

Getting Money Out of Your Home

Every way to turn home equity into cash, for homeowners in Grants Pass and the Rogue Valley

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For many Rogue Valley owners, the house is the largest savings account they have. There are about a dozen ways to draw on it, from borrowing against it to selling it, and each one fits a different situation: a repair you can't put off, care costs, a gap between selling one home and buying the next, or a fixed income that no longer stretches to the bills. Here they are side by side, with the Oregon programs and local offices for each.

START WITH THREE QUESTIONS

- **Do you want to stay in the home?** If yes, you're choosing among loans, the state's tax deferral, and renting out space. If no, selling usually puts the most money in your hands.
- **Can you make a monthly payment?** Home equity loans and lines of credit need income to qualify and a payment every month. A reverse mortgage and the tax deferral need no monthly payment.
- **How long do you need the money?** A one-time repair, a monthly gap, and a bridge to a sale each point to a different tool.

WAYS TO BORROW AND STAY IN THE HOME

Home equity line of credit (HELOC). A credit line secured by your home that you draw on as needed, usually for about 10 years, then repay. The rate is usually variable. You qualify on income and credit, and you pay interest only on what you draw. A good fit for repairs in

stages or an emergency cushion.

Home equity loan. A lump sum with a fixed rate and a fixed monthly payment, on top of your existing mortgage. A good fit for one known cost, like a roof or a septic replacement.

Cash-out refinance. A new, larger mortgage that pays off the old one and hands you the difference. With the 30-year fixed rate near 7% in October 2026 (Freddie Mac), refinancing away a lower-rate mortgage can raise your payment a great deal, so compare it against a HELOC or home equity loan, which leave your first mortgage alone.

Reverse mortgage (HECM). For homeowners 62 and older. The federally insured Home Equity Conversion Mortgage pays you as a lump sum, a monthly amount, a line of credit, or a mix, with no monthly mortgage payment. The loan, plus interest and fees, is repaid when the last borrower sells, moves out for more than 12 months in a row, or passes away. The amount you can borrow depends on your age, interest rates and the home's value, up to \$1,249,125 for 2026 (HUD).

- **What you still owe each year:** property taxes, homeowners insurance and upkeep. Falling behind on these can make the loan come due.
- **Costs:** an upfront FHA insurance premium of 2% of the home's value (up to the limit), 0.5% a year after that, an origination fee capped by HUD, and normal closing costs. A reverse mortgage costs more up front than a HELOC, so it suits owners who plan to stay for years.
- **Counseling first:** every HECM borrower meets with a HUD-approved counselor before applying. Find one through HUD's housing counseling search for Oregon, or call 211.
- **A spouse under 62** can be listed as an eligible non-borrowing spouse and stay in the home after the borrower dies, if the paperwork names them at closing. Ask about this by name.
- **Your heirs** can keep the home by paying off the loan, or sell the home. They never owe more than the home is worth.

THE STATE PAYS YOUR PROPERTY TAXES: OREGON'S DEFERRAL

Oregon's Senior and Disabled Property Tax Deferral pays your county property taxes each November. The state is repaid, with 6% simple interest a year, when the home sells or stops being your main residence. For many owners on a fixed income this is the least expensive way to free up money every year, because no lender, payment or credit check is involved.

Who qualifies (2026): age 62 or older, or disabled; household income at or below the program limit (\$70,000 in 2026); owned and lived in the home at least five years; home value within the program cap; homeowners insurance in place. Apply between January 1 and April 15 through your county assessor. Josephine County Assessor, 500 NW 6th St, Grants Pass, (541) 474-5260. Jackson County Assessor, 10 S Oakdale Ave, Medford, (541) 774-6061. Details: oregon.gov/dor.

A reverse mortgage and the tax deferral don't usually mix, because the deferral needs to be the first claim against the home. Ask the assessor before you take out a reverse mortgage if you're already on deferral.

EARNING FROM THE HOME WITHOUT BORROWING

Rent a room or add a unit. A tenant in a spare bedroom brings monthly income without touching your equity. Oregon law requires cities, Grants Pass included, to allow an accessory dwelling unit on single-family lots; rural rules are stricter, so check with county planning before you plan one outside city limits. An ADU costs money to build, so it suits owners with savings or a HELOC to fund it, and it can house a caregiver or a family member later.

Sell part of the land. On acreage, a partition or lot-line adjustment can turn unused ground into cash while you keep the house. Zoning sets the minimum lot size, so check with the county planning office before you talk to a surveyor.

SELLING: ALL THE EQUITY AT ONCE

Sell and downsize. Selling turns all your equity into cash at once and ends the upkeep. Most married couples who have lived in the home 2 of the last 5 years owe no federal tax on up to \$500,000 of gain (\$250,000 for a single owner). Oregon follows the same exclusion.

Sell and rent it back. A rent-back written into the sale lets you stay for a set time after closing, so you can move once instead of twice.

Buy the next home with a reverse mortgage. HECM for Purchase lets a buyer 62 or older buy the next home with a large down payment, often around half the price, and no monthly mortgage payment after. Downsizers moving from a large property to a smaller, single-level home use it to keep cash in reserve.

Bridge loans. When care or a new home can't wait for the sale, a short-term loan against the current home bridges the gap and gets repaid at closing. Some lenders that serve families paying for senior living offer bridge loans that give 12 to 18 months to sell.

Be careful with "home equity investment" offers. Companies such as Hometap, Point and Unlock pay you cash now for a share of your home's future value. They're structured as investments, not loans, so many borrower protections don't apply, and the payoff at the end can run tens of thousands of dollars higher than a loan would. Read every page with an attorney or a HUD counselor before signing.

SIDE BY SIDE

Option	Monthly payment?	Age or income rules	Best for
HELOC	Yes	Income and credit	Repairs in stages, a cushion
Home equity loan	Yes, fixed	Income and credit	One known cost

Cash-out refinance	Yes, replaces mortgage	Income and credit	Owners with a high-rate mortgage today
Reverse mortgage (HECM)	No	62 or older, counseling	Staying for years on a fixed income
Oregon tax deferral	No	62+ or disabled, income limit	Freeing up the tax bill every year
Rent a room or ADU	Earns income	Zoning for an ADU	Steady income, help nearby
Sell and downsize	None after sale	None	The most money at once
HECM for Purchase	No	62 or older	Downsizing with cash in reserve
Bridge loan	Usually repaid at sale	Lender rules	Paying for care or a new home before the sale

QUESTIONS TO ASK ANY LENDER

- What's the total cost over five years, including fees and insurance?
- Is the rate fixed or variable, and how high can it go?
- What would make the loan come due early?
- What happens to my spouse, and to my heirs, if I die or move into care?
- Does this affect my property tax deferral, Medicaid or other benefits?

Weighing your options?

I hold the Seniors Real Estate Specialist designation and help Rogue Valley owners compare staying, borrowing and selling side by side, with the figures for their own home: what it would sell for, what each option costs, and what's left over. The comparison is free. Call or text me at (971) 303-2253.

[The Senior Transition Program](#)

Loans, programs and figures listed here come from third parties; I don't administer or guarantee them and I'm not a lender. Limits, rates and eligibility change each year, and figures were checked in October 2026. Confirm current details with the lender, the HUD counselor or the agency before you decide, and talk with a tax professional or elder law attorney about taxes, benefits and estate questions. This guide is general information, not legal, tax or financial advice.

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