortgage was terminated

A reverse mortgage can be terminated in different ways. As reported in Table 1.1 of this report and replicated in Table 4.1.1 below, 45% of the 102 survey participants who had terminated their reverse mortgage at the time of the survey reported that they sold the home, 27% refinanced into another reverse mortgage, 19% repaid the loan (see methods of repayment below) and kept the home, 1% lost their home to foreclosure, and 11% took other actions to terminate their reverse mortgage.

**Table 4.1.1 Ways Terminated RM**

Ways terminated RM	Percentage
Sold home	45%
Refinanced to another RM	27%
Repaid/refinanced with non-RM loan, kept home	19%
Foreclosed	7%
Other	2%
<b>Sample size</b>	<b>102</b>

- **Home sold**—If the home was sold to repay the reverse mortgage, 54% of Aging in Place study participants had not purchased a new home at the time of the survey, whereas 46% had done so.
- **Loan repaid**—If the loan was repaid and the home kept, 23% of Aging in Place study participants achieved this by obtaining a new forward mortgage or home equity loan. An equal, but smaller number received an inheritance or sold other assets to repay the reverse mortgage (8% each). The majority, 62%, reported to have pursued other options, to not know, or refused to provide an answer.

**Table 4.1.2 Ways Paid Off RM, if Loan Repaid and Home Kept**

	Percentage
Got a new forward mortgage or HE loan	23%
Received life insurance proceeds	0%
Sold other assets	8%
Received an inheritance	8%
Don't know/Missing/Other	62%
<b>Sample size</b>	<b>13</b>

## 4.2 Reasons for selling home and terminate reverse mortgage

There are different reasons reverse mortgage borrowers might sell their homes and terminate a reverse mortgage. About 32% of Aging in Place study participants with terminated reverse mortgages had sold their homes because they desired to live in a smaller home. The desire to live closer to family or friends and to be released from maintenance duties associated with owning a home ranked second, each reason being reported by 27% of terminated borrowers who sold their homes. Death of spouse or significant other and overly high property taxes ranked third, each reason being mentioned by 22%. Fourth ranked the costs associated with home maintenance, mentioned by 19%. High cost of homeowners insurance and home maintenance were ranked fifth, each mentioned by 16% of terminated borrowers, as reasons for selling the home.

**Table 4.2 Reasons for Selling Home, Among Terminating Borrowers**

<b>(Select all that apply)</b>	<b>Percentage</b>
Live closer to family/friends	27%
Avoid maintenance	27%
Desire to live in retirement community	11%
Needed nursing care/assisted living	14%
Needed more accessible home	16%
Property taxes too high	22%
HO Insurance too high	16%
Cost of maintenance	19%
Desire smaller home	32%
Death of spouse/significant other	22%
Desire more accessible community	19%
Don't Know/Refuse/Missing	0%
<b>Sample size</b>	<b>37</b>

### 4.3 Selling home earlier or later

A follow-up question inquired whether about the timing of the home sale of terminated reverse mortgage borrowers. About 46% of this group of study participants stated that they sold their home at about the same time as they originally planned, 30% sold earlier than they originally planned, and 22% later than they initially thought they would when they took out the reverse mortgage.

**Table 4.3 Selling Home and Terminating RM**

<b>Earlier, Same or Later than Expected?</b>	<b>Percentage</b>
Earlier	30%
Later	46%
About the same	22%
Don't know	3%
<b>Sample size</b>	<b>37</b>

## 5. Reverse Mortgage Not Obtained (Non-borrowers only)

### 5.1 Reasons for deciding against obtaining a reverse mortgage

The Aging in Place survey provided a list of 13 reasons for the decisions to not obtain a reverse mortgage. Study participants who decided against a reverse mortgage after the mandatory counseling session indicated three top reasons for this decision: a desire to own their home completely, free of any mortgages; the understanding that the amount of money from a reverse mortgage was too small; and finding another way to meet financial needs. Each of these three items was selected by about a third of the study respondents (32%).

The perception that the costs of a reverse mortgage were too high and a desire for the home to remain in the family and/or leave the home as an inheritance to children (28% each) ranked among the top-five reasons for not obtaining a reverse mortgage.

Almost a quarter of study participants, 22%, provided individual reasons for their decision.

**Table 5.1 Reason not Taking RM**

(Select all that apply)	Percentage
Personally ineligible	17%
Property ineligible	22%
Spouse under 62	3%
Costs of RM too high	28%
Amount of money from RM too low	32%
Desire to keep home in family	28%
Desire to own home with no mortgage	32%
Desire to sell home and move	6%
Family opposed to RM	9%
Found another way to meet needs	32%
RM process too complicated	14%
Did not trust loan officer	10%
Financial professional advised against RM	2%
Other	22%
Don't Know/Refuse/Missing	8%
<b>Sample size</b>	<b>467</b>

### 5.2 Reasons for selling home

A small number of non-borrowers, about 6%, indicated that they sold their home instead of taking out a reverse mortgage. The main reason for selling the home was to avoid the maintenance duties associated with homeownership (50%). Other reasons were the costs of property taxes and homeowners insurance (mentioned by 42% each). The desire to live in a

smaller and more accessible home ranked next among non-borrowers (39% selected each category).

**Table 5.2 If No Reverse Mortgage, Reasons for Selling Home**

<b>(select all that apply)</b>	<b>Percentage</b>
Live closer to family/friends	19%
Avoid maintenance	50%
Live in retirement community	35%
Needed nursing care/assisted living	15%
Needed more accessible home	39%
Property taxes too high	42%
HO Insurance too high	42%
Cost of maintenance	31%
Desire smaller home	39%
Death of spouse/significant other	15%
Desire more accessible community	39%
Don't Know/Refuse/Missing	0%
<b>Sample size</b>	<b>26</b>

## 6. Personal Finance (All Respondents)

### 6.1 Satisfaction with different aspects of life

People tend to experience different levels of satisfaction with areas of their life, such as location of residence, their daily lives, family lives, health, and financial situation. On average, across the different areas of life, reverse mortgage borrowers are more satisfied, reaching a satisfaction score of 3.7 on a scale from 1=not at all satisfied to 5=completely satisfied. Non-borrowers reached an average satisfaction score of 3.6 on this scale.

**Table 6.1 Satisfaction with Different Aspects of Live, Average Ratings**

(1: Not at all satisfied-5: Completely satisfied)	Did not obtain RM	Obtained and retained RM	Obtained then terminated	ANOVA test of different mean satisfaction by status: Prob > F
Life overall	3.61	3.71	3.73	0.22
Condition of inhabitanace	3.87	4.14	4.01	0.00
City or town of inhabitanace	4.00	4.10	4.09	0.17
Daily life and leisure activity	3.65	3.77	3.88	0.05
Family life	3.83	3.98	3.92	0.03
Present financial situation	2.97	3.19	3.31	0.00
Health	3.39	3.42	3.30	0.59

Inquiring about “life as a whole these days,” 85% of active reverse-mortgage borrowers, 81% of non-borrowers, and 77% of terminated borrowers indicated to be somewhat, very, or completely satisfied with life overall in the survey.

Particularly high satisfaction was reported for the condition of the place of residence and the city or town of residence. Over 90% of active borrowers, 85% of non-borrowers, and 83% of terminated borrowers indicated their satisfaction with these two aspects of life in the Aging in Place survey.

Among active borrowers, satisfaction with family life ranked fourth (87% reported satisfaction), satisfaction with daily life and leisure activities ranked fifth (86%), satisfaction with health ranked sixth (76%), and satisfaction with the financial situation ranked the lowest. Only 71% of active borrowers were satisfied with their financial situation.

Among terminated borrowers, satisfaction with daily life and leisure activities was ranked fourth (80% reported to be satisfied) and was therefore rated higher than satisfaction with family life (75%), health and finances (66% each).

Non-borrowers ranked satisfaction with their family life fourth (82% satisfaction with this area of life), satisfaction with daily life and leisure activities ranked fifth (80%), health ranked sixth (73%), and satisfaction with the present financial situation ranked low with only 63% expressing satisfaction with this area of their lives.

## 6.2 Debt stress

A follow-up question inquired about how much stress Aging in Place study participants felt from their total debt load. On average, stress levels were low, ranging between “not very much stress” and “some stress.” Debt stress was highest among non-borrowers, reaching a stress score of 2.6 on a scale ranging from 1=no stress at all to 5=a great deal of stress. Active borrowers followed with average stress scores of 2.4 and terminated borrowers reported a debt-stress score of 2.2.

**Table 6.2 Amount of Stress Caused by Financial Debt, Average Ratings**

(1: Not stress at all- 5: Great deal of stress)	Did not obtain RM	Obtained and retained	Obtained then terminated	Anova test of different mean debt stress by status: Prob > F
Mean stress	2.63	2.40	2.29	0.00

## 6.3 Types of assets

To estimate Aging in Place study participants net worth, we first inquired about the assets they own besides their primary residence. A list of seven asset categories was offered and respondents asked to provide an estimated dollar amount for each item. Respondents who were uncertain about the value of their assets, four categories were also provided (less than \$25,000; \$25,000 to \$49,999; \$50,000 to \$99,999; and \$100,000 or more).

Overall, the sum of non-housing assets was highest among terminated borrowers: it averaged \$504,847 and is about double the value of the average non-housing assets of active borrowers. The median value was \$128,550.

Non-housing wealth was second-highest among non-borrowers with an average value of non-housing assets of \$371,824, about 1.5 times the value of the average non-housing assets of active borrowers. The median value was \$73,711.

Active borrowers reported the lowest average non-housing wealth: a mean value of \$250,952. The median value of their non-housing assets ranked between terminated and non-borrowers with a value of \$110,200.

- **Assets in homes or real estate property other than the primary residence**—Active borrowers reported up to 29% higher real estate assets compared to the two other groups of study participants.

- **Money in checking and savings accounts**—Non-borrowers reported 47% higher balances in checking and savings accounts and terminated borrowers reported 22% higher balances, compared to active borrowers.
- **Retirement accounts, annuities**—Terminated borrowers reported particularly high values in their retirement accounts, about 50% higher than active and non-borrowers. They also held higher assets in annuities, about 37% higher than values reported by active borrowers and over 60% higher than non-borrowers.
- **Business or farm property**—Again, terminated borrowers reported particularly high business or farm assets, about 40% higher than active and non-borrowers. Ownership of these assets was similar among active and non-borrowers.
- **Other assets**—Terminated borrowers reported other non-housing wealth of about 2.5 times the amounts reported by active and non-borrowers.

**Table 6.3 Self-Reported Assets**

		Did not obtain RM		Obtained and retained RM		Obtained then terminated RM	
Assets		<i>N</i>		<i>N</i>		<i>N</i>	
Homes or real estate property other than primary residence	Mean	\$37,944	414	\$53,679	1,049	\$40,948	86
	Median	\$0		\$0		\$0	
Checking and savings accounts	Mean	\$19,296	342	\$15,857	900	\$23,278	70
	Median	\$1,000		\$4,000		\$4,000	
Retirement accounts	Mean	\$31,666	372	\$29,265	957	\$45,042	76
	Median	\$0		\$0		\$0	
Other non-retirement bonds, stocks, mutual funds, money markets, CDs or other financial holdings	Mean	\$22,789	375	\$22,362	973	\$20,432	3
	Median	\$0		\$0		\$0	
Businesses or farms	Mean	\$8,871	411	\$8,661	1,055	\$12,235	85
	Median	\$0		\$0		\$0	
Annuities	Mean	\$10,095	393	\$13,560	1,002	\$18,528	79
	Median	\$0		\$0		\$0	
Cars, boats, or other transportation	Mean	\$11,186	396	\$13,551	1,017	\$11,432	83
	Median	\$5,000		\$9,000		\$0	
Other	Mean	\$56,274	31	\$61,462	105	\$155,727	11
	Median	\$20,000		\$25,000		\$37,500	

## 6.4 Social Security benefits

The majority of survey participants reported receiving Social Security benefits for retirement or disability at the time of the survey. Only 2% of respondents with a reverse mortgage report not receiving Social Security benefits, compared with 4% of respondents who did not obtain a



reverse mortgage and 8% of respondents who have terminated their reverse mortgage report not receiving Social Security benefits.

**Table 6.4 Social Security**

		Did not obtain RM	Obtained and retained	Obtained then terminated	Total
Received social security benefits	Yes	88%	92%	81%	90%
	No	4%	2%	8%	3%
	Don't know/ Refuse/ Missing	8%	6%	11%	7%
	<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>
For married respondents: Spouse received social security benefits	Yes	81%	88%	80%	86%
	No	11%	7%	13%	8%
	Don't know/ Refuse/ Missing	8%	6%	7%	6%
	<b>Sample size</b>	<b>168</b>	<b>506</b>	<b>30</b>	<b>704</b>

### 6.5 Estimated monthly income

In a typical month, the estimated gross household income from all sources, such as wages, Social Security, retirement pensions, annuities, and any other retirement income was highest among active borrowers. They had an average gross household income of \$3,689, the median value was \$2,200. Second-highest was the income of non-borrowers, on average \$3,364 with a median value of \$2,100. Terminated borrowers reported the lowest average gross household income of \$2,892 and a median value of 2,300. These figures do not include the money from a reverse mortgage.

**Table 6.5 Estimated Monthly Income**

Did not obtain RM					
Mean	Median	Min	Max	SD	N
3,364	2,100	0	85,000	6,225	343
Obtained and retained RM					
Mean	Median	Min	Max	SD	N
3,689	2,200	0	95,000	6,618	931
Obtained then terminated RM					
Mean	Median	Min	Max	SD	N
2,892	2,300	0	40,000	4,555	78

### 6.6 Estimated monthly income change since counseling

When asked whether the household income has been about the same, increased by more than 10 percent, or decreased by more than 10 percent since counseling for the reverse mortgage, the

majority of survey respondents indicated that it had stayed about the same. About 61% of active borrowers and 56% of terminated and non-borrowers provided this answer.

- **Income decreased at least 10%**—About 13 to 14% of study participants experienced decreasing household incomes since the time of reverse mortgage counseling.
- **Income increased at least 10%**--Highest income increases were reported by non-borrowers (16% reported it), followed by active and terminated borrowers (14% and 13% respectively).

**Table 6.6 Self-Reported Change to Income Since Counseling**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
About the same	56%	61%	56%	59%
Increased at least 10%	16%	14%	13%	15%
Decreased at least 10%	13%	13%	14%	13%
Don't know/Refuse/Missing	15%	12%	18%	13%
Sample size	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

### **6.7 Significant events following counseling**

Among a list of eight life events, it was serious illness, injury or disability that was reported most often: 30% of terminated borrowers, 29% of active borrowers, and 23% of non-borrowers had experienced it themselves or for their significant other.

Among borrowers, increases in living costs were ranked second and reported by 17% of active and 16% of terminated borrowers. Loss of job or wages was ranked third and reported by 14% of active and 11% of terminated borrowers. Among non-borrowers, loss of job or wages was the second-most often cited life event (18%) and increases in cost of living ranked third (17%).

**Table 6.7 Significant Events Since Counseling, by Incidence and Years**

(Incidence, Years after counseling)	Did not obtain RM		Obtained and retained		Obtained then terminated		Total	
	%	Years	%	Years	%	Years	%	Years
Loss of spouse or other household member	15%	1.68	11%	2.08	10%	1.33	12%	1.90
Added new household member	14%	2.16	10%	2.38	11%	1.80	11%	2.28
Retired from job	13%	1.63	12%	1.31	5%	2.00	12%	1.42
Loss of job or wages	18%	1.64	14%	1.36	11%	1.50	15%	1.46
Serious illness/injury/disability of self or spouse	23%	1.60	29%	1.87	30%	1.32	27%	1.78
Stopped working (self or spouse) for health reasons	9%	1.62	10%	1.42	8%	0.33	10%	1.43
Received inheritance or large financial gift	4%	1.88	4%	2.46	5%	2.60	4%	2.32
Increase in living costs	17%	1.81	17%	1.69	16%	1.25	17%	1.70
Any other events that affected financial situation	48%	1.17	51%	1.22	35%	1.11	49%	1.21
Don't know/ Refuse/ Missing	8%	N/A	8%	N/A	11%	N/A	8%	N/A
<b>Sample size</b>	<b>467</b>		<b>1,192</b>		<b>102</b>		<b>1,761</b>	

### 6.8 Monthly expenses relative to income

In a typical month, most survey participants find that their expenses are about the same as their income. This was reported by 46% of active borrowers, 40% of non-borrowers and 34% of terminated borrowers.

- Expenses greater than income**—About a quarter of study participants reported a monthly deficit, with a slightly higher proportion of non-borrowers (28%) and terminated borrowers (25%) reporting deficits, compared to active borrowers (23%). The average deficit was quite high-- \$1,161 for non-borrowers, \$908 for active and \$755 for terminated borrowers. However, median self-reported deficits are lower, ranging from \$40 to \$200 across groups.
- Expenses less than income**—Another quarter of study participants reported a monthly surplus, or the ability to save some money after paying for expenses. About 23% of active borrowers reported a surplus, compared to 21% of non-borrowers and 24% of terminated borrowers. The median surplus among non-borrower and active borrowers is quite small-- \$10, compared with \$125 for terminated borrowers. The average is higher, at \$575 for non-borrowers, \$904 for active and \$1,080 for terminated borrowers.

**Table 6.8 Monthly Expenses Relative to Income**

Monthly Expenses Relative to Income		Did not obtain RM		Obtained and retained		Obtained then terminated	
		%	Amount Deficit/Surplus	%	Amount Deficit/Surplus	%	Amount Deficit/Surplus
Expenses > Income	Mean	28%	\$ (575.45)	23%	\$ (904.63)	26%	\$ (1,080.44)
	Median		\$ (50.00)		\$ (40.00)		\$ (200.00)
Expenses < Income	Mean	21%	\$ 1,161.91	23%	\$ 908.18	24%	\$ 755.88
	Median		\$ 10.00		\$ 10.00		\$ 125.00
Expenses = Income		40%		46%		34%	
Don't know/Refuse/Missing		10%		8%		16%	
<b>Sample size</b>		<b>467</b>		<b>1,192</b>		<b>102</b>	

### 6.9 Probability of leaving relatives an inheritance

When asked about the chances, from zero to 100, of leaving an inheritance to relatives other than spouse or partner, the largest group of study participants was 100% certain that they would make a bequest: 32% of non-borrowers, 31% of terminated borrowers, and 27% of active borrowers responded in this way.

- **No inheritance**—On the other hand, about one-quarter of study participants, only slightly fewer than the 100% group—reported a zero percent change of leaving an inheritance to kin: 27% of active borrowers, 24% of non-borrowers, and 21% of terminated borrowers indicated no chances of leaving an inheritance.

**Table 6.9 Probability of Leaving Relatives an Inheritance**

	Did not obtain RM	Obtained and retained	Obtained then terminated	Total
0%	24%	27%	21%	26%
1-25%	6%	7%	6%	7%
26-50%	10%	12%	13%	12%
51-75%	4%	4%	3%	4%
76-99%	5%	5%	6%	5%
100%	32%	27%	31%	29%
Don't know/Refuse/Missing	19%	17%	21%	18%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

## 6.10 Marital status and household size

Of the Aging in Place survey respondents, 40% were married, 26% were widowed, 13% divorced or separated, and 17% single at the time of the survey. About 2% were living with a partner.

- **Change in marital status since counseling**—Several survey respondents had a change in marital status since they completed HECM counseling. At the time of the survey, fewer are married (minus 6 percentage points) or reported divorced or separated status (minus 2 percentage points), more are widowed or single (plus 8 percentage points).

On average, 1.8 persons lived in survey respondents' households. As expected, household size is larger for married and partnered households (2.2 household members each). Widowed, divorced, and separated status is associated with smaller household sizes, between 1.2 to 1.5 members on average.

**Table 6.10 Marital Status**

Marital Status	At Time of Counseling		Current	
	N	%	N	%
Married	805	46%	704	40%
Widowed	400	23%	463	26%
Divorced	249	14%	218	12%
Single	225	13%	303	17%
Living with partner	34	2%	30	2%
Separated	33	2%	23	1%
Don't know/Refuse/Missing	15	1%	20	1%

## 7. Housing Situation

### 7.1 Living Arrangements

Whether a survey participant owned a home, rented, or had other living arrangement depended on their borrowing status. By definition, all active borrowers owned their homes. Of the 93% of active borrowers who responded to this question, the majority owned a single family home (84%), fewer a condo or apartment (9%). About 7% did not provide an answer to this question.

Among terminated borrowers, 68% owned a home, 7% were renting, 6% were living in an assisted living facility or nursing home, and 6% had other living arrangements (predominately, living with family). About 14% did not provide an answer to this question.

Non-borrowers were most often homeowners (84%). About 5% were renting, 1% were living in an assisted living facility or nursing home, and 1% had other living arrangements. About 9% did not provide an answer to this question.

**Table 7.1 Living Arrangements**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
<b>Rent</b>	<b>5%</b>	<b>0%</b>	<b>7%</b>	<b>2%</b>
<i>Condo/apartment</i>	<i>2%</i>	<i>0%</i>	<i>7%</i>	<i>1%</i>
<i>Single family home</i>	<i>2%</i>	<i>0%</i>	<i>0%</i>	<i>1%</i>
<b>Own</b>	<b>84%</b>	<b>93%</b>	<b>68%</b>	<b>89%</b>
<i>Condo/apartment</i>	<i>11%</i>	<i>9%</i>	<i>8%</i>	<i>10%</i>
<i>Single family home</i>	<i>73%</i>	<i>84%</i>	<i>60%</i>	<i>80%</i>
<b>Assisted living/nursing home</b>	<b>1%</b>	<b>0%</b>	<b>6%</b>	<b>1%</b>
<b>Other</b>	<b>1%</b>	<b>0%</b>	<b>6%</b>	<b>1%</b>
<b>Don't know/Refuse/Missing</b>	<b>9%</b>	<b>7%</b>	<b>14%</b>	<b>8%</b>
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

### 7.2 Value of home

Aging in Place study participants who indicated to own a home were then asked to estimate (1) how much their home would be worth if it was sold today and (2) how much they owe on their home today, including all mortgages or liens but excluding the reverse mortgage.

Active borrowers provided the highest average estimate of their current home value: \$387,136 and a median value of \$200,000. The self-reported mortgage debt for this group was \$21,574—technically, this number should be \$0, as households cannot have additional mortgages with the reverse mortgage. It is likely that this amount reflects households who included reverse mortgage debt in their self-report. The median self-reported debt for this group is \$0, which is expected.

Terminated borrowers estimated an average appraisal value of \$349,167 and a median appraisal value of \$185,000. The estimated housing-related debt was \$31,575.

Non-borrowers reported the lowest average appraisal value and the highest debt value. The average appraisal value for this group was \$238,134. The median appraisal value was also the lowest one, at \$150,000. The estimated housing-related debt was \$65,041, about three times the amount reported by active borrowers, with an estimated loan to value ratio of 40%.

**Table 7.2 Estimated Home Value and Debt**

Status of Respondents	Statistics	Estimated home value	Estimated debt value	Estimated LTV
Did not obtain RM	Mean	\$ 238,134	\$ 65,041	40.01%
	Median	150,000	40,000	33.47%
	SD	786,511	87,187	46.14%
	Min	0	0	0.00%
	Max	14,000,000	580,000	400.00%
	Sample Size	346	352	334
Obtained and retained RM	Mean	\$ 387,136	\$ 21,574	7.34%
	Median	200,000	0	0.00%
	SD	3,216,455	79,350	22.44%
	Min	0	0	0.00%
	Max	100,000,000	780,000	130.00%
	Sample Size	989	1,031	966
Obtained then terminated RM	Mean	\$ 349,167	\$ 31,575	10.70%
	Median	227,500	0	0.00%
	SD	290,263	84,147	22.47%
	Min	18,000	0	0.00%
	Max	1,400,000	438,000	100.00%
	Sample Size	60	63	60
<b>Total</b>	Mean	\$ 348,546	\$ 32,591	15.51%
	Median	185,000	0	0.00%
	SD	2,737,370	83,556	33.12%
	Min	0	0	0.00%
	Max	100,000,000	780,000	4
	Sample Size	1,395	1,446	1,360

### 7.3 Monthly housing costs- mortgage and rent payments

Survey participants were asked a variety of questions related to monthly housing costs, including monthly mortgage payment (without property taxes and insurance) or monthly rent amount. Below, we provide information on monthly housing costs for households without reverse mortgages at the time of the survey. Reverse mortgage borrowers have no monthly mortgage payment. Comparisons of property tax and homeowner’s insurance payments for all survey respondents are provided in the subsequent section.

- **Average mortgage payment**—About 70% of non-borrowers had a mortgage at the time of the survey, compared with just under 50% of households who had terminated their reverse mortgages. The average mortgage payment, excluding property taxes and homeowners insurance was \$389 for non-borrowers and \$143 for terminated borrowers.
- **Monthly rent**—Rent payments ranged from an average of \$880 for non-borrowers to an average of \$1,472 for terminated borrowers.
- **Monthly housing costs**—Monthly housing costs ranged from an average of \$311 among terminated borrowers to \$415 among non-borrowers.

**Table 7.3 Monthly Housing Costs- Non-Borrowers**

Status of Respondents	Statistics	Proportion with Mortgage	Mortgage payment	Monthly rent	Monthly housing cost
Did not obtain RM	Mean	70.9%	\$ 389	\$ 880	\$ 415
	Median	100.0%	291	748	325
	SD	45.5%	491	740	518
	Min	0.0%	0	136	0
	Max	100.0%	2,950	3,500	3,500
	Sample Size	467	339	19	358
Obtained then terminated RM	Mean	49.0%	\$ 143	\$ 1,472	\$ 311
	Median	0.0%	0	1,100	0
	SD	50.2%	422	1,092	700
	Min	0.0%	0	515	0
	Max	100.0%	2,374	3,400	3,400
	Sample Size	102	62	9	71
<b>Total</b>	Mean	67.0%	\$ 351	\$ 1,070	\$ 398
	Median	100.0%	175	796	235
	SD	47.1%	489	893	552
	Min	0.0%	0	136	0
	Max	100.0%	2,950	3,500	3,500
	Sample Size	569	401	28	429



## 7.4 Other housing costs- utilities, property taxes & homeowner’s insurance

All survey participants were asked about other housing costs, including amounts paid for monthly utilities, as well as annual amounts for property tax and homeowner’s insurance (when applicable).

- **Monthly utility costs**—Average monthly expenses for water, gas, and electric etc. ranged from \$270 for non-borrowers to \$303 for active borrowers. Median values ranged from \$190 (terminated borrowers) to \$250 (active borrowers).
- **Annual property tax**—In a typical year, tax payments ranged from an average of \$1,619 among non-borrowers to an average of \$2,330 among terminated borrowers. Median values ranged from \$1,000 (non-borrowers) to \$1,500 (active borrowers).
- **Annual homeowners insurance**—In a typical year, insurance premiums ranged from an average of \$1,049 among non-borrowers to an average of \$1,314 among active borrowers. Median values ranged from \$800 (non-borrowers) to \$1,000 (active borrowers).

**Table 7.4.1 Other Housing Costs**

Status of Respondents	Statistics	Monthly utility cost	Annual mortgage tax	Annual mortgage insurance
Did not obtain RM	Mean	\$ 270	\$ 1,619	\$ 1,049
	Median	240	1,000	800
	SD	202	2,030	1,120
	Min	0	0	0
	Max	2,000	20,000	16,050
	Sample Size	320	338	329
Obtained and retained RM	Mean	\$ 303	\$ 2,268	\$ 1,314
	Median	250	1,500	1,000
	SD	262	2,710	1,492
	Min	0	0	0
	Max	4,000	32,699	19,000
	Sample Size	591	1,027	1,002
Obtained then terminated RM	Mean	\$ 276	\$ 2,330	\$ 1,235
	Median	190	1,400	850
	SD	198	2,544	1,602
	Min	0	0	0
	Max	800	14,000	12,000
	Sample Size	51	62	60

Survey respondents were also asked about changes in property taxes since the time of counseling. Among borrowers, the majority reported increases in annual property taxes since time of counseling for a reverse mortgage: 51% of active borrowers and 46% of terminated borrowers estimated tax increases of \$393 and \$464 per year, respectively. About one-third of reverse mortgage borrowers said that property taxes stayed the same since time of reverse mortgage counseling. Fewer experienced a decline in property taxes. This was reported by 11% of active borrowers (an estimated \$680) and 13% of terminated borrowers (an estimated \$2,816).

Non-borrowers reported in about equal numbers that property taxes stayed the same or that they increased (39% provided each response). The average increase was \$393. About 12% of non-borrowers experienced a decrease in property taxes, on average \$702.

**Table 7.4.2 Change in Annual Property Taxes**

	Did not obtain RM		Obtained and retained RM		Obtained then terminated RM		Total	
	%	Average	%	Average	%	Average	%	Average
Increased	39%	\$ 393.47	51%	\$ 393.92	46%	\$ 464.81	48%	\$ 396.73
Decreased	12%	\$ (702.75)	11%	\$ (680.52)	13%	\$ (2,816.67)	11%	\$ (769.52)
Stayed the same	39%	N/A	34%	N/A	33%	N/A	35%	N/A
Don't know/ Refuse/ Missing	10%	N/A	5%	N/A	9%	N/A	6%	N/A
<b>Sample size</b>	<b>396</b>		<b>1,112</b>		<b>70</b>		<b>1,578</b>	

Survey respondents were also asked if they were current on their property tax payments. Recall that this is self-reported as of the time of the survey, which may differ from the administrative data on missed property tax payments provided by HUD as of July, 2014 and reported in the Preface of this report. Most survey participants reported being current on their property taxes. Respondents not obtaining a reverse mortgage were more than twice as likely to report being past due on property taxes- 5% compared to 2% of active reverse mortgage borrowers. The average amount overdue ranged from \$1,449 (active borrowers) to \$4,221 (non-borrowers).

**Table 7.4.3 Current on Property Taxes**

	Did not obtain RM		Obtained and retained RM		Obtained then terminated RM		Total	
	%	Mean \$ Overdue	%	Mean \$ Overdue	%	Mean \$ Overdue	%	Mean \$ Overdue
Yes	88%	\$ -	95%	\$ -	94%	\$ -	93%	\$ -
No	5%	\$ 4,221	2%	\$ 1,449	1%	\$ 2,500	3%	\$ 2,751
Don't know/ Refuse/ Missing	7%	N/A	4%	N/A	4%	N/A	4%	N/A
<b>Sample size</b>	<b>396</b>		<b>1,112</b>		<b>70</b>		<b>1,578</b>	

## 7.5 Age of home and expected tenure

On average, the homes of survey participants were built between 1970 and 1975. Survey respondents moved into these homes in the late 1980s or early 1990s, having lived in their homes between an average of 20 and 25 years at the time of the survey.

When asked to estimate how many more years study participants plan to stay in their current homes, estimates ranged from 23 to 29 years.

**Table 7.5.1 Age of Residence, Year moved in, Years to Stay**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Year home built	1970	1972	1975	1971
Year moved in	1991	1989	1995	1990
Years plan to stay	29	29	23	29

It is useful to also consider the distribution of planned tenure in their homes. Most survey respondents plan to stay in their homes for more than seven years. The desire to remain in their homes for a longer period of time is stronger among active borrowers: 12% planned to move in less than eight years, compared to 20% of terminated borrowers and 15% of non-borrowers.

**Table 7.5.2 Years Plan to Stay in Current Home, Distribution**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Less than 3 years	7%	4%	8%	5%
3 to 7 years	9%	8%	12%	8%
More than 7 years	68%	76%	62%	73%
Don't know/ Refuse/ Missing	16%	12%	19%	13%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

## 7.6 Condition of home

Study participants were also asked about attributes of their current homes, where they reside the majority of the time.

- **Number of bedrooms**—The average home had three bedrooms, ranging from 2.9 (terminated borrowers) to 3.1 bedrooms (active borrowers). To the extent that number of bedrooms proxies for the size of the home, the average size of homes is similar between active borrowers and non-borrowers.
- **Barriers in homes**—Between 21% (terminated borrowers) and 24% of homes (active and non-borrowers) had stairs, a steep pathway, or other barriers that could make it hard to stay in the current home over time.
- **Social network nearby**—Active borrowers reported most often, 82% of the time, that they have family, friends, or other people nearby that can be relied on for help with a problem or emergency. Only 73% of terminated borrowers and 75% of non-borrowers reported this kind of close-by social network.
- **Second homes**—Only a small number of survey participants owned or rented another home, such as a vacation home, to live in part of the year. About 6% of non-borrowers and active borrowers report owning or renting a second home.

**Table 7.6.1 Housing Attributes**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Avg. # bedrooms	3.08	3.10	2.91	3.09
% with stairs	24%	24%	21%	24%
% with family or friends nearby	75%	82%	73%	80%
% who rent another home	6%	5%	3%	5%
% who own another home	0%	1%	2%	1%
Don't know/ Refuse/ Missing	8%	6%	14%	7%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

Survey participants were also asked about the condition of their homes. Active borrowers rated the condition of their home highest: 80% reported it to be “good” or “very good.” Only 69% of terminated and 68% of non-borrowers rated the condition of their homes equally high.

In contrast, 1% of active borrowers, 3% of terminated borrowers, and 5% of non-borrowers rated the condition of their home as “poor” or “very poor.”

**Table 7.6.2 Condition of Primary Residence**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Very good	43%	55%	50%	51%
Good	25%	26%	19%	25%
Average	17%	12%	14%	14%
Poor	4%	1%	3%	2%
Very poor	1%	0%	0%	0%
Don't know/ Refuse/ Missing	9%	7%	15%	8%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>18</b>

## 8. Health Status

### 8.1 Current health self-rating

Survey participants rated their health, on average, as “good.” It represents a score of 2.9 which is at the midpoint of a scale ranging from “excellent”=1 and “poor”=5. There are no statistically significant differences in overall health ratings between borrowers and non-borrowers.

**Table 8.1 Current Health Self-rating**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Excellent	11%	11%	16%	12%
Very good	24%	26%	22%	25%
Good	27%	27%	24%	27%
Fair	19%	18%	13%	18%
Poor	10%	10%	11%	10%
Don't know/ Refuse/ Missing	9%	7%	16%	8%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

<b>Status of Reverse Mortgage</b>	<b>Health rating, Self: 1(Excellent) - 5(Poor)</b>
Did not obtain RM	2.9
Obtained and retained RM	2.9
Obtained then terminated RM	2.8
<b>Total</b>	<b>2.9</b>

Anova test of different mean satisfaction by status:  
 Prob > F = 0.5694

### 8.2 Change in health since reverse mortgage counseling

When asked about changes in health since reverse mortgage counseling, the responses were similar across groups of borrowers.

The largest group of survey participants reported that their health stayed about the same: 50% of non-borrowers, 48% of active borrowers and 44% of terminated borrowers provided this response.

About one in three respondents reported that their health has worsened over time: 35% of active borrowers, 31% of non-borrowers, and 27% of terminated borrowers were in worse condition.

In contrast, only one in ten respondents reported improved health. Similar responses were provided for the health of spouse or partner.

**Table 8.2.1 Change in Health, Self**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Significantly improved	3%	3%	3%	3%
Somewhat improved	6%	7%	10%	7%
Stayed the same	50%	48%	44%	48%
Somewhat worsened	25%	27%	16%	26%
Significantly worsened	7%	8%	12%	8%
Don't know/ Refuse/ Missing	9%	7%	16%	8%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

**Table 8.2.2 Change in Health, Spouse**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Significantly improved	3%	2%	0%	2%
Somewhat improved	4%	6%	5%	5%
Stayed the same	42%	43%	44%	43%
Somewhat worsened	21%	24%	23%	23%
Significantly worsened	7%	11%	5%	10%
Don't know/ Refuse/ Missing	24%	14%	23%	17%
<b>Sample size</b>	<b>199</b>	<b>567</b>	<b>39</b>	<b>805</b>

### 8.3 Memory and ability to think quickly

Survey participants were also asked about their memory: “how would you rate your memory at the present time.” About half of respondents rated their memory at the present time as “very good” or “excellent.” About 54% of active borrowers, 53% of non-borrowers, and 45% of terminated borrowers provided this positive response.

Fair and poor rating of one’s memory was highest among terminated borrowers: 17% provided this response, compared to 11% of active borrowers and 13% of non-borrowers.

**Table 8.3.1 Memory Self-Rating**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Excellent	23%	19%	18%	20%
Very good	30%	36%	27%	34%
Good	24%	27%	24%	26%
Fair	10%	9%	9%	9%
Poor	3%	2%	8%	3%
Don't know/ Refuse/ Missing	10%	8%	15%	9%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

The ability to think quickly received similar responses. About 55% of active and non-borrowers rated their ability to think quickly as “very good” or “excellent.” Only 45% of terminated borrowers provided the same rating. This group indicated more often than the two other groups that their ability to think quickly was “fair” or “poor.”

**Table 8.3.2 Ability to Think Quickly**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Excellent	24%	20%	18%	21%
Very good	32%	35%	27%	34%
Good	21%	28%	23%	26%
Fair	9%	7%	10%	8%
Poor	3%	2%	8%	3%
Don't know/ Refuse/ Missing	9%	7%	14%	8%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

#### **8.4 Number of hospital or nursing home overnight visits in past two years**

Survey participants were also asked about the number of times in a health care facility in the last two years, as this can be an indicator of health status. Terminated borrowers reported by far the highest number of overnight visits to hospitals or nursing homes: an average of 4.4 nights for the respondent and 2.7 nights for their spouse or partner. In contrast, non-borrowers reported less than one night (0.8 night for self, 0.9 nights for spouse) and active borrowers about one night (1.0 nights for self, 1.1 nights for spouse).



**Table 8.4 Number of hospital or nursing home overnight visits in past 2 years**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
# of visits, self	0.80	1.05	4.47	1.17
# of visits, spouse	0.94	1.14	2.78	1.17

### 8.5 Difficulty with everyday tasks

Older adults may have difficulty with everyday tasks because of health or memory problems. Survey participants indicated greatest difficulties with household chores, yard work, or simple home repairs: 38% of active borrowers, 36% of non-borrowers, and 28% of terminated borrowers reported these difficulties.

Climbing one flight of stairs without resting was ranked second among Aging in Place study participants: 27% of non-borrowers, 26% of active borrowers, and 24% of terminated borrowers indicated this difficulty.

Shopping for groceries ranked third in this list of difficult everyday tasks. It was checked by 17% of active and non-borrowers and 15% of terminated borrowers.

Less taxing were bathing or showering and money management tasks, which were selected as difficult by about 10% of respondents.

**Table 8.5 Difficulty with Everyday Tasks**

<b>(% reporting difficulty)</b>	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Climbing one flight of stairs without resting	27%	26%	24%	26%
Bathing or showering	12%	10%	12%	11%
Shopping for groceries	17%	17%	15%	17%
Managing own money (paying bills, keeping track of expenses)	10%	9%	13%	9%
Household chores, yard work, or simple home repairs	36%	38%	28%	37%
Don't know/ Refuse/ Missing	13%	11%	21%	12%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

## 8.6 Life expectancy

Survey participants were asked questions about their life expectancy. When asked to estimate the life expectancy of someone with their health status and gender, terminated borrowers estimated an average age of 90.2 years, non-borrowers of 88.5 years, and active borrowers of 88.1 years.

**Table 8.6: Self-Reported Life Expectancy**

	Did not obtain RM	Obtained and retained	Obtained then terminated	Total
Average life expectancy	88.54	88.12	90.26	88.34

## 8.7 Health insurance

The majority of survey participants (between 71% and 85%) were covered by Medicare Part A (Hospitalization) and B (Routine health expenses like doctor visits). At least half of respondents, ranging from 53% to 58%, were also covered by Medicare Part C (Prescription drug benefit).

- **Medicaid**—Active reverse mortgage borrowers were less likely to report receiving Medicaid. About 15% of terminated and non-borrowers and 9% of active borrowers reported receiving Medicaid.
- **Employer health care plans**—Between 12% and 16% of survey respondents were enrolled in a private plan from an employer (including state retirement pension systems).

**Private health care plans**—Between 24% and 32% of survey respondents were covered through a private plan purchased directly. Reverse mortgage borrowers were more likely to report purchasing private plans than the non-borrowers or terminated borrowers.

**Table 8.7 Health Insurance**

	Did not obtain RM	Obtained and retained	Obtained then terminated	Total
Medicare Part A	80%	85%	80%	84%
Medicare Part B	79%	82%	71%	81%
Medicare Part C	53%	58%	57%	56%
Medicaid	15%	9%	15%	11%
Veterans Affairs CHAMPVA or TRICARE (formerly CHAMPUS)	12%	10%	7%	11%
Private plan from an employer (includes state retirement pension systems)	16%	15%	12%	15%
Private plan purchased directly	24%	32%	26%	29%
Other	7%	12%	11%	10%
Don't know/ Refuse/ Missing	11%	8%	16%	10%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

## 8.8 Monthly health care expenses

Median reported regular health and medical expenses (such as doctor visits, prescriptions, or co-pays) are relatively similar between survey respondents. Non-borrowers have higher reported average monthly expenses of \$1,314, as there are a few individuals in this group reporting very high monthly medical expenses. Active and terminated borrowers report average monthly health and medical expenses of \$169 and \$195, respectively. The median values are \$55 and \$60, respectively, for these two groups of borrowers.

Health and life insurance premiums were higher among active borrowers, at \$189 per month, compared to terminated and non-borrowers, who reported average monthly premiums of \$134 and \$139, respectively. Median values ranged between \$75 and \$100.

**Table 8.8.1 Health Care Expenses**

Status of Respondents	Statistics	Monthly regular health expenses	Monthly health and life insurance premiums
Did not obtain RM	Mean	\$1,314	\$139
	Median	\$50	\$75
	Sample size	344	357
Obtained and retained RM	Mean	\$169	\$189
	Median	\$55	\$100
	Sample size	905	892
Obtained then terminated RM	Mean	\$195	\$134
	Median	\$60	\$100
	Sample size	70	63
Total	Mean	\$469	\$173
	Median	\$50	\$95
	Sample size	1,319	1,312

Survey participants were also asked if they were receiving home health care. Less than 10% of survey participants reported receiving home health care. It was highest among terminated borrowers: 8% reported to receive these services.

Among all households in the survey, average expenses for home health care services were particularly high for terminated borrowers, at \$230 per month. Active and non-borrowers reported average costs of \$47 and \$27 for these expense items.

Average monthly home health care expenses among those receiving such services ranged from \$800 for non-borrowers to \$2,946 among terminated borrowers. Median values ranged from \$225 to \$486 for these groups.

**Table 8.8.2 Home Health Care**

	Statistics	Monthly home health care services expense	Average monthly home health care expenses among those receiving it	Receiving home health care
Did not obtain RM	Mean	\$27	\$800	3%
	Median	-	\$225	0%
	Sample size	384	13	384
Obtained and retained RM	Mean	\$47	\$994	5%
	Median	-	\$333	0%
	Sample size	1,016	48	1,016
Obtained then terminated RM	Mean	\$230	\$2,946	8%
	Median	-	\$ 486	0%
	Sample size	77	6	77
Total	Mean	\$51	\$1,131	5%
	Median	-	\$326	0%
	Sample size	1,477	67	1,477

## 9. Financial Capability

### 9.1 Financial risk tolerance

Survey participants reported very low risk tolerance overall, with regard to their financial investments. They scored an average of 2.6 on a risk-tolerance scale ranging from 1=“not at all willing to take financial risks” to 10=“very willing to take financial risks.” Active borrowers reported an average risk-tolerance score of 2.5, terminated borrowers of 2.6, and non-borrowers of 2.7. In terms of the distribution, about 50% of active borrowers selected “not at all willing to take risks,” compared with 48% of non-borrowers and 42% of terminated borrowers.

**Table 9.1 Willingness to Take Risk**

(1: Not at all willing - 10: Very willing)	Did not obtain RM	Obtained and retained	Obtained then terminated	Total
Average	2.7	2.5	2.6	2.6

### 9.2 Financial planning horizon

In deciding how much of their income to spend or save, people are likely to think about different time periods. In planning their and their family’s saving and spending, the largest group of study participants focused on the next few months: about 29% of active borrowers, 28% of non-borrowers, and 23% of terminated borrowers indicated this present-oriented planning horizon.

About one-third of study participants planned their finances for one to less than five years. About one-quarter of study participants reported at least five-year planning horizons.

**Table 9.2 Planning Horizon**

	Did not obtain RM	Obtained and retained	Obtained then terminated	Total
Few months	28%	29%	23%	28%
1 year	14%	15%	20%	15%
Few years	14%	16%	16%	15%
5-10 years	13%	15%	10%	14%
> 10 years	9%	8%	8%	8%
Don't know/ Refuse/ Missing	22%	16%	25%	18%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

### 9.3 Estate planning

At least half of study participants had a written will, a living will and/or health care power of attorney. These estate planning tools were more frequently reported among reverse mortgage borrowers than non-borrowers. For instance, 67% of borrowers had a written will compared to 55% of non-borrowers. Trust and estate plans were less common among survey participants: less than one in five used these financial products.

**Table 9.3 Estate Planning**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Written will	55%	67%	67%	64%
Trust	16%	21%	26%	20%
Estate plan	15%	16%	15%	16%
Living will and/or health care power of attorney	52%	61%	63%	59%
Don't know/ Refuse/ Missing	9%	7%	14%	8%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

### 9.4 Primary bill payer

The majority of survey participants indicated that they usually handled bill paying in their household. About 70% of active borrowers, 68% of non-borrowers, and 57% of terminated borrowers were the primary bill payer. A particularly large group of about 21% of terminated borrowers had someone else handle their household bills.

**Table 9.4 Primary Bill Payer**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Self	68%	70%	57%	69%
Other	11%	11%	21%	12%
Self with other	12%	11%	9%	11%
Don't know/ Refuse/ Missing	9%	8%	14%	9%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

## 9.5 Financial literacy

The survey ended with three financial literacy questions.

**Question 1:** “Suppose you had \$100 in a savings account and the interest rate was 2 percent per year. After 5 years, if you left the money to grow in the account, do you think you would have: more than \$102, exactly \$102, or less than \$102?”

**Question 2:** “If 5 people all have the winning numbers in the lottery and the prize is 2 million dollars, how much will each of them get?” Study participants were asked to provide the amount in an open-ended question format.

**Question 3:** “A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less. True or false?”

As expected, study participants provided the highest number of correct responses for the third financial literacy question. On average, 70% answered this question correctly. Question 1 was answered correctly by 69% and Question 2 by 49%.

**Table 9.5.1 Financial Literacy Q1**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Correct Answer	68%	69%	72%	69%
Incorrect Answer	16%	17%	13%	17%
Don't know/ Refuse	6%	6%	2%	6%
Missing	9%	7%	14%	8%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

**Table 9.5.2 Financial Literacy Q2**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Correct Answer	43%	52%	52%	49%
Incorrect Answer	26%	22%	21%	23%
Don't know/ Refuse	21%	19%	14%	19%
Missing	9%	7%	14%	8%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>

**Table 9.5.3 Financial Literacy Q3**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>Total</b>
Correct Answer	67%	71%	71%	70%
Incorrect Answer	15%	13%	11%	13%
Don't know/ Refuse	9%	8%	5%	8%
Missing	9%	7%	14%	8%
<b>Sample size</b>	<b>467</b>	<b>1,192</b>	<b>102</b>	<b>1,761</b>



## 10. Interviewer Remarks

The Aging in Place survey was conducted by phone for most respondents. Phone interviewers scored their impressions of the interviewee at the end of each completed survey.

**Interviewer's perception of respondent's understanding of questions**—Phone interviewers reported that, on average, Aging in Place survey respondents' understanding of the questions was rated excellent or very good for 70% of the sample.

**Table 10.1 Interviewer's Perception of Respondent's Understanding of Questions**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>TOTAL</b>
Excellent	38%	37%	44%	38%
Very good	33%	33%	28%	32%
Good	14%	12%	9%	12%
Fair	3%	2%	6%	3%
Poor	1%	0%	0%	0%
Don't know/ Refuse	12%	15%	13%	14%
<b>Sample size</b>	<b>291</b>	<b>704</b>	<b>54</b>	<b>1,049</b>

**Interviewer's perception of respondent's cooperation**—On average, survey respondents' cooperation was rated excellent or very good for 75% of the sample.

**Table 10.2 Interviewer's Perception of Respondent's Cooperation**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>TOTAL</b>
Excellent	47%	45%	54%	46%
Very good	28%	29%	19%	28%
Good	10%	7%	13%	8%
Fair	2%	3%	2%	3%
Poor	0%	0%	0%	0%
Don't know/ Refuse	13%	16%	13%	15%
<b>Sample size</b>	<b>291</b>	<b>704</b>	<b>54</b>	<b>1,049</b>

**Interviewer's perception of how tiring interview was for respondent**—On average, the interview was not tiring for 70% of the sample.

**Table 10.3 Interviewer's Perception of how Tiring Interview was for Respondent**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>TOTAL</b>
Very tiring	0%	1%	0%	1%
A little tiring	13%	13%	11%	13%
Not tiring	72%	69%	76%	70%
Don't know/ Refuse	14%	17%	13%	16%
<b>Sample size</b>	<b>291</b>	<b>704</b>	<b>54</b>	<b>1,049</b>

**Interviewer's perception of respondent's difficulty remembering things asked of him/her**—An average of 77% of study participants had no or a little difficulty in remembering things.

**Table 10.4 Interviewer's perception of respondent's difficulty remembering things asked of him/her**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>TOTAL</b>
No difficulty	47%	47%	54%	47%
A little difficulty	32%	30%	20%	30%
Some difficulty	6%	5%	9%	6%
A lot of difficulty	2%	1%	4%	1%
Could not do at all	0%	0%	0%	0%
Don't know/ Refuse	13%	16%	13%	15%
<b>Sample size</b>	<b>291</b>	<b>704</b>	<b>54</b>	<b>1,049</b>

**Interviewer's perception of respondent's difficulty hearing**—An average of 82% of study participants had no or a little difficulty hearing the questions over the phone.

**Table 10.5 Interviewer's Perception of Respondent's Difficulty Hearing**

	<b>Did not obtain RM</b>	<b>Obtained and retained</b>	<b>Obtained then terminated</b>	<b>TOTAL</b>
No difficulty	67%	68%	69%	68%
A little difficulty	16%	13%	19%	14%
Some difficulty	2%	1%	0%	1%
A lot of difficulty	1%	0%	0%	0%
Could not do at all	0%	0%	0%	0%
Don't know/ Refuse	14%	17%	13%	16%
<b>Sample size</b>	<b>290</b>	<b>702</b>	<b>54</b>	<b>1,046</b>

**Others present at interview**—In the majority of interviews, 65%, no other person was present. In about 5% of interviews, a spouse or partner was present.

**Table 10.6 Others Present at Interview**

(Select all)	Did not obtain RM	Obtained and retained	Obtained then terminated	TOTAL
Children <18	1%	1%	0%	1%
Children 18+	0%	0%	2%	0%
Spouse/Partner	5%	6%	2%	5%
Other relatives	2%	2%	2%	2%
Other adults	2%	1%	4%	2%
No one	67%	64%	74%	65%
Don't know/ Refuse	24%	10%	11%	10%
<b>Sample size</b>	<b>290</b>	<b>702</b>	<b>54</b>	<b>1,046</b>

**Frequency with which respondent referred to documents during interview**—In most interviews, 64%, the respondent never referred to a document.

**Table 10.7 Frequency with which Respondent Referred to Documents During Interview**

	Did not obtain RM	Obtained and retained	Obtained then terminated	TOTAL
Frequently	0%	1%	0%	0%
Sometimes	1%	3%	2%	2%
Rarely	2%	5%	4%	4%
Never	70%	61%	67%	64%
Don't know/ Refuse	27%	31%	28%	30%
<b>Sample size</b>	<b>290</b>	<b>702</b>	<b>54</b>	<b>1,046</b>

**Table 10.8 Documents Referred to During Interview**

	Did not obtain RM	Obtained and retained	Obtained then terminated	TOTAL
Income Tax Returns	1%	1%	0%	1%
Pension Documents	0%	0%	0%	0%
Account Statements	1%	2%	2%	2%
Investment/Business Records	0%	1%	0%	0%
Loan Documents	0%	1%	2%	1%
Other	8%	9%	7%	8%
Don't know/ Refuse	91%	88%	91%	89%
<b>Sample size</b>	<b>290</b>	<b>702</b>	<b>54</b>	<b>1,046</b>

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