



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

## Advisor Fact Sheet



Powered by Cornerstone, an insurance and investment funding company

# Important Information

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## **All examples in this Fact Sheet are for illustration only.**

CHEIFS is a home equity investment agreement (or “HEI”), not a loan. This is not an offer or commitment. CHEIFS is subject to underwriting and approval, including property appraisal(s) and verification of credit history, property condition, title, and property insurance, among other things. The subject property may not be in foreclosure or bankruptcy. Performance of the CHEIFS agreement is secured by a mortgage or trust deed, depending on the state, in no lower than second lien priority. Minimum investment amount is \$70,000. Owner-occupied, 1-2 unit residential properties only. Homeowner to pay an origination fee of 1.5% of the investment payment, plus appraisal, title, recording fees, and other closing costs. Homeowner must occupy and maintain the property and remain current on property insurance, taxes and assessments. Terms may vary and are subject to change. Additional conditions apply. Not available in all states.

Cornerstone acts for itself, as the investor, and not as an agent or broker for the homeowner or any third party. There is no agency relationship between Cornerstone and a homeowner related to CHEIFS agreement.

Cornerstone and its employees do not provide legal, financial or tax advice. Homeowners should always consult with their own financial, tax, or legal, professional for such advice.

CHEIFS is offered exclusively by Cornerstone Financing LLC, and its subsidiary Domus Funding Corp. (in California only), (together, “Cornerstone”). Cornerstone Financing LLC does business in Ohio as “Domus Funding LLC,” and in New Hampshire as “Domus Funding.” Principal Office: 400 Broadacres Drive, Suite 260 C1, Bloomfield, NJ 07003. Toll-free (855) 462-4343. NMLS #2557707, [www.nmlsconsumeraccess.org](http://www.nmlsconsumeraccess.org). Domus Funding Corp, CA real estate broker license #02248492. Not licensed in all states. Cornerstone’s HEI product is not offered under state mortgage lending licenses. For additional state licensing information, please visit us online at [cheifs.com/licensing/](http://cheifs.com/licensing/). Complaints may be emailed to: [complaints@cornerstonefinancing.com](mailto:complaints@cornerstonefinancing.com).

Cornerstone does not offer HEI products or solicit business related to properties located in New York state.

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General Information	
<b>Convert Home Equity to Tax-Free Cash For:</b>	Investments, Life Insurance, Annuities, Long-Term Care, In Home Care, etc.
Funding Product Terms	
<b>Funding Product Description</b>	<b>Cornerstone Home Equity Insurance/Investment Funding Solutions (CHEIFS)</b> CHEIFS is a minority fractional investment in residential real estate
<b>Term</b>	The earlier of voluntary repayment, sale, non-occupancy, or death
<b>Origination Fee</b>	1.5% of CHEIFS Proceeds
<b>Payoff Cost</b>	See Payoff Table (page 5)
<b>Maximum Annualized Payoff Cost</b>	12.99%
<b>Age Requirement</b>	None
<b>Trust Owned Residence</b>	<b>Revocable Trust</b> permitted (Irrevocable Trust eligibility currently under review)
Eligibility Requirements	
<b>Minimum Home Equity</b>	\$300,000+
<b>Maximum Current Loan to Home Value Ratio</b>	50%
Proceeds Calculation	
<b>Current Loan to Home Value Ratio</b>	Existing mortgage debt / home value (expressed as a %)
<b>Maximum CHEIFS Equity Share</b>	50% of home value minus Current Loan to Home Value Ratio
<b>CHEIFS Proceeds %</b>	$1 \div 2.25 = 44.44\%$
<b>Proceeds to Homeowner</b>	44.44% of CHEIFS Equity Share
<b>TRANSACTION EXAMPLE A \$1,000,000 Home with a \$200,000 mortgage</b>	<ul style="list-style-type: none"> <li>\$200,000 existing mortgage = <b>20% Current Loan to Home Value Ratio</b></li> <li>50% of Home Value – 20% = <b>30% CHEIFS Equity Share</b></li> <li><math>44.44\% \times 30\% = 13.33\%</math></li> <li><math>13.33\% \times \\$1,000,000 = \mathbf{\\$133,333}</math> <b>Proceeds to Homeowner</b></li> </ul>
Property Information	
<b>Eligible States</b>	AZ, CA, CO, DC, FL, MA, MO, NH, NJ, NV, OH, OR, PA, SC, TN, UT, VT, and WI
<b>Eligible Property Types</b>	Single Family Residence, Condominiums, and PUDs
<b>Ineligible Property Types</b>	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
<b>Home Valuation</b>	<b>Home Value</b> is the fair market value of the Residence, based on an <b>Independent Appraisal(s)</b>

# How CHEIFS Work: Payoff Examples

Initial Home Value

Maximum Annualized Payoff Cost

Home Appreciation

Policy Premium

Maximum Cornerstone Home Investment %

**1.0m Home**
**12.99%**
**3%\***
**\$200K Policy Premium**
**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%
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

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