

11 Questions to Ask Before Signing a Home Equity Investment (HEI)

Provider Disclosure & Due Diligence Worksheet

PART 1: EMAIL TEMPLATE FOR HEI PROVIDERS

Copy and paste the email text below directly to every home equity investment company you are considering (Point, Unison, Unlock, Hometap, Nada, etc.).

Subject: Written Terms & Settlement Scenario Request – [Your Property Address]

Hello [Provider Name / Representative],

I am currently evaluating Home Equity Investment (HEI) options for my property located at [Your Property Address]. Before proceeding with an offer or appraisal, please provide written responses to the following 11 contractual and pricing questions:

- 1 Starting Value Discount.** What exact starting value dollar figure will the contract use, and what is the specific percentage discount/risk adjustment applied to my appraisal?
- 2 Investor Share & Basis.** What is your exact percentage share, and does it apply to my home's Total Final Value or strictly to Appreciation above the starting baseline?
- 3 Exit Appraisal Rights.** Who selects the appraiser at the end of the term, and what formal appeal or arbitration path do I have if I disagree with the final valuation?
- 4 Downside Loss Sharing.** At what exact percentage decline in home value do you begin sharing in market losses?
- 5 Renovation Adjustments.** What are your pre-approval, documentation, and dollar-threshold requirements for home improvement credits?
- 6 Mortgage Refinancing.** Will your company agree in writing to subordinate behind a new conventional (Fannie Mae eligible) first mortgage if I refinance later?

- 7 Partial Settlement.** Do you allow partial buyouts during the term? If so, what are the minimum payment thresholds, appraisal costs, and processing fees?
 - 8 Default Triggers.** What is the complete list of default triggers, specifically regarding primary residency requirements, title transfers to LLCs/trusts, and secondary liens?
 - 9 Term End & Grace Periods.** What enforcement actions occur immediately after term expiration, and what extension options or grace periods exist?
 - 10 Property Maintenance.** What specific minimum homeowners insurance coverage amounts and property maintenance standards are required under the agreement?
 - 11 Return Cap.** What is the exact annualized return cap percentage, and does it remain active through the full term of the agreement?
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REQUIRED SETTLEMENT SCENARIOS

In addition to answering the questions above, please provide an itemized, written settlement calculation for my requested cash amount of \$[Amount] over an estimated holding period of [X] years, under three specific scenarios:

Scenario A 0% Annual Appreciation (Home value stays flat)

Scenario B 3% Annual Appreciation

Scenario C 6% Annual Appreciation

Please include all origination fees, appraisal adjustments, calculation bases, and caps in these scenario payouts.

Thank you,

[Your Name]

[Your Phone Number]