

THE REVERSE MORTGAGE CONUNDRUM: PERSPECTIVES OF HOUSEHOLDS IN INDIA

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Ageing population over the last few decades mandates the development of a financial product to ease the challenges they face. One such product is reverse mortgage which enables borrowers to access the unencumbered value of their property. These loans do not require monthly mortgage payments. This financial product is only aimed at the older demographic. Popularly known as reverse mortgages, such mortgages have been increasing in popularity in the US and UK whereas in India the trend is slow. Studies reveal that reverse mortgages are unpopular in India due to strong negative views about the product and the perceived risks associated with it. This study aims to ascertain the reasons for the low awareness of reverse mortgage products in India by studying the demographic variables. This is achieved through a primary study of 360 respondents residing in India. Of the six demographic variables analyzed age, education level, homeownership, and monthly income are found to be significantly impacting the awareness level for Reverse Mortgage in India. The other variables like gender and living district are not found to have any impact on awareness for reverse mortgage. This research is intended to provide meaningful insight into the factors influencing Reverse Mortgage both from micro and macro perspectives. It is expected that these findings will have meaningful implications both for the regulators and the lending/ banking institutions.

Keywords: *Ageing; Awareness; Reverse Mortgage*
