

## ADVISOR FACT SHEET

### General Information

Convert Home Equity to Tax-Free Cash For:	Investments, Life Insurance, Annuities, Long-Term Care, In Home Care, etc.
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### 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 Interest Rate	See Graph (page 2)
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 %)
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

- \$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	<ul style="list-style-type: none"> <li>• Manufactured homes</li> <li>• 2-4 unit</li> <li>• Investment properties</li> <li>• Mixed use properties except home office.</li> <li>• Commercial properties (non-residential use is primary use)</li> <li>• Cooperative units</li> <li>• Other unique properties</li> </ul>
Home Valuation	Home Value is the fair market value of the Residence, based on an Independent Appraisal(s)

## HOW CHEIFS WORK: PAYOFF EXAMPLES

Initial Home Value	\$1.0m Home
Maximum Annualized Payoff Cost	12.99%
Home Appreciation	3%*
Policy Premium	\$200K Policy Premium
Maximum Cornerstone Home Investment %	45%

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%

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.

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# STATE DISCLOSURES

## General.

Cornerstone Financing LLC has its principal office at 400 Broadacres Drive, Suite 260 C1, 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](http://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.