PRIME HEI
powered by CHEIFS®

Broker Fact Sheet

Effective 11/1/2025

Terms and Eligibility

CHEIFS® Program		Prime	Near Prime
Minimum Home Value (assumes no existing liens)	Primary Secondary	$315,000 $350,000	$270,000 $295,000
Max Combined Lien-to-Value Ratio (CLTV) (Includes CHEIFS Investment Payment) Home Values up to $3MM	Primary Secondary	50% 45%	65% 60%
Home Values > $3MM and up to $5MM	Primary Secondary	47.5% 42.5%	62.5% 57.5%
Home Values > $5MM and up to $10MM	Primary Secondary	45% 40%	60% 55%
Equity Share Factor		2.25	2.50
Annualized Cost Cap (ACC) %		12.99%	14.99%
Origination Fee (POC or financed)		Greater of 2.99% of Investment Proceeds, or $2,000	
Minimum Investment Payment		$70,000	
Typical Closing Costs (POC or financed)	Appraisal (Home Value > $2MM requires second appraisal), title, flood, credit report, closing, recording fees and taxes.		
Investor-Paid Broker Compensation	100 BPS of Investment Proceeds		
Settlement/Payoff Cost	Equity Share Return not to exceed the Annualized Cost Cap. Additional charges apply. See Payoff Table on page 2 and FAQs.		

Investment Payment Calculation

Step 1	**Existing Lien-to-Value Ratio % (LTV)**	[Existing Mortgage Balance] **/** [Home Value]
Step 2	**Max Equity Share %**	[Max CLTV] **–** [Existing LTV]
Step 3	**Max Investment Payment %**	[Max Equity Share %] **/** [Equity Share Factor]
Step 4	**Max Investment Payment $**	[Max Investment Payment %] **x** [Home Value]

CHEIFS Example:
Primary Residence. $1,000,000 Home Value
$200,000 existing mortgage balance
Maximum Combined LTV = 50%
Equity Share Factor = 2.25

Step 1: $200,000 / $1,000,000 = 20% Existing LTV
Step 2: 50% - 20% = 30% Max Equity Share %
Step 3: 30% / 2.25 = 13.33% of Home Value
Step 4: 13.33% x $1,000,000 = **$133,000** Max Investment Payment

Property Information

Eligible States	AZ, CA, CO
Eligible Types	Owner-occupied, 1-2 unit dwellings. Primary or Secondary residences. SFRs, condominiums, and PUDS.
Ineligible Properties	Investment properties, mixed-use properties (home offices acceptable), commercial properties (non-residential primary use), cooperative units, and other unique properties.
Trusts	Title may be held in a revocable trust. Additional conditions apply. All trusts are subject to attorney review at homeowner's cost.

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How CHEIFS Work: Settlement/Payoff Examples

Starting Home Value	Annual Home Appreciation*	Investment Payment	Uncapped Equity Share %	Annualized Cost Cap %
$1 MM ($200K Liens)	4%	$133K	29.93%	12.99%

	Estimated Home Value*	Equity Share Return	Effective Equity Share %**	Annualized Cost %**
1	$1,040,000	$150,277	14.45%	12.99%
2	$1,081,600	$169,798	15.70%	12.99%
3	$1,124,864	$191,854	17.06%	12.99%
4	$1,169,859	$216,776	18.53%	12.99%
5	$1,216,653	$244,935	20.13%	12.99%
10	$1,480,244	$442,963	29.93%	12.79%
15	$1,800,944	$538,932	29.93%	9.78%
20	$2,191,123	$655,694	29.93%	8.30%
25	$2,665,836	$797,752	29.93%	7.43%
30	$3,243,398	$970,587	29.93%	6.85%

* Estimated annual appreciation rate for illustration only. Actual home value and appreciation rate will vary according to market conditions.
** The effective Equity Share % never exceeds the uncapped Equity Share %, and the Annualized Cost % never exceeds the Annualized Cost Cap %.

All examples are for illustration only.

FAQ's

1.	What **Settlement Events** trigger the Settlement Payment?	Settlement Events are fully described in Section 5 of the CHEIFS Agreement and include, among others, the homeowner's voluntary termination ("payoff"); sale or transfer of the property; homeowner's death, permanent move-out, bankruptcy; lease or rental of the property for more than 90 days.
2.	What is the **Settlement Payment**?	There are no monthly payments. The Settlement Payment becomes payable when a Settlement Event occurs and includes: (1) **Equity Share Return**, plus (2) Settlement Administrative Fee of $500, plus (3) the cost of appraisal, plus (4) any other amounts such as investor-paid property taxes or insurance.
3.	What are the homeowner's other obligations?	Homeowners must occupy the property, maintain the property in good condition and repair, maintain homeowners' insurance, and timely pay all property taxes, HOA dues, assessments, and senior liens, among other things.
4.	Does CHEIFS have a "prepayment penalty"?	No. Homeowners can elect a full or partial buyout of the CHEIFS at any time without penalty.
5.	What is the **Equity Share Return**?	The Equity Share Return equals the **Equity Share %** multiplied by the home value when a Settlement Event occurs, subject to the **Annualized Cost Cap**. See Section 1(F) of the Agreement.

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FAQ's

6.	What is the **Equity Share %**?	The Equity Share % is the Equity Share Return as a percentage of the home value at the time of a Settlement Event. The *uncapped* Equity Share % is stated in the Agreement, but the *effective* Equity Share % can be lower than that in earlier in the term due to the ACC. See Section 1(E) of the Agreement.
7.	What is the **Annualized Cost Cap** (or **ACC**)?	The ACC is the dollar amount cap on the Equity Share Return and equals the future value of the Investment Payment (IP) at the Annualized Cost Cap % when the Settlement Event occurs, compounded annually, and calculated as follows: IP x (1 + ACC%)^(days/365) = ACC. See Section 16 of the Agreement.
8.	What is the **Annualized Cost %** in the Settlement/Payoff Examples table?	The Annualized Cost % is the homeowner's cost of the CHEIFS based on the Equity Share Return, expressed as an annual percentage rate compounded annually capped at the Annualized Cost Cap %. **This rate does not factor in closing costs, settlement fees or other post-funding charges**.
9.	Will homeowners receive credit for making home improvements?	Homeowners can receive credit against the home value at settlement for compliant home improvements. Conversely, non-compliant improvements could result in an increase to the home value. See Agreement, Section 12.
10.	Is the homeowner personally liable for payment of the CHEIFS?	No, CHEIFS is **non-recourse.** There is no personal liability to the homeowner. The Investor looks only to the property for the Settlement Payment.
11.	Is there a minimum FICO®?	Yes, the applicant's FICO must be at least 680.
12.	Are senior liens allowed in front of the CHEIFS mortgage?	Yes, the CHEIFS mortgage can be in second lien position behind a fully amortizing or interest-only mortgage.
13.	Is title insurance required?	Yes, title insurance is required, but if the CHEIFS mortgage will be in second lien position, we may accept other forms of title verification.
14.	Who is required to sign the CHEIFS Agreement and mortgage?	All homeowners and, if applicable, their spouses or legal domestic partners must sign the Agreement, regardless of occupancy status.

CHEIFS is a home equity investment agreement (or "HEI"), not a traditional 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 in no lower than second lien priority. Minimum Investment Payment applies. 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 the Annualized Cost Cap Percentage calculated on the Investment Payment, compounded annually. Homeowner to pay an origination fee, plus appraisal, title, recording fees, recording taxes, and other closing costs. Additional fees and costs apply. Homeowner must occupy and maintain the property and remain current on property insurance, property taxes, assessments, HOA dues and fees, and any senior liens. Default under the CHEIFS agreement could result in foreclosure. Terms may vary and are subject to change. Additional conditions apply. Not available in all states. Not offered in New York state.

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.

CHEIFS may have tax and estate consequences. 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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