HOW DOES A REVERSE MORTGAGE WORK IN CALIFORNIA?

A reverse mortgage works the same way in California as it does anywhere in the country. The most common type, the Home Equity Conversion Mortgage (HECM), is insured by the federal government, available to homeowners 62 and older, and lets you convert part of your home equity into cash without a monthly mortgage payment.

You keep the title. You stay in your home.

GREEN MONARCH
Freedom in Retirement
Green Monarch Inc.
(800) 345-2041 | NMLS # 2026203
1389 Calle Avanzado, San Clemente, CA 92673
GreenMonarch.com
EQUAL HOUSING LENDER
(800) 345-2041
GREENMONARCH.COM

The loan is repaid when you sell, move out permanently, or pass away.

What makes California different is twofold: the state gives you more legal protection than almost anywhere else, and the size of California's home values changes the math in ways not many understand.

Let's walk through both.

What Extra Protections Do I Get as a California Borrower?

California decided years ago that reverse mortgages were too consequential to be rushed. We happen to agree.

Here's what state law requires on top of the federal rules:

A mandatory seven-day cooling-off period.

Under California law, counseling must be completed at least seven days before the lender can assess any fees or accept a final and complete application. In plain terms: even after you finish your required counseling session, nobody can take your money or lock you into anything for a full week. The law was designed to force critical reflection on the implications of

GREEN MONARCH
Freedom in Retirement

Green Monarch Inc.
(800) 345-2041 | NMLS # 2026203
1389 Calle Avanzado, San Clemente, CA 92673
GreenMonarch.com

EQUAL HOUSING LENDER

(800) 345-2041
GREENMONARCH.COM

entering into a reverse mortgage. The legislature was worried that a senior could get a sales pitch, a quick phone counseling session, and sign up for the wrong product all in the same day.[1]

We'll be honest, some lenders find this rule inconvenient.

We think it's one of the best consumer protections in the country. A loan that doesn't survive seven days of thinking it over is a loan you shouldn't take.

Required written disclosures before anything else happens.

California borrowers must receive a Reverse Mortgage Worksheet Guide and an Important Notice to Reverse Mortgage Loan Applicant disclosure from the lender, provided before counseling and before the initial loan application. The worksheet walks you through the key "is this right for me?" questions in writing, before a single fee is charged.[2]

Independent HUD-approved counseling.

This is federal, not state, but it's worth restating: you cannot get a HECM in California without first meeting with a counselor who doesn't work for the lender. Their job is to make sure you understand the costs, the obligations, and the alternatives.[3]

A three-day right of rescission.

Even after you sign the final loan documents, federal law gives you a 3-day period immediately after signing to cancel the loan, no questions asked.[4]

Add it up, and California gives you at least three separate off-ramps before the loan becomes real.

Use them. Anyone pressuring you to move faster than this timeline is showing you exactly who they are.

GREEN MONARCH
Freedom in Retirement

Green Monarch Inc.
(800) 345-2041 | NMLS # 2026203
1389 Calle Avanzado, San Clemente, CA 92673
GreenMonarch.com

EQUAL HOUSING LENDER

(800) 345-2041
GREENMONARCH.COM

How Much Can I Actually Get in California?

This is where California's housing market matters. Three factors set your loan amount everywhere in the country: your age (or the age of the youngest borrower), current interest rates, and your home's value. The wrinkle is that the federal program caps the home value it will count.

For 2026, the maximum claim amount for Home Equity Conversion Mortgages is $1,249,125, effective for case numbers assigned on or after January 1, 2026. That limit applies nationwide.[5]

Here's why that matters more in California than almost anywhere else. The statewide median single-family home price has been running in the $850,000–$910,000 range, and the San Francisco Bay Area remains the most expensive region at roughly $1.42 million, followed by the Central Coast at $1.1 million. In much of the state, a perfectly ordinary home sits near or above the federal cap.[6]

California Single Family Homes – Median Sold Price

State/Region/County	Apr 2025	Mar 2025	Apr 2024	Price YTY% Chg	Sales YTY% Chg
CA SFH (SAAR)	$910,160	$884,350	$904,010	↑ 0.7%	↓ -0.2%
Condo/Townhomes	$670,000	$680,630	$688,000	↓ -2.6%	↓ -2.2%
Los Angeles Metro	$850,000	$834,830	$840,000	↑ 1.2%	↓ -0.5%
Central Coast	$1,090,000	$1,107,500	$1,077,500	↑ 1.2%	↑ 10.5%
Central Valley	$495,000	$495,000	$493,500	↑ 0.3%	↑ 3.4%
Far North	$380,500	$385,000	$364,950	↑ 4.3%	↓ -2.8%
Inland Empire	$611,990	$609,230	$607,000	↑ 0.8%	↑ 4.6%
S.F. Bay Area	$1,419,000	$1,400,000	$1,444,000	↓ -1.7%	↓ -1.4%
Southern California	$887,000	$877,750	$880,000	↑ 0.8%	↑ 1.6%

GREEN MONARCH
Freedom in Retirement

Green Monarch Inc.
(800) 345-2041 | NMLS # 2026203
1389 Calle Avanzado, San Clemente, CA 92673
GreenMonarch.com

EQUAL HOUSING LENDER

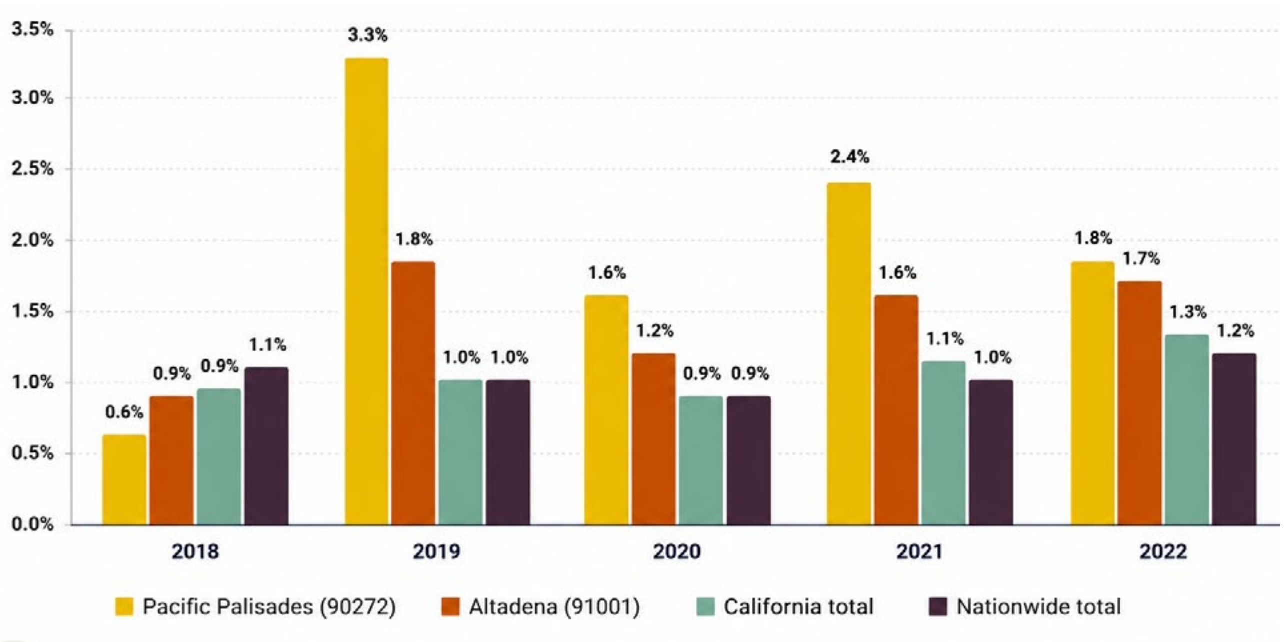
(800) 345-2041
GREENMONARCH.COM

What Are My Ongoing Obligations?

A reverse mortgage removes your monthly mortgage payment. It does not remove your responsibilities as a homeowner. In California, as everywhere, you must:

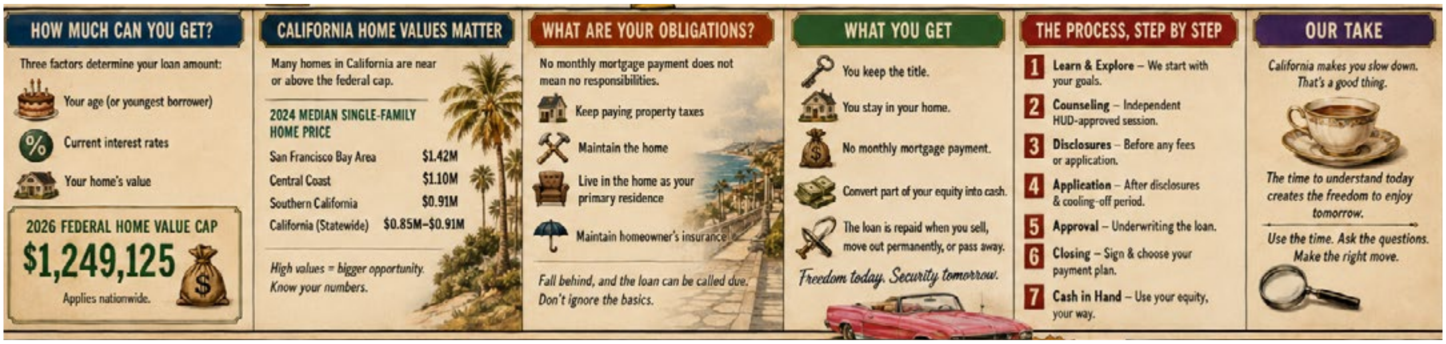
- Keep paying your property taxes
- Keep the home in reasonable repair
- Live in the home as your primary residence
- Maintain homeowner's insurance, worth flagging given California's well-documented insurance market challenges in fire-prone areas, where premiums have risen, and coverage has become harder to find[7]

Percentage of policies not renewed due to risk profile of property or area



Fall behind on these and the loan can be called due. This is the single most common way reverse mortgages go wrong, so we'd rather over-emphasize it than have you learn it later.

GREEN MONARCH
Freedom in Retirement
Green Monarch Inc.
(800) 345-2041 | NMLS # 2026203
1389 Calle Avanzado, San Clemente, CA 92673
GreenMonarch.com
EQUAL HOUSING LENDER
(800) 345-2041
GREENMONARCH.COM



OUR TAKE

California makes you slow down before taking a reverse mortgage. The disclosures, the counseling, the seven-day wait, the three-day rescission; these aren't obstacles. They're the state handing you every opportunity to make sure this loan fits your life. The borrowers who end up happy are the ones who use that time.

Our educational library at GreenMonarch.com covers the related questions Californians ask most: how much you can get, what it costs, and what happens to your home when you're gone.

Read at your own pace.

The seven-day rule means you have the time anyway.

SOURCES
1. https://www.leginfo.ca.gov/pub/13-14/bill/asm/ab_1651-1700/ab_1700_cfa_20140616_163223_sen_comm.html
2. https://www.leginfo.ca.gov/pub/13-14/bill/asm/ab_1651-1700/ab_1700_cfa_20140616_163223_sen_comm.html
3. https://consumer.ftc.gov/articles/reverse-mortgages
4. https://truehecm.com/california-reverse-mortgage-law/
5. https://www.nrmlaonline.org/2025/12/11/13072
6. https://www.yahoo.com/news/california-home-prices-just-set-210929387.html
7. https://www.jchs.harvard.edu/blog/californias-homeowners-insurance-market-national-bellwether

GREEN MONARCH
Freedom in Retirement
Green Monarch Inc.
(800) 345-2041 | NMLS # 2026203
1389 Calle Avanzado, San Clemente, CA 92673
GreenMonarch.com
EQUAL HOUSING LENDER
(800) 345-2041
GREENMONARCH.COM