

YOU DON'T NEED JUST ANY NUMBER...

WHAT IS THE INTEREST RATE on a Reverse Mortgage?

It's not as simple as you think. Let's break it down—beautifully.

AS OF MID-JUNE 2026, ADJUSTABLE-RATE HECMs ARE RUNNING IN THE HIGH-5% RANGE. (RATES CHANGE WEEKLY.)

Knowledge is the most elegant investment.

UNDERSTAND THE RATE. CONTROL THE CHOICES. PLAN YOUR FUTURE.

FIXED OR ADJUSTABLE? START HERE.

FIXED-RATE HECM

The rate never changes for the life of the loan.

THE CATCH:

You must take all your money as a lump sum at closing. No line of credit. No monthly payments. Everything at once.

ADJUSTABLE-RATE HECM

The rate moves over time, but you get flexible payout options.

Choose a line of credit, monthly payments, or a combination. Draw what you need, accrue interest only on what you take.

FLEXIBILITY IS WHY MOST CHOOSE ADJUSTABLE.

HOW THE ADJUSTABLE RATE IS BUILT.

THE INDEX (No One Controls It)

Tied to the Constant Maturity Treasury (CMT). Updates every week as the bond market moves.

THE MARGIN (Set by Your Lender)

A set number added on top. Typically 1.5% – 3%. It never changes for the life of your loan.

INDEX + MARGIN = YOUR RATE.

When comparing lenders, the index is the same for everyone—the margin is what matters. Ask for it. Know it.

DON'T FORGET THE INSURANCE PREMIUM.

Add 0.5% annually on your loan balance (FHA Mortgage Insurance Premium). It's added to your loan each year.

YOUR EFFECTIVE ACCRUAL = NOTE RATE + 0.5%

IS THERE A CAP? YES.

HECM adjustable rates carry a LIFETIME CAP of 5% over your starting rate.

PROTECTION. PEACE OF MIND. BUILT IN.

SO WHAT RATE WILL YOU GET?

It depends on the index when you apply, the margin your lender sets, and whether you choose fixed or adjustable.

COMPARE THE MARGIN. COMPARE THE FULL PICTURE. Including the insurance premium.

IN A WORLD FULL OF UNPREDICTABLES, A SMART PLAN IS FOREVER.

GREEN MONARCH
Clarity. Options. Confidence.

Let's Get Your Numbers—Beautifully.

CALL GREEN MONARCH TODAY
(800) 345-2041

LIVE, ITEMIZED RATE QUOTE • INDEX, MARGIN, EXPECTED RATE & INSURANCE PREMIUM • NO OBLIGATION

WHAT IS THE INTEREST RATE ON A REVERSE MORTGAGE?

What Is the Interest Rate on a Reverse Mortgage?

Most people expect a reverse mortgage to have one number, like a car loan or a credit card.

It doesn't.

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As of mid-June 2026, adjustable-rate HECMs are running roughly in the high-5% range. But that number will have moved by the time you talk to anyone, because reverse mortgage rates are tied to the bond market and they update weekly.^{1 2}



So, instead of memorizing a rate, the more useful thing is to understand how the rate is built.

Fixed or Adjustable? Start Here

There are two kinds of HECM, and the rate works differently for each.

Fixed-rate HECM:

The rate never changes for the life of the loan. The catch is significant: a fixed-rate HECM requires you to take all of your money as a single lump sum at closing. No line of credit, no monthly payments, everything at once.

Adjustable-rate HECM:

The rate moves over time, but you get the flexible payout options, line of credit, monthly payments, or a combination. Most HECM borrowers choose adjustable rates precisely because they're the only option that allows payment-plan flexibility, letting you draw cash only as you need it and accrue interest only on what you've actually taken.³

The fixed rate makes sense mainly when you genuinely need the entire amount immediately.

How the Adjustable Rate Is Actually Built

WHAT IS THE INTEREST RATE on a REVERSE MORTGAGE?
IT'S NOT AS SIMPLE AS YOU THINK.
Rates move with the market. Understanding how they work gives you the power to choose wisely.

TWO CHOICES. TWO DIFFERENT PATHS.

FIXED-RATE HECM	ADJUSTABLE-RATE HECM
✓ The rate never changes. ✓ You must take all your money as one lump sum at closing. ✓ No line of credit. ✓ No monthly payments. ✓ Everything at once.	✓ The rate moves over time. ✓ You get flexible payout options: line of credit, monthly payments, or a combination. ✓ Draw what you need, when you need it. ✓ Pay interest only on what you take.
BEST WHEN YOU NEED IT ALL, RIGHT NOW.	MOST CHOOSE THIS FOR FLEXIBILITY & CONTROL.

AS OF MID-JUNE 2026:
ADJUSTABLE-RATE HECMS ARE RUNNING IN THE HIGH-5% RANGE. (RATES CHANGE WEEKLY.)

Rates change weekly. Facts don't.

Here's the part worth understanding, because it demystifies the whole thing. An adjustable HECM rate is just two pieces added together:

The Index:

A published market rate that nobody controls. It's tied to the Constant Maturity Treasury (CMT), and the rate updates every week as the bond market moves. When you hear that reverse mortgage rates "went up," what actually happened is that Treasury yields moved.⁴

The Margin:

A set number the lender adds on top, which generally ranges from about 1.5% to 3%. Unlike the index, the margin is the part that the lender chooses, and it does not change over the life of your loan.

Add the two together and you have your rate.

That's it.

So when you're comparing lenders, the index is identical for everyone, the margin is the part actually worth shopping. A lender who won't clearly state their margin is a lender to be wary of.

Don't Forget the Insurance Premium on Top

Being fully honest about your true cost of borrowing: the interest rate isn't the whole story. On top of whatever rate you're quoted, the FHA charges an annual mortgage insurance premium of 0.5% on your loan balance.⁵

So your effective accrual is the note rate *plus* that half percent.

Is There a Cap? Yes; and It Protects You

A fair question with adjustable rates is "how high can this go?" The answer is reassuring. HECM adjustable rates carry a lifetime cap of 5% over your starting rate.⁶

HOW THE ADJUSTABLE RATE IS BUILT
It's not magic. It's math. Just two pieces added together.

THE INDEX
(No One Controls It)
Tied to the Constant Maturity Treasury (CMT). Updates every week as the bond market moves.

THE MARGIN
(Set by Your Lender)
A set number added on top. Typically 1.5% – 3%. It never changes for the life of your loan.

YOUR RATE
When comparing lenders, the index is the same for everyone—the margin is what matters. Ask for it. Know it.

DON'T FORGET! THE INSURANCE PREMIUM
Add 0.5% annually on your loan balance (FHA Mortgage Insurance Premium). It's added to your loan each year.
YOUR EFFECTIVE ACCRUAL = NOTE RATE + 0.5%

So What Rate Will You Get?

We genuinely can't tell you in an article, and you should be skeptical of anyone who claims they can without knowing your details. Your rate depends on the index the week you apply, the margin your lender sets, and whether you choose fixed or adjustable. What we *can* tell you is what to compare: the margin, the expected rate, and the full picture including that insurance premium.

YES, THERE'S A CAP!
BECAUSE PEACE OF MIND IS PRICELESS.

SO, WHAT RATE WILL YOU GET?

THE INDEX
The week you apply.

THE MARGIN
Your lender's set number.

YOUR CHOICE
Fixed or adjustable.

THE FULL PICTURE
Including the insurance premium.

We can't tell you your rate. But we can show you exactly what to compare.

LET'S GET YOUR NUMBERS—BEAUTIFULLY.
Green Monarch will walk you through a live, itemized rate quote for your specific situation. No obligation.

CALL GREEN MONARCH TODAY!
(800) 345-2041

Green Monarch will walk you through a live, itemized rate quote for your specific situation; index, margin, expected rate, and the insurance premium, all spelled out, with no obligation. Call [\(800\) 345-2041](tel:8003452041)

TALK TO AN OWNER, Every Time

Real people. Real answers. Real commitment.

REAL PEOPLE. REAL ANSWERS. REAL COMMITMENT.

WHAT YOU CAN EXPECT

ALWAYS AN OWNER
Speak directly with an owner who knows your name and your situation.

EXPERIENCED. DEDICATED.
Benefit from expert guidance from someone who's personally invested in your goals.

FOCUSED ON YOU
No call centers. No runaround. Just clear answers and smart solutions.

YOUR GOALS. OUR PRIORITY.
We take the time to understand what matters most to you.

ONE CONVERSATION CAN CHANGE EVERYTHING.
TALK TO AN OWNER, EVERY TIME.

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