



CHEIFS | Converting home equity
into **financial success**

Advisor Guide



Powered by Cornerstone, an insurance and investment funding company

Introducing CHEIFS

A transformational holistic planning opportunity where everybody wins. CHEIFS is not a loan, which means no interest charges or monthly payments. Instead, Cornerstone purchases a minority fractional interest in the home, converting dormant home equity into tax-free cash.

The process starts with two key questions: Are eligibility requirements met and how much cash can be made available? From there, the process to obtaining a CHEIFS is as follows:

Step 1

Advisor Planning

Work with your clients to identify how CHEIFS can support their financial goals, from retirement to wealth-building strategies. With CHEIFS, you can craft a financial solution that fits your vision.

Step 2

Schedule a CHEIFS Consultation

Product education is vital to client understanding and trust. A Cornerstone-led demonstration with your client can be scheduled to review eligibility and a pre-application overview to help confirm the value of CHEIFS.

Step 3

Application Process

A Cornerstone Relationship Manager will guide your client through the application process, including collecting essential details, and upon receiving your completed application, provides the initial Disclosure Statement.

Step 4

Fulfillment

Cornerstone initiates fulfillment by gathering third-party reports, including credit, appraisal, and title. Upon underwriting approval, a Commitment Letter with an updated Disclosure Statement is provided, specifying final terms.

Step 5

Closing and Funding

Cornerstone will schedule a closing and guide your client through the final steps, which includes executing the CHEIFS Agreement and final Disclosure Statement, outlining terms and fees. Funding occurs after the three-day "Cooling Off Period," with an option to cancel at no cost during this time.

By actively engaging in each step, you empower your clients to navigate the CHEIFS process with clarity and confidence, enhancing their financial future while **solidifying your position as their trusted advisor.**

CHEIFS Estimated Timeline

As fast as 15 - 25 days!

Application

1 - 3 days

- Complete and return the application
- Provide requested documentation

Knowledge Check

1 - 3 days

- Call to answer questions and review the initial Disclosure Statement and other contract documents
- Complete the Product Knowledge Assessment

Fulfillment

10 - 14 days

- Schedule appraisal inspection and payment of appraisal fee
- Credit, appraisal, title and inspection reports received and reviewed
- Underwriting decision is made
- Commitment Letter is issued, if approved
- Review final Disclosure Statement and confirm Terms

3 - 5 business days

Daily Closing & Funding

- Confirm distribution of proceeds and payees
- Sign with Closing Services Provider
- Fund the CHEIFS and then the Closing Services Provider records the lien after 3 day cooling off period has expired

Unlimited Advisor & Market Potential

Audiences

Life Insurance Advisors
Annuity Advisors
Long-Term-Care Advisors
RIAS & Wealth Advisors
Retirement Specialists
Elder Care Attorneys
Trust & Estate Attorneys
Financial Planners
Premium Finance Brokers
CPAs
Charitable Organizations
Realtors
Trust Departments
Home Health Care Agencies

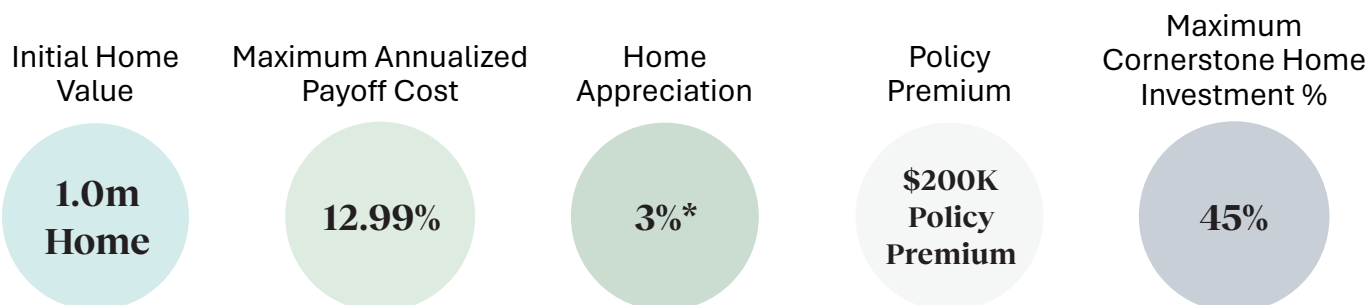
Applications

Life Insurance
Long-Term-Care
Annuity Products
In Force Financing
Premium Finance Rescue
Life Settlement Rescue
Private In-Home Healthcare
Charitable Donations
Social Security/401k Deferral
529 Plans
Divorce Equalization
Special Needs Trust
Debt Consolidation
Home Improvement

Fact Sheet

General Information	
Convert Home Equity to Tax-Free Cash For:	Investments, Life Insurance, Annuities, Long-Term Care, In Home Care, etc.
Funding Product Terms	
Funding Product Description	Cornerstone Home Equity Insurance/Investment Funding Solutions (CHEIFS) CHEIFS is a minority fractional investment in residential real estate
Term	The earlier of voluntary repayment, sale, non-occupancy, or death
Origination Fee	1.5% of CHEIFS Proceeds
Payoff Cost	See Payoff Table (page 5)
Maximum Annualized Payoff Cost	12.99%
Age Requirement	None
Trust Owned Residence	Revocable Trust permitted (Irrevocable Trust eligibility currently under review)
Eligibility Requirements	
Minimum Home Equity	\$300,000+
Maximum Current Loan to Home Value Ratio	50%
Proceeds Calculation	
Current Loan to Home Value Ratio	Existing mortgage debt / home value (expressed as a %)
Maximum CHEIFS Equity Share	50% of home value minus Current Loan to Home Value Ratio
CHEIFS Proceeds %	$1 \div 2.25 = 44.44\%$
Proceeds to Homeowner	44.44% of CHEIFS Equity Share
TRANSACTION EXAMPLE A \$1,000,000 Home with a \$200,000 mortgage	<ul style="list-style-type: none"> \$200,000 existing mortgage = 20% Current Loan to Home Value Ratio 50% of Home Value – 20% = 30% CHEIFS Equity Share $44.44\% \times 30\% = 13.33\%$ $13.33\% \times \\$1,000,000 = \\$133,333$ Proceeds to Homeowner
Property Information	
Eligible States	Arizona, California, District of Columbia, Florida, Ohio, Massachusetts, Missouri, Pennsylvania, South Carolina
Eligible Property Types	Single Family Residence, Condominiums, and PUDs
Ineligible Property Types	Manufactured homes, 2-4 unit, investment properties, mixed use properties except home office, commercial properties (non-residential use is primary use) cooperative units, other unique properties
Home Valuation	Home Value is the fair market value of the Residence, based on an Independent Appraisal(s)

How CHEIFS Work: Payoff Examples



Claim Year	Home Value	Cornerstone Home Investment (%)	Annualized Payoff Cost (%)
1	\$1,030,000	21.94%	12.99%
2	\$1,060,900	24.07%	12.99%
3	\$1,092,509	26.40%	12.99%
4	\$1,125,509	28.96%	12.99%
5	\$1,159,274	31.77%	12.99%
10	\$1,343,274	45.00%	11.70%
15	\$1,557,967	45.00%	8.72%
20	\$1,806,111	45.00%	7.26%
25	\$2,093,778	45.00%	6.40%
30	\$2,427,262	45.00%	5.82%

The Cornerstone Home Investment % never exceeds the Maximum Cornerstone Home Investment %

*Assumes 3% annual home appreciation

FAQs

Is Title Insurance required?	Yes, or other form of title verification is required
Do CHEIFS have a Prepayment Penalty?	No Prepayment Penalty
Are CHEIFS a Non-Recourse transaction?	There is no personal liability for payment of the Homeowner's obligations under this Agreement.
Who is a party to the Agreement?	All homeowners and, if applicable, their spouse or domestic partner(s) must sign the Agreement regardless of occupancy status.
Can the Homeowner make improvements post origination?	Yes, and homeowner receives credit for value of improvements/alterations.
Is there a minimum FICO to qualify?	Yes, the minimum representative score must be at least 680
Are senior liens allowed in front of a CHEIFS?	Yes, a CHEIFS can be done in second lien position behind fully amortizing and interest only mortgages.
Will my home value or occupancy status impact my available CHEIFS proceeds?	Yes, second homes and homes with values over \$3,000,000 will be subject to lower CHEIFS proceeds.

State Disclosures

General.

Cornerstone Financing LLC has its principal office at 1455 Broad Street, Suite 200, Bloomfield NJ, 07003. Our toll-free number is (855) 462-4343.

In Ohio, Cornerstone Financing LLC is doing business as “Domus Funding LLC.”

In California, Cornerstone Financing LLC's wholly owned subsidiary, Domus Funding Corp., a California corporation, offers the HEI product.

State Specifics.

Cornerstone Financing LLC – NMLS #2557707 www.nmlsconsumeraccess.org

The following state licenses are held by Cornerstone Financing LLC (except where indicated):

- ARIZONA – Premium Finance Company License #1051390
- CALIFORNIA – DRE Real Estate Corporation License #02248492 (Domus Funding Corp)
- DISTRICT OF COLUMBIA– Real Estate Organization License #REO40000409
- FLORIDA – DBPR Division of Real Estate # CQ 1070295
- OHIO - Premium Finance Company License #PF.200248.00 (dba Domus Funding LLC)
- PENNSYLVANIA – State Real Estate Commission #RB 069985
- SOUTH CAROLINA – Real Estate Office License #27809

Cornerstone’s home equity investment (HEI) product is not offered under state mortgage lending licenses.

In Arizona, the HEI product may be, but is not in all cases, offered under Cornerstone’s premium finance company license. When offered under a state’s premium finance company license, investment amounts and related features of the HEI product will be specific to the provisions in the applicable state’s premium finance company act.

When offered under a real estate broker (or similar) license, investment amounts and related features of the HEI product will be specific to the provisions in the applicable state’s real estate broker laws. Cornerstone does not act as an agent or broker on behalf of any third party, and no agency relationship is established between Cornerstone and a customer related to an HEI agreement.

In the states where Cornerstone offers the HEI product but does not hold a license, the HEI product is not offered under any license.

Cornerstone is not licensed in the state of New York and does not offer HEI products or solicit business related to properties located within New York state.

Disclaimer

The information (“Information”) contained in this Advisor Guide (the “Guide”) has been prepared by Cornerstone Financing, LLC (“Cornerstone”). This Guide is intended for business professionals only and is provided for general informational purposes. The materials here are not for use by individual consumers or the general public. The information provided does not constitute legal, tax, or financial planning advice and should not be relied upon or construed as such.

Cornerstone and its affiliates, employees, directors, officers, contractors, advisors, members, successors, representatives, or agents make no representation or warranty as to the accuracy or completeness of the Information and shall have no liability for any representations or warranties (express or implied) contained in, or for any omissions from or errors in, this Guide or any related communications.

This Guide is subject to change without notice and does not purport to be comprehensive or contain all the information necessary to evaluate the subject matter. The recipient is responsible for making their own investigation and assessment of the information and concepts presented herein.