HOW MUCH MONEY CAN I GET FROM A REVERSE MORTGAGE?

Every Home Equity Conversion Mortgage (HECM) in the country uses the same federal formula, published by HUD as the Principal Limit Factor table.[1]

The exact number depends on three things:

1. Your Age
2. Your Home's Value
3. What You Still Owe On It

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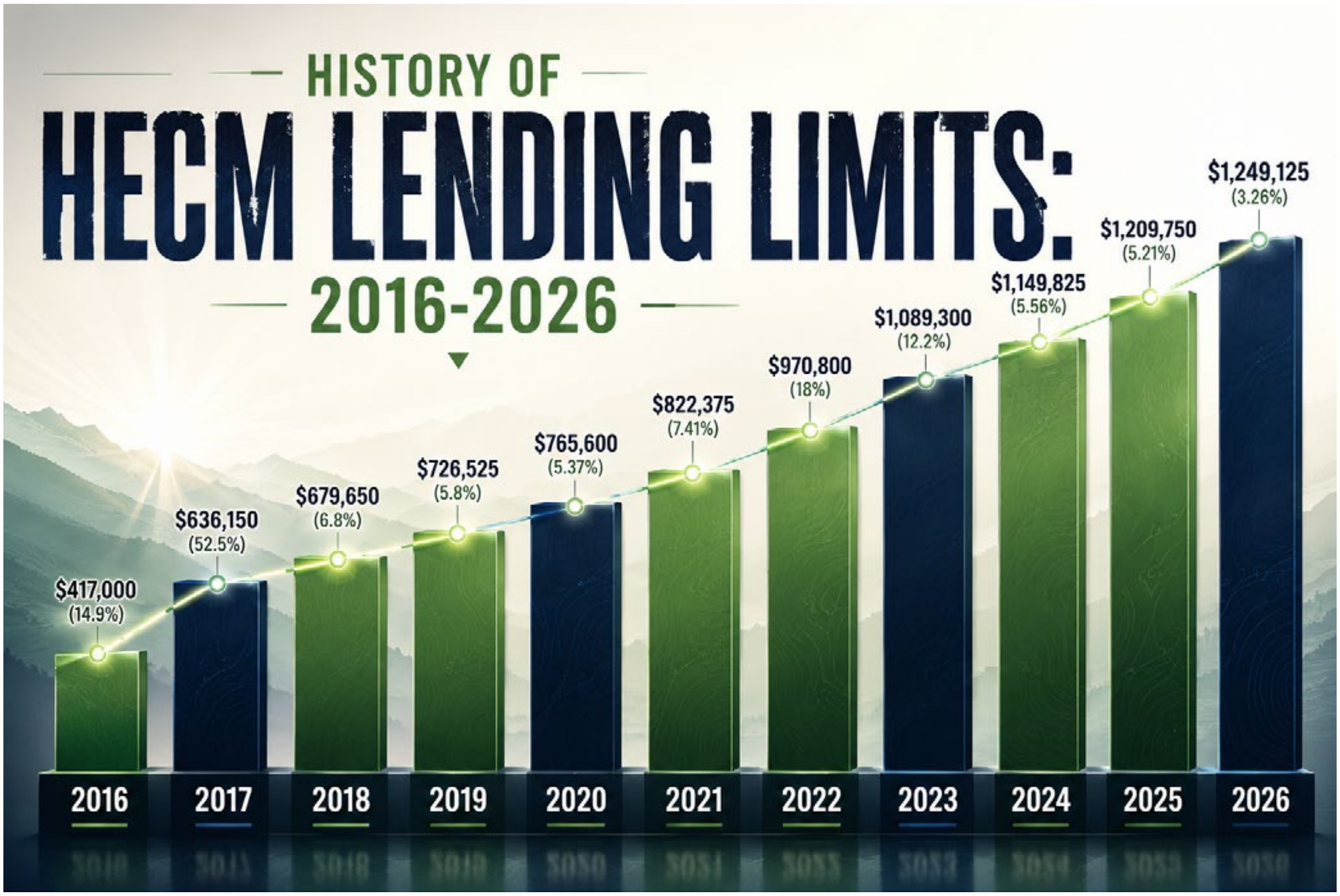
Let's take each one.

Your Age: Reverse mortgages are designed around life expectancy, so older borrowers qualify for more. The federal tables make this concrete: at a 5 percent expected rate, a 62-year-old can access about 50 percent of their home's countable value, whereas the factor maxes out at age 90.

One thing most articles won't tell you: interest rates move these numbers just as much as age does. A 66-year-old at a 5 percent expected rate may access about 54.9 percent of their equity, but at 6 percent, that drops to 42.1 percent. So if you get quotes six months apart and the numbers differ, that's usually why. It's not the lender playing games; it's the rate environment.[2]

The Home's Value: The more your home is worth, the more equity may be accessible; up to a point. For 2026, the federal program counts home value only up to **$1,249,125**. Most California homes fall under that cap, so their full value counts. For homes above it, a HECM still works, but only the first $1.25 million of value enters the formula. (Homeowners well above the cap sometimes look at jumbo reverse mortgages instead; a topic for another article.)[3]



Your Existing Mortgage Balance: If you still owe money on your current mortgage, the reverse mortgage pays that balance off first, and what's left comes to you. For many homeowners, eliminating the monthly mortgage payment ***is* the biggest benefit**, but it also means a homeowner with a large remaining balance may see modest cash proceeds.[4]

How You Receive Your Money

There's more than one way, and the structure fits the homeowner, not the other way around:[5]

- A lump sum
- Monthly payments
- A line of credit
- A custom combination

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Worth knowing: the line of credit has a feature most people have never heard of; the unused portion *grows* over time, giving you access to more funds later. It's one reason many financial planners prefer it over the lump sum. The lump sum delivers certainty; the line of credit delivers flexibility.[6]

Which one is "better" depends entirely on what you're trying to accomplish.

Can You Access All of Your Equity?

No, and no honest lender will tell you otherwise. The percentages above exist deliberately: the cushion protects you from owing more than the home is worth, protects the federal insurance fund, and preserves equity that, in many cases, still passes to your heirs. If someone promises you "all your equity," that's your cue to leave.

What Is the Average Amount You Can Receive?

We wish we could answer this definitively, but there's no universal number; too many variables. Two California neighbors on the same street can qualify for dramatically different amounts because of age, home value, and mortgage balance.

That said, many homeowners are genuinely surprised by how much dormant equity they're sitting on.

Wondering What Your Number Is?

At Green Monarch, our first question is "what are you trying to accomplish?" Sometimes less is smarter. Sometimes waiting is the best decision; remember, the same borrower qualifies for more every year they age, and for more whenever rates fall. That's why every conversation with us starts with education.

Green Monarch will run the actual numbers using the same HUD tables every lender uses; no obligation, no pressure, only options.

Call (800) 345-2041.

SOURCES

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