CHEIFS®

Converting home equity into financial success®

Advisor Fact Sheet

Powered by Cornerstone, an insurance and investment funding company

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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 payment is $70,000. Owner-occupied, 1-2 unit residential properties only. The equity share return becomes payable upon a settlement event and is calculated as a percentage of the home's future value, but it will not exceed an annualized cost cap percentage of 12.99% or 14.99% (depending upon program) calculated on the investment payment, compounded annually. Homeowner to pay an origination fee of up to 2.99% 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, and payments on any other mortgages. 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.

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

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CHEIFS®

General Information

Convert Home Equity to Cash For:	Investments, Life Insurance, Annuities, Long-Term Care, In Home Care, etc.

Funding Product Terms

Funding Product Description	**C**ornerstone **H**ome **E**quity **I**nsurance/**I**nvestment **F**unding **S**olutions (CHEIFS) CHEIFS is a minority fractional investment in residential real estate
Term	The earlier of voluntary repayment, sale, non-occupancy, or death
Origination Fee	1.99% 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 ÷ 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% x 30% = 13.33% 13.33% x $1,000,000 **= $133,333 Proceeds to Homeowner**

Property Information

Eligible States	AZ, CA, DC, DE, FL, ID, IN, MO, NH, NJ, NV, OH, OR, PA, SC, TN, UT, VA, VT, and WI *COMING SOON:* AL, AR, HI, IA, KS, KY, LA, MN, MT, NM, OK, WY
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

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

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.