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Reverse Mortgage (HECM) Checklist for Probate & Trust Attorneys

REV 2 · NOV 16, 2026

A working checklist for probate and estate-planning attorneys, fiduciaries and heirs when a home is encumbered by a Home Equity Conversion Mortgage (HECM) or other reverse mortgage. Use it at the first file review. **This is general information on probate, trust and real estate topics. It is not legal advice** and does not create an attorney-client or broker-client relationship. Confirm every rule and deadline with the servicer and estate counsel.

A. AUTHORITY AND NOTICE

- ☐ Confirm the last borrower's date of death and whether any eligible non-borrowing spouse lives in the home.
- ☐ Identify who has authority: executor, administrator, or successor trustee; letters or trust certification in hand.
- ☐ Notify the servicer in writing; send the death certificate and proof of authority.
- ☐ Request a written list of everything the servicer needs and the contact for the file.

B. LOAN AND DEADLINES

- ☐ Get the due-and-payable notice and calendar every servicer deadline (response, sale or payoff, extension requests).
- ☐ Request extensions in writing before the deadline, with supporting documents (listing agreement, escrow, refinance application).
- ☐ Order a current payoff statement; re-order before close of escrow.
- ☐ Ask whether the 95% rule applies and how the servicer's appraisal is ordered.

C. PROPERTY AND VALUE

- ☐ Secure, insure and maintain the property; confirm property taxes and hazard insurance are current.
- ☐ Get a realistic value based on condition, not just an automated valuation.
- ☐ List deferred maintenance and repair estimates.
- ☐ Consider buyer financing paths (cash, conventional, FHA, renovation loans).

D. TITLE

- ☐ Order a preliminary title report.
- ☐ Identify the reverse mortgage deed of trust and any HUD subordinate deed of trust.
- ☐ Identify other liens, judgments, taxes or HOA balances.
- ☐ Confirm vesting and what is needed to convey (court authority or trust documents).

E. DECISION AND NET PROCEEDS

- ☐ Prepare an estimated net sheet: value minus payoff, commission, escrow, title, repairs and other liens.
- ☐ Compare options: keep and pay off, refinance, sell, or a deed in lieu.
- ☐ Document the decision and timeline for the court, beneficiaries or trust file as appropriate.
- ☐ Coordinate escrow, the payoff demand and the servicer's release at closing.

NEED A NET SHEET?

For any encumbered estate property, I prepare an estimated net sheet at the first consultation. Call or email with the file: (310) 210-0008 · bill@thelaprobateexpert.com

Source: U.S. Department of Housing and Urban Development, *Annual Report to Congress Regarding the Financial Status of the FHA Mutual Mortgage Insurance Fund, Fiscal Year 2026* (data through Sept 30, 2026). HECM program rules on this checklist (due and payable, heir options, the 95% rule, deadlines and extensions) are general program rules, not drawn from that report. Confirm current requirements with the servicer and estate counsel.

Prepared by Bill Gross, The LA Probate Expert, brokered by eXp Realty. General education only; not legal advice. California real estate brokerage services only.