



CORNERSTONE FINANCING ADVISOR 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

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|-------------------------------------|---|
| 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 Fees | 1% of CHEIFS Proceeds |
| Application Fees | \$995 |
| Payoff Interest Rate | See Graph (page 2) |
| Maximum Payoff Interest Rate | 12.99% |
| Age Requirement | None |
| Trust Owned Residence | Revocable Trust permitted (<i>Irrevocable Trust eligibility currently under review</i>) |

Eligibility Requirements

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|---|------------|
| Minimum Home Equity | \$300,000+ |
| Maximum Current Loan to Home Value Ratio | 50% |

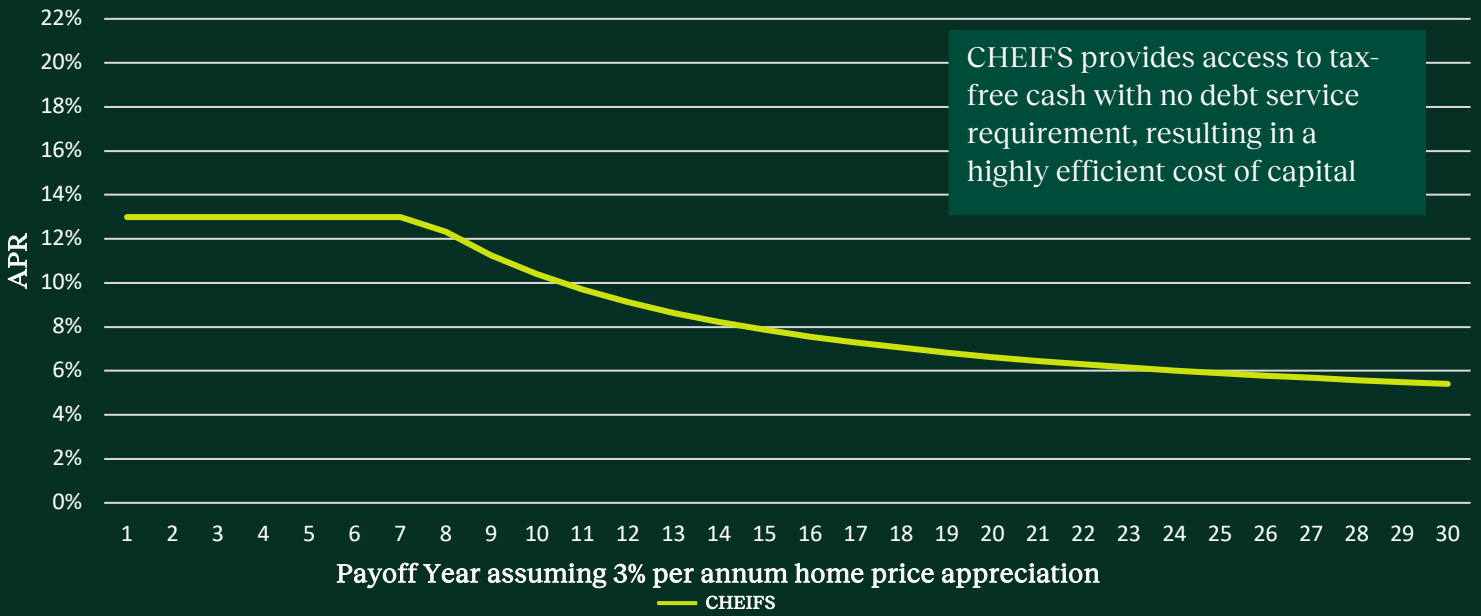
Proceeds Calculation

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| 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 |
| Proceeds to Homeowner | 50% of CHEIFS Equity Share |
| TRANSACTION EXAMPLE <i>A \$1,000,000 Home</i> 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 50% x 30% = 15% 15% x \$1,000,000 = \$150,000 Proceeds to Homeowner |

Property Information

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|----------------------------------|---|
| Current State Approvals | Arizona, Florida, Pennsylvania (Virginia & Ohio pending), more to follow |
| Eligible Property Types | Single Family Residence, Condominiums, and PUDs |
| Ineligible Property Types | <ul style="list-style-type: none"> 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) |

CHEIFS Cost of Funding



FAQs

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| Are there different CHEIFS limits for higher home values? | <p>Primary Residence Property Value ≤ \$3,000,000 = 50% Property Value ≥ \$3,000,001 - \$5,000,000 = 47.5% Property Value ≥ \$5,000,001 - \$10,000,000 = 45% Property Value ≥ \$10,000,001+ = Case by Case, as determined by Credit Committee</p> <p>Second Home Property Value ≤ \$3,000,000 = 45% Property Value ≥ \$3,000,001 - \$5,000,000 = 42.5% Property Value ≥ \$5,000,001 - \$10,000,000 = 40% Property Value ≥ \$10,000,001+ = Case by Case, as determined by Credit Committee</p> <p>The THEL calculation includes the CHEIF amount, and the maximum unpaid principal balance of all liens secured by the Property including any available but undrawn credit lines.</p> <p>If the CHEIF is originated as a Primary Residence Agreement, and the Property is later occupied as Second Home, the Total Home Encumbrance Limit will automatically be adjusted and reduced.</p> |
| 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 or alterations post-CHEIF 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 all types of senior liens allowed in front of a CHEIFS? | Yes, a CHEIFS can be done in second lien position behind a fully amortizing and interest only mortgages. |