CHAPTER-VII
ABSTRACT

7.1. Introduction
This chapter presents the summary of findings of study under consideration. The study relates to retirement planning of senior citizens and reverse mortgage as a significant option so as to provide financial security during their life after retirement. World around the old age population is rising at a fast pace, putting pressures on old age income and social security programmes in most countries. In this context, the policy makers in developed world started looking for new financial products through which elderly people could provide for their own long term care. They found that bulk of the wealth held by old people is in the form of ownership of house property. They thought of using this housing wealth as a potential additional source of financing the old age retirement expenditure. The idea of reverse mortgage loan facility was thus initiated in the developed world, through which a retiree by mortgaging his residential house property could get regular income to meet his post retirement needs.

At present India has a young demographic profile, but due to its huge population base senior citizen component is growing at a fast pace. Lack of social security measures, high inflation, gradual collapse of joint family system, steep rise in the health care costs and little savings has made retirement phase very challenging for most senior citizens. This has created a demand for products that could generate additional monthly income and thereby provide retirement security for the fast ageing population. In our country, the aged people possess considerable housing wealth whose value has grown considerably in recent decades. Most of the middle class retirees are house rich but cash poor. Using this large housing wealth through reverse mortgage could provide financial security to the house owning retirees.

With a gradual awareness of the existence as well as the success of reverse mortgage internationally, Indian government too introduced the reverse mortgage loan facility from 2008. In India at present 24 banks and two housing finance companies are providing this loan. Considering India’s population, reverse mortgage was expected to
be highly successful. However, the present status of the reverse mortgage scheme does not reflect it having reached the expected level. According to National Housing Bank, only around 9,000 loans amounting to around Rs 1,740 crores have been sanctioned till June 30, 2011 (NHB release 2011). This study moderately attempts to answer the question why despite the promise of this retirement financing option, elderly population is still not motivated to use it.

7.2. Need and Objectives of the Study

The need for the present study arose because of the following circumstances:

iv. Given the importance of the reverse mortgage in the context of providing retirement solution to the old aged urban middle class house property owners, the current poor response needs to be thoroughly researched. It is important to find out, whether the current poor response is due to lack of awareness, product specific limitations, socio-cultural factors inhibiting its use, lack of regulatory infrastructure to protect both users and lenders or lack of initiative on the part of lenders to promote the scheme.

v. In the chapter on review of literature, it was observed that in our country, no major survey work has been done to elicit the opinion of the senior citizens who are eligible to use this loan facility. No information is available regarding their retirement planning, their source of income at the time of retirement, their knowledge about the various features of this loan facility, their attitude towards financial independence, desire to take debt in old age, desire to leave an inheritance and their main apprehensions about the reverse mortgage. This is a major research gap in this field. The present research study makes a modest attempt to fill this gap.

In the context of the above stated need, following specific objectives have been formulated for the study:
vii. To review the literature on reverse mortgage in order to develop a perspective on the major issues and concerns pertaining to this new retirement financing option.

viii. To study the regulatory regime for the reverse mortgage in India and abroad as a backdrop for understanding its role and effectiveness in protecting the users and providers of this product.

ix. To study about the senior citizens retirement planning, their attitude to debt, financial independence, desire to leave an inheritance, knowledge of different options of financing retirement, their likelihood of using reverse mortgage financing option and reaction of family members to using this option.

x. To study senior citizens main apprehensions regarding the scheme and the features they would like to be present in the scheme to make it more attractive.

xi. To find, whether eligible user’s characteristics in terms of gender, region, household status, family size, educational background, current income source and annual income have any effect on the choice of the product and its accompanying features?

xii. To study the main apprehensions of lenders, risks faced by them and problems they face in effectively marketing this product?

To establish the significance of respondent’s socio-economic factors in important issues relating to reverse mortgage, a number of hypothesis were framed for empirical testing. These hypotheses were:

Ho1 : Respondents demographic features are insignificant in senior citizen retirement planning early during their working life.

Ho2 : Respondents demographic features are insignificant in senior citizens desire to leave the house property for their children.

Ho3 : Respondents demographic features are insignificant in senior citizens desire for independence in financial matters.

Ho4 : Respondents demographic features are insignificant in senior citizens desire to take debt in old age.
**Ho5**: Respondents demographic features are insignificant in the likelihood of senior citizens using the reverse mortgage loan facility.

**Ho6**: Respondents demographic features are insignificant in so far as the reaction of family members to the use of this loan facility is concerned.

In order to test these hypotheses, cross tabulation with chi square test was resorted to with the aid of SPSS software. Each of the hypotheses is cascaded down to a number of sub-hypothesis to focus on testing the significance of each of the respondent’s demographic factor (gender, region, education level, household status, size of family, annual income and present source of income).

The findings of the study are primarily based on analysis of data collected from a survey of senior citizen respondents with the help of a structured questionnaire. The target audience for the present study are senior citizens of age sixty years and above, having residential house property in their name and living in four important metro cities of Delhi, National Capital Region, Jaipur and Tri sector of Chandigarh, Mohali and Panchkula. In total 196 senior citizen respondents participated in the study.

In addition, the study is also based on the detailed interviews with the officials of the institutions connected with reverse mortgage like banks, life insurance companies and National Housing Bank. The perceptions of these institutional respondents are captured on the issues like, their experiences with this loan scheme, the risks and problems faced by them in its implementation, why there are very few takers of this product, what are its future prospects and what needs to be done to improve the demand for this loan facility. The common themes emerging from their responses are important findings of the present study.

During survey work, detailed discussion took place with a large number of senior citizens regarding reverse mortgage scheme. The questionnaire also contained one open ended question and few questions with an open end choice. The common themes emerging from personal interaction with survey respondents and answer to open ended questions are also important part of the present study conclusions.
7.3. Major Findings of the Study

The main findings of the study can be grouped into two broad categories:

1. Findings based on analysis of data, obtained through surveyed senior citizens responses to questionnaire.

2. Findings based on analysis of content of interviews with the senior citizens and officials of the institutions associated with reverse mortgage scheme. The common themes emerging from this data analysis is grouped into:
   a) Perception of senior citizen respondents as to reverse mortgage scheme.
   b) Perception of institutional respondents as to reverse mortgage scheme.

7.3.1 Findings Based on Analysis of Questionnaire Responses

According to the responses obtained through the questionnaire, the retired senior citizens have expressed their views on a number of issues relating to reverse mortgage and old age retirement planning. Some of the significant findings from survey responses are reported below:

- Survey results show that most respondents plan for their retirement early during their working life. The retirement planning of senior citizen during their working life is very important for ensuring a comfortable retired life.

- Most of the survey respondents are confident regarding their regular monthly cash inflows meeting their post retirement needs. Given this high level of confidence, it appears that retired senior citizens are not likely to show interest in reverse mortgage scheme.

- The bequest motive of senior citizens was found to be very strong. Approximately, a quarter of respondents were of the view that they would like to leave behind the property for the children, even if their children do not take care of them. This may be the reason for a poor demand for reverse mortgage.

- Most of the respondents are not comfortable in taking loan at their present age. This reluctance to take loan may be the reason for their not taking interest in the reverse mortgage scheme.
• Sample respondents have expressed a strong desire for financial independence. Retirees, who value their financial independence, may look into reverse mortgage as an additional option to improve their cash flows in case of need.

• The assessment of current financial situation of most respondents suggests that they are in need of a product like reverse mortgage. But most of them have not shown any interest in it.

• The options for a comfortable retired life, the respondents are willing to consider include rental income and family members’ help but not the reverse mortgage.

• Regarding the level of awareness of reverse mortgage, most of the respondents have heard of it but very few know about its detailed features.

• The respondent’s main source of information about reverse mortgage is media followed by friends and family members. Not many of the respondents have approached the banks for information on reverse mortgage.

• The main reason given by respondents for not using reverse mortgage is that they have sufficient wealth to take care of their needs post retirement. The second important reason indicated is the likely resistance from the family members to the use of reverse mortgage loan facility.

• Regarding likelihood of using the reverse mortgage, most respondents are either not interested or indecisive.

• Respondent’s apprehensions about the reverse mortgage loan scheme are, the prospects of losing home, accumulating debt in old age, and possibility of increased family tension.

• About likely family member’s reaction to the use of reverse mortgage loan facility, most respondents expressed, that they will strongly disagree. This apprehension may be holding back many retirees from using this loan facility.

• Regarding the possible use of money from reverse mortgage, respondents are more likely to use it for health care and providing support to family members.
Not many respondents have chosen the option of using the money for day to day expenses.

- Regarding the liking for the mode of payment of reverse mortgage money, most respondents like to receive some amount in lump sum and rest in the form of lifetime annuity.
- Most respondents prefer rate of interest to be fixed for entire term on the reverse mortgage loan amount.

Regarding testing of hypothesis on significance of each of the respondent's demographic feature in relation to survey questions, following significant results are found:

i. Children financial contribution is a significant factor in senior citizens retirement planning.

ii. Respondent’s region and size of family in terms of number of children are found significant factor in their bequest motive.

iii. Region and education level of respondents are found significant in their desire for financial independence.

iv. Gender and income from pension are found significant factors in so far as senior citizens desire to take debt in old age is concerned.

v. Household status, annual income, income from investments and children contribution are found significant in the likelihood of senior citizens using reverse mortgage loan facility.

vi. Respondent’s gender, household status, family size and income from pension are found significant in so far as the respondent’s family likely reaction to the use of the reverse mortgage loan facility is concerned.

7.3.2 Findings Based on the Analysis of Interview Contents

a) Perception of Senior Citizen Respondents
During survey work, researcher interacted with a large number of senior citizens other than questionnaire respondents to know their perceptions about the reverse mortgage scheme. The following significant themes emerged from their responses:

i. Regarding financing options for long retired lives, many retirees believe that it may be necessary for them to work for some years after retirement to accumulate more savings. This is necessary because long retired lives need large corpus. This is all the more important because of high inflation in health care cost.

ii. Many senior citizen respondents reported the use of one new option of deriving liquidity out of house property that is recently gaining popularity. This option is popularly known as builder arrangement. In this, a house rich cash poor senior citizen can enter into an arrangement with builder to construct multi-story flats at his property. In most such arrangements the builder gets one floor. In return, builder takes the responsibility of construction and also pays a substantial sum to the owner. Many retirees feel more comfortable with this arrangement as they do not need to mortgage their house in this option.

iii. When asked about the additional features to be present to make the reverse mortgage loan attractive, most senior citizens expressed that they should get this loan at a lower rate of interest. The other common response was that more awareness needs to be created about the scheme by giving it wider publicity. Many expressed the need for independent counselling.

iv. Most senior citizens have expressed that they do not find reverse mortgage attractive because it reduce the amount of housing wealth they can leave for their children. One interesting observation made by one respondent was that though his children do not treat him well, still he cannot take any decision on his property. One more respondent said that he do not want to be cursed by his children by taking such loan.

v. Most respondents have expressed, that society would not view them favourably if they mortgaged their home to generate income. They felt it is undignified to do this. One respondent was of the view that it would pinch his conscience to do so. It would send the message that children do not take care of their old parents.
vi. Many respondents have expressed that they are not interested in reverse mortgage as they wish to preserve their home equity for any future medical emergency. If they use up their most precious asset for their day to day consumption needs, it may not be available when needed most.

vii. Many seniors have expressed that they are apprehensive about accumulating debt in old age by using this loan facility. They feel that debt will become too high for the legal heirs.

viii. Many respondents do not like many of the loan terms like low loan to value ratio, very low annuity amount, type of property that can be mortgaged, high upfront costs, cap on the maximum loan amount, cap on lump sum and maximum tenure of loan being fixed at 15 or 20 years.

ix. Many respondents expressed preference for variable annuity according to their requirements. Many expressed desire for life time annuity rather than term annuity.

x. This survey revealed that a majority of senior citizen respondents have a favourable impression of reverse mortgage scheme. The very threat of using this loan by some senior citizens has led to their children taking better care of them. There is a consensus, in general, that with life expectancy in India rising, few people are financially prepared to deal with it. Reverse mortgage is important in the context of providing social security for senior citizens in India. The coverage on pensions is still very limited in the country. Most of them do not want a life of dependence on children. Reverse mortgage can prove to be very helpful for those senior citizens who do not have any source of income and do not plan to leave behind an estate for their legal heirs.

b) Perception of Institutional Respondents

The significant themes emerging from qualitative data analysis, based on the perceptions of institutional officials connected with reverse mortgage scheme are reported below:

iv. Most of the bank officials confirmed that the product has failed to find takers during the last five years of its existence in India. Despite its potential economic appeal,
using reverse mortgage to finance consumption after retirement has been the exception rather than the rule among elderly homeowners. For a large number of banks, one can count the number of reverse mortgages done on finger tips.

v. Most institutional respondents have expressed that psychological aspect of the loan for consumers is the most critical barrier to its acceptance. The psyche of Indians does not make them comfortable with the idea of selling their home. According to them, it will take some time for banks to break this psychology. Senior citizens have a strong bequest motive.

vi. Many respondents expressed that Indian culture places importance on taking care of one’s old age parents. Therefore reverse mortgage is opposed by children as it sends the message that they do not take care of their elders. So, there is an element of psychological tension associated with reverse mortgage. This reduces the number of retirees interested in this loan scheme.

vii. Many respondents blame the poor response to reverse mortgage to the savings habit of elderly. They say that most elderly people in India love to live frugally rather than taking loan in old age to live a more comfortable life. There is a social stigma attached to borrowing in old age. It is therefore very difficult to promote this product in Indian market.

viii. A number of bank officials feel that this is a long term product involving a number of risks like longevity, property title, interest rate, property price fluctuations and property valuation. The banks due to short term nature of their operations are not too keen to assume all these risks.

ix. Bank officials are of the view that one of the reasons for their not taking interest in pushing this new product is related to accounting for accrued interest. Although the interest on reverse mortgage loan leads to income for banks, they don’t actually get the income on yearly basis. Since they account for it on accrual basis, they have to pay tax on it. There is a cash outflow on tax, but there is no cash inflow until the tenure of the loan. Banks therefore are not trying to push this product.
x. Bank officials are of the opinion that lack of demand for reverse mortgages doesn’t make them a profitable proposition. Without greater volumes, they are unable to achieve adequate diversification in their reverse mortgage portfolio to reduce their risk exposure.

xi. Some bank officials have expressed that they fear the bursting of property price bubble. As these are very long term products, it is quite possible that by the time most loans start redeeming themselves, a major downward correction in property prices could cause a major loss to lenders.

xii. The bank officials point out that in the long run this product could create reputational risk for banks. Recently in US, three major financial institutions (Wells Fargo, Bank of America and MetLife) offering this product withdrew it due to this risk. They point out that in this loan, while borrowers are not required to make monthly mortgage payments, they can end up with a loan in default if they fail to pay their property taxes and keep their property insured. The banks in US in the last two years were forced to foreclose growing number of such loans due to technical defaults. This step started adversely affecting bank goodwill. So they left this business.

xiii. Bank officials are of the view that there is a shortage of long term risk free government securities where lenders can lock their funds for long term to provide an assured annuity to the senior citizen. It makes it difficult for banks to hedge the risk arising from long term interest rate fluctuations.

xiv. Many bank officials have expressed that tax treatment of regular annuity received by borrower is adversely affecting the demand for this loan facility. They point out that, under the new version of the product, known as reverse mortgage loan enabled annuity, created in collaboration with life insurance sector the regular annuity is still taxable.

xv. Some respondents expressed that unclear property title in many cases is a major obstacle for the scheme to take off.

xvi. Officials connected with life insurance business have expressed that reverse mortgages are less like forward mortgages and more like life insurance. As
reverse mortgages promise a lifetime income, this becomes an area where the life insurance industry is well suited. It is basically a long term product involving many risks of long term nature like longevity risk, property price fluctuation risk and long term interest rate movement risk. Banks have traditionally been providers of short term finance. They are not likely to be comfortable with the demands being made on them regarding the risk assessment and proper pricing of this product. Recently some initiatives have been taken to involve life insurance companies in this business by launching a new version of the product in the form of reverse mortgage loan enabled annuity which provides a life time annuity to the client. Even in this model client will mainly have an interaction with bank. Instead of one intermediary there will now be two. Generating income for two intermediaries makes reverse mortgage costly for the consumer.

xvii. The respondents from life insurance business are of the opinion that they have many long term products in their portfolio. This could provide them with opportunity to cross match risk profiles of different products. For example in reverse mortgage the maximum risk is from longevity or late death and in case of term and endowment plans maximum risk arises from the early death. This scenario provides a good hedging opportunity for the life insurance business if they go after reverse mortgage.

xviii. NHB officials perceive that as the level of financial literacy is low even among the educated people in our country, there is a need to create better awareness about the product on a sustained basis. Most senior citizens do not even know that such a product exists. There is a need for greater propaganda by all associations of senior citizens, magazines, newspapers and government departments at the centre and state level dealing with matters pertaining to senior citizens to explain the reverse mortgage scheme and its benefits to senior citizens.

xix. NHB officials have expressed that to make the product attractive for the retirees, lenders will have to think in terms of providing new versions of product such as inflation adjusted annuity, growing annuity or variable annuity combined with lump sum payment on more than one occasion. This is important for elderly
retirees as they need lump sum amount for many family functions and particularly for their own medical emergencies.

xx. Many retirees expressed during the study that they could be interested in this product if they get subsidy in the form of lower interest rate. NHB officials feel that this is not likely to happen as the loan seekers are property owners and not poor people. The retirees need to understand that reverse mortgage is not a social service but a market-based commercial solution.

xxi. The NHB officials have expressed that banks, because of their regular interaction with senior citizens could have played the lead role in promoting and creating wide spread awareness about this product. They should have trained their staff, so that they have good knowledge of this new product and patience to deal with senior citizens. As the banks staffs find it difficult to sell this product to seniors, they are not showing much interest in promoting this product. Reverse mortgage therefore does not even find a mention in the product portfolio of many banks.

xxii. NHB officials perceive that reverse mortgage is an unconventional and a complex product for most senior citizens. Their initial response to the product is mostly positive. But various apprehensions dissuade them from actually using it. Most of their apprehensions are due to lack of clarity about the product features. The role of mandatory counselling for every customer is therefore very important. The NHB is thinking on the lines of preparing a list of approved reverse mortgage counsellors. It should be made mandatory for anyone seeking reverse mortgage loan to undergo counselling session with one of these approved counsellors.

xxiii. There is a general feeling that banks at present are not focussing their attention on an unconventional product like reverse mortgage, as the volumes are already high in normal home loan market. But there are billions of rupees invested by seniors in the house property. Once the volumes dry up in regular mortgages, banks may be forced to shift their attention towards reverse mortgage market.
Most institutional respondents opined that old age people should be made to realize that government due to fiscal constraints cannot provide for the old age income and social security for all citizens. In the absence of state and family support, middle class senior citizens should look to their house property to generate much needed cash in times of need.

Despite being a good product theoretically, most respondents have expressed serious concerns regarding the actual implementation and social acceptability of such a concept in India.

7.4 Contribution of the Study

i. The academic literature has dealt with many issues associated with reverse mortgage. Most of the research studies focussing on one or the other aspect of reverse mortgage have been done in the developed countries. Even in these countries, very little research work has been done that comprehensively cover most of the issues involved. In India this scheme has been launched only very recently in 2008. Not much research work has been done on this topic relevant to Indian conditions. Some survey work has been done in India but it has a low geographical coverage and focused only on few aspects of the reverse mortgage. The present study stand apart from others as it is a very comprehensive study.

ii. It is a first study of its kind which focuses on perceptions of senior citizens who represent the demand side as well as perceptions of institutional officials who represent the supply side of this loan scheme.

iii. The results obtained from analysis of questionnaire responses have numerous policy implications. It can lead to developing new versions of the product, changes in the regulatory infrastructure to protect the borrowers and lenders or involvement of new institutions that could improve the product appeal for borrowers as well as lenders.
iv. Another contribution of this study is the results obtained from analysis of significance of respondent’s socio-economic factors in most of reverse mortgage related issues. These results can guide policy makers to rightfully approach many of the problems that the product is facing at present.

The questions addressed by this research will become increasingly important with population aging and more and more people entering retirement age.

7.5 Conclusion and Recommendations

The present research shows that most of the survey respondents have a favourable impression of this loan scheme. There is a consensus that with life expectancy rising, low pension coverage and rising health care costs, few people are financially prepared to deal with a long retired life. Under such circumstances reverse mortgage has the potential to become the best pension plan.

Most of institutional respondents as well as senior citizen respondents have expressed concerns regarding actual implementation and social acceptability of such a concept at present in India. Socio-cultural and psychological factors are found to be the greatest barriers to its wider acceptability at present.

Despite low acceptability at present, most survey respondents have expressed that changes in the social fabric in the form of gradual collapse of joint family, rapid urbanization, greater desire for financial independence and greater willingness to assume debt in old age could motivate future retirees to give greater acceptance to it. Most institutional respondent’s feel that reverse mortgage should be encouraged in the country. But all have expressed serious concerns regarding actual implementation and social acceptability of such a concept at present in India.

Some of the recommendations emanating from the findings of the present study are explained in the following paragraphs:
i. Creating greater awareness about reverse mortgage loan facility on sustained basis by all institutions connected with this product as well as all organisations connected with the welfare of senior citizens may improve its demand.

ii. On the supply side of reverse mortgage, following initiatives may improve the market for this loan facility:

   a) Banks giving a prominent place to reverse mortgage in their product portfolio.

   b) Bank staff showing patience in handling senior citizens detailed enquiries.

   c) Minimizing the upfront costs and initial hassles and paper work associated with reverse mortgage loan.

   d) Banks taking upon themselves the job of making statutory payments like property tax and insurance to reduce the possibility of technical defaults.

   e) The government making suitable policy changes to allow banks to deduct the interest accrued on reverse mortgage loans but not received by them from their income to reduce their current tax outgo.

iii. Allaying senior citizens fears and their apprehensions about reverse mortgage scheme may improve their confidence. For this independent pre-loan counselling for all reverse mortgage applicants may be made mandatory.

iv. Giving a greater role to life insurance companies in the supply of reverse mortgage loan amount may lead to better pricing and loan terms for borrower. Reverse mortgages are more like life insurance business. Life Insurance Company’s product portfolio allows them to hedge the risk from reverse mortgage business. Their expertise may lead to better annuity for senior citizens.

v. Increase in the supply of long term risk free securities may enable the institutions supplying reverse mortgages to lock their funds for long term to provide an assured annuity to the senior citizen. It may reduce the risk exposure
of the banks by allowing them to hedge the risk arising from long term interest rate fluctuations.

vi. Government providing some insurance cover to lenders to protect them from substantial losses in case the loan amount grows to more than the property value may motivate the bank to push the reverse mortgage loan.

vii. Improving the terms of loan like providing a higher loan to value ratio, providing life time annuity, allowing the reverse mortgage of hereditary property and properties on power of attorney, more flexibility in the payment of loan amount and making life time annuity tax free may improve the remove mortgage loan appeal for targeted senior retirees.

7.6 Limitations of the Study

Like any other study, this study also suffers from a number of limitations. Some of the limitations of the present study are as follows:

i. The study is based on the analysis of responses of potential users and not actual users. The original plan of the study was to survey both actual and potential users. The researcher had in fact prepared two sets of questionnaire to cover both types of respondents. But even after four years of existence, the response to the scheme remained very poor. So actual users were very few and geographically widespread. Moreover banks were not ready to provide information about them. Therefore it was not possible to generate a meaningful sample to survey the actual users of the product. The survey of such actual users could have provided more meaningful information about their experience with the product. The responses of potential users are more hypothetical rather than actual.

ii. The study is based on the responses from the limited geographical area. The sample respondents are taken from the four important cities of northern India, namely Delhi; National Capital Region of Gurgaon, Faridabad and Noida; Jaipur and Chandigarh Tri-sector. Although the issues facing senior citizens are same in every region, it is not certain whether the results could be different with more regions included in the analysis.
iii. The study is based on a sample size of 196 respondents. Since detailed information was required from each respondent, therefore the sample size was restricted. Getting the necessary information even from this small number was very time consuming and demanding. Considering, very large population size, a bigger sample size may have yielded better results.

7.7 Agenda for Future Research

Notwithstanding the current poor response to reverse mortgage, the fact that growing number of retirees may not be financially prepared for retirement indicate a significant need for more empirical studies in this specific area. These studies could relate to the following aspects of reverse mortgage:

i. The present study is based on the analysis of responses of potential users and not the actual users. With increase in number of actual users, studying their experience with the use of this product could be a very important area for future research.

ii. Now a day, a new option of deriving liquidity from a residential house property is becoming popular. This is popularly known as builder arrangement. Studying the economics of this option of generating liquidity from house property is also an important area for future research.

iii. Attitudinal studies about the homeownership, financial independence, taking debt in old age and about savings and borrowings could be important future research area.

iv. The present study is addressed only to middle class house owning seniors. There is a scope for research on retirement solutions for seniors who do not have house property.

v. Present study is based on a sample size of 196 respondents. Future research on same topic can be done with a large sample size to re-confirm the results.
vi. The modification in the reverse mortgage program to involve better risk-pooling among institutions is an interesting area for research.

vii. The relationship of reverse mortgage market with annuity market, the government social security programme and insurance market is another possible area for future research.

viii. An area of future research could be to study the generational differences in attitudes toward the use of reverse mortgages. It may help us understand the differences and similarities in attitudes among seniors and adult children of seniors regarding reverse mortgages.

There is no reason to be disheartened by the current poor response to reverse mortgage at present. All the countries where reverse mortgages are in use and very popular today, have gone through similar experience. They faced a similar situation of very poor demand during first few years. Gradually the demand picked up as the problems faced by the borrowers and lenders were addressed.

In India, this is still a relatively new financial product. Changes are being made in the product based on the user’s feedback, experience of the lenders with the product, experience of other countries and inputs from the academic research scholars and practitioners world around.

The present research suggests that creating greater awareness about reverse mortgage loan on sustained basis, modifying the product offering to suit the retirees requirements, greater participation of the life insurance sector for better risk assessment, risk management and better pricing of reverse mortgage loan, mandatory and independent counselling of borrowers, more clarity on tax related issues and more protection for lenders where loan amount grows to more than property value may give a push to reverse mortgage market.