



The Arizona Reverse Mortgage Guide

What Arizona homeowners should know about reverse and retirement mortgages



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Welcome, Arizona Homeowners

Your home has worked hard for you. This guide shows how it can keep working for you in retirement.

Arizona is one of the most popular places in the country to retire, and for good reason: sunshine, wide-open spaces, and a tax picture that is friendly to retirees. Many Arizona homeowners have also built meaningful equity over the years.

A reverse or retirement mortgage can turn part of that equity into a cash lump sum, a line of credit, or term or tenure advances, with no required monthly mortgage payment. You keep ownership of your home and continue living in it.

This guide walks you through what makes Arizona unique, so you can decide with confidence whether a reverse or retirement mortgage fits your plans.

Inside this guide

- The Arizona protections built into every reverse mortgage
- What snowbirds need to know about the primary residence rule
- How Arizona community property law includes your spouse
- Manufactured homes and 55+ communities
- How your Arizona tax benefits fit in
- Program options, including buying a new home with a reverse mortgage
- What happens down the road for you and your family

A Note from Angella



Hello, and thank you for downloading this guide!

I've spent over two decades helping homeowners understand reverse and retirement mortgages, and I love working with Arizona families. Whether you've called the Valley home for forty years or you're a snowbird thinking about making Arizona your full-time address, there are some wonderful options to explore.

My approach is simple: education first. I want you to have every piece of information you need to make a fully informed decision, whether that decision is yes, not yet, or no thank you. There's never any pressure, just clear answers and friendly follow-up.

Read through this guide, jot down your questions, and reach out whenever you're ready. I'd love to be your resource.

With gratitude,

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What Makes Arizona Different

Arizona has its own reverse mortgage law, strong spousal protections, and some of the most retiree-friendly taxes in the West. Here's the quick look.

Arizona feature	What it means for you
State reverse mortgage law (2010)	Extra disclosures and safeguards on top of federal HECM rules
Community property state	Your spouse is part of the decision and signs the paperwork
Snowbird-friendly, with one rule	Your Arizona home must be where you live most of the year
Manufactured homes are common	Many qualify when the home and land meet HUD guidelines
Senior Freeze	Homeowners 65+ may lock in their home's taxable value
Retiree-friendly income tax	Social Security isn't taxed by Arizona, and the flat rate is 2.5%



Arizona Protections Built Into Every Reverse Mortgage

In 2010, Arizona passed its own reverse mortgage law, adding state safeguards on top of the federal HECM rules. The goal is simple: you understand every detail before you sign.

Arizona safeguard	How it helps you
Counseling comes first	You receive a list of HUD-approved counseling agencies and complete counseling before your application moves forward.
Time to review	At least 10 days before closing, you receive written explanations of your rights, including temporary absences and what would make the loan due.
Non-recourse, in writing	You're told that your liability is limited. You or your heirs never owe more than the home is worth when the loan is repaid.
No prepayment penalty	You can pay down or pay off the balance any time, with no penalty.
No required insurance or annuity purchases	You can't be required to buy life insurance or a similar product to get the loan.
Clear cost disclosures	Required costs are listed separately from optional services, so you only pay for what you choose.

The bottom line: Arizona built transparency right into the process. That means more confidence for you and your family.

Who Qualifies in Arizona

The core requirements are the same across Arizona, from Tucson to Prescott to the East Valley.

Requirement	The details
Age	At least one borrower is 62 or older for a HECM. Some proprietary programs start at age 55.
Home equity	You own your home outright or have enough equity to pay off your current mortgage at closing.
Primary residence	You live in the home most of the year.
Financial assessment	A review of income, credit, and expenses confirms the plan fits your budget.
Counseling	You complete a session with a HUD-approved counselor before closing.
Ongoing obligations	You keep paying property taxes, homeowners insurance, and any HOA dues, and you maintain the home.
Eligible property	Single-family homes, FHA-approved condos, 2 to 4 unit homes (you live in one unit), and qualifying manufactured homes.

Not sure you check every box? That's exactly what a conversation is for. Many questions have solutions once we look at the details together.

Snowbirds and the Primary Residence Rule



Arizona welcomes thousands of seasonal residents every winter. If you split your time between two homes, the key question is simple: which home is your primary residence?

A reverse mortgage is made on the home where you live most of the year, generally more than six months. Each year, you confirm that you still live there with a simple occupancy certification.

Three ways this often works for snowbirds

1. **Arizona is your main home.** You live here most of the year and travel in the summer. Your Arizona home may qualify.
2. **Your other home is your main home.** A reverse mortgage on that home can free up cash flow, including for your time in Arizona. I'm licensed in several states, so ask me whether I can help there.
3. **You're ready to make Arizona home full time.** A HECM for Purchase can help you buy your Arizona home and right-size in one step (see Program Options).

Good to know: Extended travel is fine as long as the home remains your primary residence. If a health need keeps you away, HECM guidelines allow up to 12 consecutive months for medical reasons.

Spouses and Arizona Community Property

Arizona is a community property state. Property acquired during a marriage is generally presumed to belong to both spouses, and both spouses sign to place a loan on community real estate.

That's good news for you: your spouse is part of the decision from the start, even if only one name is on the title.

If your spouse is younger than 62

- A HECM can include a spouse under 62 as an eligible non-borrowing spouse.
- An eligible non-borrowing spouse can remain in the home after the borrowing spouse passes, as long as program requirements continue to be met.
- Some proprietary programs allow both spouses to be borrowers starting at age 55.

Moved here from another state? Arizona applies community property rules to property couples acquire after moving here. Title can look different from one family to the next, so let's review yours together and find the cleanest path forward.

Every family is unique. Call me for an estimate that reflects both of your ages and your goals.

Manufactured Homes and 55+ Communities

Manufactured homes are a beloved part of Arizona living, and many of them qualify for a HECM reverse mortgage.

Your manufactured home checklist

- ☐ Built after June 15, 1976, with the HUD certification label
- ☐ On a permanent foundation that meets FHA guidelines
- ☐ You own the land the home sits on
- ☐ Titled and taxed as real estate
- ☐ It's your primary residence

Leasing your lot in a community? Homes on leased land don't qualify for a HECM. That doesn't end the conversation. Let's look at your full picture and talk about what may fit.

Living in a 55+ community? Single-family homes and FHA-approved condos in active adult communities can be a great fit. Just keep HOA dues current, since they're part of your ongoing obligations.

Your Arizona Tax Picture

A reverse mortgage doesn't change who owns your home. You stay on title, so your Arizona homeowner benefits stay with you.

Senior Property Valuation Protection ("Senior Freeze")

- Homeowners 65 or older who have lived in their primary residence for at least two years may apply.
- It locks in your home's Limited Property Value for three years, renewable as long as you qualify.
- For the 2026 cycle, total household income limits were \$47,712 for one owner and \$59,640 for two or more owners.
- Applications go to your county assessor, generally by September 1.

The freeze holds your home's taxable value steady. Your tax rate can still change, so it's a valuation freeze rather than a frozen bill.

More good news for Arizona retirees

- Arizona doesn't tax Social Security benefits.
- The state income tax is a flat 2.5%.
- Homeowners 65+ with lower incomes may qualify for the Senior Citizen Property Tax Refund Credit on their state return.

Tip: Reverse mortgage proceeds are loan advances, not income, so they're generally not taxable. Check with your tax advisor and county assessor about your situation.

Program Options for Arizona Homeowners

Arizona homeowners can choose from several programs. The right one depends on your home's value, your age, and your goals.

HECM (Home Equity Conversion Mortgage)

The FHA-insured reverse mortgage. For 2026, the HECM lending limit is **\$1,249,125** nationwide, which comfortably covers most Arizona homes. Funds can come as a cash lump sum, a line of credit, term or tenure advances, or a combination. An unused line of credit grows over time, which makes it a powerful buffer asset in a retirement plan.

HECM for Purchase

Buy your next home and get a reverse mortgage in one transaction, with no required monthly mortgage payment. It's a popular choice for snowbirds becoming full-time Arizonans, for moving to a single-level home, or for settling closer to the grandkids.

Jumbo (Proprietary) Reverse Mortgages

For higher-value homes in places like Scottsdale, Paradise Valley, Sedona, and the Foothills of Tucson. Jumbo programs can reach well beyond the HECM limit, and some start at age 55.

More retirement mortgage solutions

- **Hybrid retirement mortgages** with reduced fixed payments
- **HELOC for Seniors**, designed with older homeowners in mind
- **Second-position reverse mortgages** that keep your existing first mortgage in place
- **Partial interest payment options** for borrowers who want to manage their balance

Ask me which programs fit your Arizona home and goals.

Smart Ways Arizonans Use Home Equity

Peace of mind	Flexibility
Eliminate a monthly mortgage payment	Create a standby line of credit for healthcare, home updates, or market downturns
Delay Social Security for a larger lifetime benefit	Protect investments from sequence-of-returns risk
Age in place comfortably, with cash flow and no lifestyle sacrifice	Fund in-home care, a pool remodel, or a move to a single-level home

Caring for Your Desert Home

Keeping your home in good shape protects your equity and keeps your reverse mortgage in good standing. The Arizona climate brings a few extra items to watch.

- **Roof:** Intense sun and monsoon storms are hard on roofing. Plan for periodic inspections.
- **Cooling:** Your A/C works overtime from May through September. Regular service keeps it running.
- **Pest control:** Termites are active in Arizona, so routine inspections are wise.
- **Pools and landscaping:** Keep them maintained and safe.

Helpful idea: Some borrowers set aside part of their proceeds for future repairs or to cover property taxes and insurance. Ask me how that works.

What Happens Down the Road



The loan becomes due when the last borrower sells the home, permanently moves out, or passes away. Here's what that looks like for your family.

1. **Your heirs choose.** They can keep the home by paying off or refinancing the balance, or sell it and keep any remaining equity.
2. **Non-recourse protection.** If the home is worth less than the balance, FHA insurance covers the difference for a HECM. Heirs who want to keep the home can pay 95% of its appraised value.
3. **Time to plan.** Heirs typically have time to decide, with extensions available while they work toward a sale or payoff.

A family conversation helps. I'm happy to include your adult children or trusted advisor in our conversations so everyone understands the plan.

Your Next Step



You don't need to have it all figured out. A friendly, no-obligation conversation is the best way to see what's possible for your Arizona home.

What we'll cover together

- Your goals for retirement and your home
- A personalized estimate of what you may qualify for
- Side-by-side options, so you can compare with confidence
- Answers to every question, at your pace



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calendly.com/reverse-mortgages

I look forward to hearing from you!



Important disclosures

This guide is for general information only and is not a loan commitment, financial advice or legal advice. Reverse mortgage eligibility, terms and costs depend on your individual circumstances, the lender, and FHA guidelines in effect at the time you apply. A reverse mortgage is a loan that must be repaid, typically when the last borrower permanently leaves the home. You remain responsible for property taxes, insurance and maintenance.

Borrowers must be at least 62 years old for a HECM; some proprietary programs are available at age 55. Borrowers must occupy the home as their primary residence and remain current on property taxes, homeowners insurance, HOA dues, and home maintenance. Failure to meet loan obligations may cause the loan to become due and payable. The loan balance grows over time, and interest is not deductible until paid. All loans are subject to credit approval, property eligibility, and program guidelines, which may change without notice. Tax and assessor information is general; consult a tax advisor, attorney, or your county assessor about your situation. These materials are not from, nor approved by, HUD or FHA.

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