

Media Release

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Launch of Sorted's new reverse mortgage calculator

New Zealanders can now calculate the impact of taking out a reverse mortgage on Sorted's new Quick reverse mortgage calculator on sorted.org.nz/calculators/quick-reverse-mortgage/

The calculator was developed by the Retirement Commission and the Ministry for Social Development, in consultation with industry and independent financial experts.

"This new calculator, which complements Sorted's comprehensive equity release section, is a great starting point for people to see how the equity in their house will reduce over time," says Retirement Commissioner Diana Crossan. "It gives people over 60 years of age a clear picture of the costs they'll have to live with - from the effects of compound interest to fees and charges."

Ms Crossan stresses that even though reverse mortgages are the most popular form of equity release in New Zealand, people need to be aware of the advantages and disadvantages of reverse mortgage products.

"There are other alternatives to consider, such as trading down your house, subdividing a property or taking in a tenant. If you're interested in taking out a reverse mortgage, seek expert advice, check the product documentation thoroughly, make sure you explore all the options thoroughly and be sure you're making the right choice for your situation."

The Quick reverse mortgage calculator is the latest in Sorted's series of 32 online calculators which include calculators on budgeting, debt, saving, mortgages repayment and KiwiSaver.

The Retirement Commission is funded to provide New Zealanders with free, independent information and tools to help them make informed financial decisions throughout life.

See attached background notes on Sorted's Quick reverse mortgage calculator.

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