

Home Sweet Home

Different strategies for tapping home equity can produce a wide range of results. Here are the estimated values of seven approaches for a 75-year-old couple with a \$400,000 home.

	TOTAL CASH FLOW	AMOUNT TO HEIRS*
▶ Sell home, buy cheaper house	\$ 118,511	\$ 632,055
▪ Add in home-equity loan on new house	270,196	245,218
▪ Add in reverse mortgage on new house	306,611	91,045
▶ Sell home, rent a cheaper home	177,670	0
▶ Rent out home, rent a cheaper home	17,786	842,740
▶ Obtain home-equity loan on current home	197,940	327,099
▶ Obtain reverse mortgage on current home	253,080	113,006

*Estimated worth of home in future dollars, 19 years from present

Source: Fidelity Research Institute