CHEIFS®

CHEIFS® — CONVERTING HOME EQUITY INTO FINANCIAL SUCCESS®

Advisor *Fact Sheet.*

Program facts, eligibility, proceeds calculation, payoff examples, and FAQs for financial professionals.

Questions? Contact us: 855-GO-CHEIFS · Powered by Cornerstone, an insurance and investment funding company

IMPORTANT INFORMATION

Before you *begin.*

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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 primary residences and second/vacation homes, 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. The settlement payment can be more than the up-front investment payment. 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 the 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.

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GENERAL INFORMATION

The *spec sheet.*

CONVERT HOME EQUITY TO CASH FOR	Investments, life insurance, annuities, long-term care, in-home care, Roth conversions, and other planning uses — there are no restrictions on how the funds can be used

FUNDING PRODUCT TERMS

FUNDING PRODUCT DESCRIPTION	Cornerstone Home Equity Insurance/Investment Funding Solutions (CHEIFS). Cornerstone purchases a share of the home's future value, not the home.
TERM	The earlier of voluntary settlement, sale, non-occupancy, or death
ORIGINATION FEE	Up to 1.99% of the investment payment
PAYOFF COST	See Payoff Examples
MAXIMUM ANNUALIZED PAYOFF COST	12.99% or 14.99%, depending upon program
AGE REQUIREMENT	None
TRUST-OWNED RESIDENCE	Revocable trust permitted; irrevocable trust eligibility currently under review
STRUCTURE	Non-recourse; secured by the property in no lower than second lien position

ELIGIBILITY REQUIREMENTS

MINIMUM HOME VALUE	$270,000
MAXIMUM CURRENT LOAN-TO-HOME-VALUE RATIO	Up to 50% (Prime); 65% (Near Prime)
MINIMUM FICO	680 representative score; exceptions considered case by case

PROCEEDS CALCULATION

CURRENT LOAN-TO-HOME-VALUE RATIO	Existing mortgage debt ÷ home value, expressed as a percentage
MAXIMUM CHEIFS EQUITY SHARE	50% of home value (Near Prime: 65%), minus current loan-to-home-value ratio
CHEIFS PROCEEDS %	1 ÷ 2.25 = 44.44% (Near Prime: 1 ÷ 2.50 = 40.00%)
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% × 30% = 13.33%   13.33% × $1,000,000 = $133,333 proceeds to homeowner

Illustrative only. Actual amounts are subject to appraisal, underwriting, and program minimums and maximums.

PROPERTY INFORMATION

ELIGIBLE STATES	AZ, CA, DC, DE, FL, ID, IN, MO, NH, NJ, NM, NV, OH, OR, PA, SC, TN, UT, VA, VT, WI, and WY
COMING SOON	AL, AR, HI, IA, KS, KY, LA, MT, OK
ELIGIBLE PROPERTY TYPES	Single family residence, condominiums, and PUDs
INELIGIBLE PROPERTY TYPES	Manufactured homes, 3-4 unit properties, investment properties, mixed use properties except home office, commercial properties where non-residential use is the primary use, cooperative units, and other unique properties
OCCUPANCY	Owner-occupied primary residences and second/vacation homes. Second homes and homes valued over $3,000,000 may receive lower proceeds.
HOME VALUATION	Home value is the fair market value of the residence, based on an independent appraisal

PAYOFF EXAMPLES

How CHEIFS® *works over time.*

Initial home value $1.0M · Maximum annualized payoff cost 12.99% · Home appreciation 3% · Policy premium $200K · 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%
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. Illustrative only; this example reflects the 12.99% cost cap program.

FREQUENTLY ASKED

The questions advisors *ask first.*

Is title insurance required?
Yes, or another form of title verification is required.

Do CHEIFS have a prepayment penalty?
There are no prepayment penalties.

Are CHEIFS a non-recourse transaction?
Yes. There is no personal liability for payment of the homeowner's obligations under the 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 after origination?
Yes, and the homeowner receives credit for the value of documented improvements or alterations at settlement.

Is there a minimum FICO to qualify?
Yes. The minimum representative score must be at least 680; exceptions are considered case by case.

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 home value or occupancy status impact available CHEIFS proceeds?
Yes. Second homes and homes with values over $3,000,000 will be subject to lower CHEIFS proceeds.