

**BUSINESS
LITIGATION SESSION (BLS)
CIVIL ACTION
COVER SHEET**

CIVIL DOCKET NUMBER
(Court Use Only)

Massachusetts Trial Court



**Suffolk Superior Court
Business Litigation Session**

PLAINTIFF(S)

Commonwealth of Massachusetts

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DEFENDANT(S)

Hometap Equity Partners, LLC; HomeTap Management Holdings LLC

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CASE CATEGORY CODE AND CASE TYPE (SEE INSTRUCTIONS)

BLS Case Category Code: BH1 (h.2); and A99 (j.1)

Is this a jury case? YES ☐ NO ☒

Case Type: Unfair and Deceptive Practices Brought by AG under G.L. c. 93A s. 4

At the initial Rule 16 Conference, a Special Tracking Order will be created for this case.

Please provide a detailed statement of the facts and reasons why this case should be accepted into the Business Litigation Session, including the amount in controversy:

The Commonwealth alleges systematic and pervasive unfair or deceptive acts and practices in connection with a purportedly-novel financial product which operate to strip Massachusetts homeowners of home equity. The Commonwealth alleges that Hometap engaged in deceptive practices in marketing its product, the Hometap HEI. Although Hometap has publicly claimed that its Hometap HEI is a novel financial product, the Commonwealth alleges that the Hometap HEI is an unlawful mortgage loan. The Commonwealth also alleges that the Hometap HEI is unfair, oppressive, or otherwise unconscionable. The Commonwealth alleges that these practices affect over 500 distinct financial transactions between consumers and the defendants. The Commonwealth seeks preliminary and permanent injunctive relief, restitution, disgorgement, penalties, costs, attorneys' fees, and other appropriate relief pursuant to the Massachusetts Consumer Protection Act, G.L. c. 93A, §§ 2 and 4.

If applicable, please identify the case docket number, case name, and county in which there is any related case or cases pending in the Superior Court or any other court.

"I hereby certify that I have complied with the requirements of Rule 5 of the Supreme Judicial Court Uniform Rules on Dispute Resolution (SJC Rule 1:18) requiring that I provide my client(s) with information about court-connected dispute resolution services and discuss with them the advantages and disadvantages of the various dispute resolution methods."

Signature of Attorney of Record: *Matthew Lashof-Sullivan*

Date: 2/19/2025

Commonwealth of Massachusetts

Suffolk County

Superior Court
Civil Action No.

Commonwealth of Massachusetts,

Plaintiff,

v.

Hometap Equity Partners, LLC

and

HomeTap Management Holdings LLC

Defendants.

COMPLAINT

I. Introduction

1. The family home is the cornerstone of middle-class wealth in America. With its new “Home Equity Investment” (“HEI”), Hometap joins a long line of predatory financiers attempting to strip that home equity away from vulnerable consumers and into its own pockets.
2. Lured by promises of no payments or interest for ten years, hundreds of Massachusetts homeowners have taken on a risky lending product, secured by a mortgage on their family home, that amounts to a ticking time bomb. Soon, these unlawful loans will come due, and communities across the Commonwealth will face the fallout.
3. While Hometap claims to “make homeownership less stressful” with a product that has “no interest” and no income requirements, in reality, this product is vastly more expensive than any common mortgage product on the market—and when consumers cannot pay, Hometap will sell their homes.
4. The Commonwealth of Massachusetts, by and through its Attorney General, Andrea Joy

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Campbell, brings this action against Hometap for systematic and pervasive unfair or deceptive acts and practices in connection with this scheme to strip Massachusetts homeowners of their hard-earned equity.

5. The Hometap HEI devalues a homeowner's home equity by taking an equity stake in the home that is up to 2x larger than what Hometap pays for it. The homeowner must then "repurchase" this stake at full value within ten years. If the homeowner cannot make the enormous, lump-sum "repurchase" payment within the ten-year term, then at the expiration of ten years, Hometap can sell the homeowner's primary residence out from under them to collect its payment.
6. Hometap disguises the true cost of the Hometap HEI to homeowners through deceptive statements and misleading half-truths in connection with its marketing of the Hometap HEI. Hometap also deliberately markets the Hometap HEI to homeowners who are already in debt, including those with subprime and deep subprime credit scores.
7. Although styled as an "option" and characterized by Hometap as an "investment," in reality, the Hometap HEI is a loan. In particular, Hometap's product is an unlawful reverse mortgage product.
8. In a reverse mortgage, a homeowner who needs access to cash can get a specific type of mortgage that allows them to access their home equity as cash, without making any monthly payments to the lender. Over the course of time, the amount the consumer owes on the reverse mortgage increases. Eventually, at some point in the future, the consumer will need to pay back more than they borrowed, typically through the sale of the home itself. The legislature and regulators, recognizing the risks of reverse mortgages, have created various regulations to ensure that cash-strapped homeowners are not put in an untenable position,

with their loan coming due while they still live in their home. For instance, reverse mortgages are only available to individuals over the age of 62, and repayment is only triggered when the elderly homeowner eventually dies, sells the house, or moves out. The burden is on the lender to ensure that the homeowner has received robust disclosures and independent counseling regarding the mechanism and cost of the reverse mortgage.

9. The Hometap HEI functions as a reverse mortgage that lacks any of the required consumer protective characteristics. In an HEI, a homeowner who needs access to cash can get an HEI that allows them to access their home equity as a cash payment, without making any monthly payments to Hometap. Over the course of the ten-year term, the amount the homeowner owes on the HEI increases. When the HEI settles, the homeowner will need to pay back more than they received from Hometap. But because Hometap insists that its HEI product is not a reverse mortgage, it offers none of the protections of these regulated products. The Hometap HEI is available to almost anyone who has sufficient equity in their home, no matter when they purchased their home or how long they plan to stay in it.
10. Moreover, as with the “no doc” subprime mortgage loans that proliferated in the run-up to the Great Recession, Hometap’s underwriting fails to adequately ensure that homeowners will actually be able to repay the Hometap HEI. For instance, Hometap does not assess the homeowner’s employment status, income, or other assets. As a result, homeowners who cannot repay a Hometap HEI will likely lose their homes—either through foreclosure or other forced sale – creating a cascade of negative effects for their families and communities throughout the Commonwealth.
11. The Commonwealth seeks preliminary and permanent injunctive relief, restitution, disgorgement, penalties, costs, attorneys’ fees, and other appropriate relief pursuant to the

Massachusetts Consumer Protection Act, G.L. c. 93A, §§ 2 and 4.

II. Jurisdiction and Venue

12. The Attorney General is authorized to bring this action pursuant to G.L. c. 12, § 10 and G.L. c. 93A, § 4.
13. This Court has jurisdiction over the subject matter of this action pursuant to G.L. c. 12, § 10 and G.L. c. 93A, § 4 and personal jurisdiction over Defendants pursuant to G.L. c. 223A, §§ 2 and 3.
14. Venue is proper in Suffolk County pursuant to G.L. c. 93A, § 4.
15. The statute of limitations for the claims pled herein was tolled from September 14, 2022 to November 16, 2024 and again from January 13, 2025 to the date of filing by agreement of the parties, and was also tolled from March 17, 2020 to June 30, 2020 by order of the Supreme Judicial Court. *See Shaw's Supermarkets, Inc. v. Melendez*, 488 Mass. 338, 342 (2021).

III. Parties

16. The Plaintiff is the Commonwealth of Massachusetts, represented by Attorney General Andrea Campbell, who brings this action in the public interest.
17. Defendant Hometap Equity Partners, LLC is a Delaware Limited Liability Company headquartered in Boston, Massachusetts. Hometap Equity Partners, LLC is the primary operating entity, employs Hometap's employees, and negotiates and facilitates its real estate transactions. Hometap Equity Partners, LLC controls subsidiaries which are the contractual counterparties in transactions entered into by Hometap.
18. Defendant HomeTap Management Holdings LLC is a Delaware Limited Liability Company headquartered in Boston. HomeTap Management Holdings LLC is the ultimate parent company and holds units of membership interests in Hometap Equity Partners, LLC. HomeTap Management Holdings LLC controls Hometap Equity Partners, LLC and acted in

concert with it at all relevant times and in all acts alleged in this complaint. Collectively, the Defendants are referred to herein as “Hometap.”

IV. Background and Regulatory Landscape

19. For most homeowners, a home is not only a critical space of shelter and safety, but also the family’s single largest asset and the most common tool for passing wealth from one generation to the next.
20. In recognition of the unique importance of the family home in American life, residential mortgage products are governed by robust state and federal regulations intended to protect homeowners from home loss, predatory home equity-stripping practices, and other harms.
21. Of particular relevance here are two classes of products, reverse mortgages and the “high cost” or “no doc” subprime mortgage loans that proliferated in the run-up to the Great Recession, both of which are now subject to extensive legal restrictions due to the extraordinary risks they pose to homeowners.
22. The Hometap HEI is simply a new incarnation of these same old products. But Hometap ignores the extensive regulations intended to protect consumers from dangerous mortgage products.
23. To the extent that the Hometap HEI is novel, that novelty lies only in the extensive lengths Hometap has gone to obfuscate the true nature of its product and thus mask its willful noncompliance with the law.

A. Risks and Regulation of Reverse Mortgages

24. In the 1980s and early 1990s, a new type of mortgage loan, the “reverse” mortgage, began to proliferate.

25. A reverse mortgage is

- a. a non-recourse loan
- b. secured by real property that
- c. provides one or more cash advances to a borrower
- d. based on the equity or future appreciation in value in a borrower's owner-occupied principal residence
- e. and requires no payment of principal or interest until the entire loan becomes due and payable.

26. The reverse mortgage, unlike the traditional or forward mortgage, is typically marketed to so-called "house rich, cash poor" homeowners with substantial home equity but insufficient income or other assets to cover expenses.¹ Early publications about reverse mortgages referred to them as "Tapping Equity For Retirement Income" and as a way to "Turn Equity into Cash."²

27. With a reverse mortgage, the lender pays cash to the homeowner in exchange for an interest in the equity the homeowner has built up in the home. The borrower makes no monthly payments to the lender and does not need to have any income to repay the loan because, at least for underwriting purposes, the lender anticipates repayment through the voluntary or involuntary sale of the home.³ In contrast, a forward mortgage is generally repaid from the borrower's income, and the property is collateral only to cover the risk of default.

28. In a traditional mortgage, the amount of equity in the home rises over time as the principal is paid down, resulting in a rising equity, falling debt mortgage. Because of the lack of periodic payments, in a reverse mortgage, the amount of debt owed against the property increases

¹ See Richard H. Rowland, Department of Elder Affairs, *House Rich But Cash Poor: An Informational Packet on Home Equity Conversion* (1983); Ken Scholen, *Retirement Income on the House: Cashing In On Your Home With a "Reverse" Mortgage* (1992), at 9.

² See Scholen, *supra* n.1, at 9 (collecting headlines).

³ See Rowland, *supra* n.1, at 4 (describing reverse mortgages as requiring no payments during loan term, which "may be a fixed number of years, usually five to ten"); Scholen, *supra* n.1, at 30 ("A reverse mortgage is a loan against your *home* that gives you *cash*, and requires *no monthly payments*") (emphasis original).

over the life of the loan. This is also referred to as negative amortization, and can be described as a falling equity, rising debt mortgage.

29. Some reverse mortgages also have an explicit "shared appreciation" rider or other feature where the size of the final payment to the lender is tied to the value of the home at the time payment is due. Even where no explicit shared appreciation clause or rider appears, reverse mortgages effectively share in home price appreciation anytime the negatively-amortizing loan balance exceeds the original home value at the time of origination.
30. Reverse mortgages are almost always made on a non-recourse basis, meaning that the lender cannot recover any deficiency from the homeowner if the loan balance exceeds the value of the property. Lenders manage this risk by limiting the size of the loans they make, limiting the duration of the loans, and/or by pooling actuarial risk among borrowers.
31. Due to the substantial risks posed by reverse mortgages, they are now subject to stringent requirements. For example, early reverse mortgages were often due and payable after a fixed term, including some reverse mortgages due at the expiration of just five to ten years, which would mean that homeowners could be forced out of their homes prematurely. Today, following the regulation of these products, the only reverse mortgages currently permitted in Massachusetts are those that mature and become due only when the property is sold or when the borrower moves out, defaults, or dies. This guarantees an elderly homeowner the right to live in their home until their death or until they choose to move out.
32. Federally-insured reverse mortgages (known as home equity conversion mortgages or

“HECMs”), which make up 90% of all reverse mortgages,⁴ include further substantive protections such as limits on the amount a homeowner can be charged for origination fees and closing costs – in addition to the critical protection against being prematurely forced out of one’s home.

33. Additionally, in recognition of the risks to homeowners of misleading advertising and to ensure that homeowners understand these complex financial transactions, state and federal laws now impose various procedural protections. For instance, eligibility for reverse mortgage loans in Massachusetts is limited to owner-occupiers over the age of 60 who must receive independent counseling regarding the risks of reverse mortgage loans. Homeowners also must be afforded a seven (7) day “cooling off period” to rescind the reverse mortgage loan after entering the contract.

34. In Massachusetts, reverse mortgages are governed by An Act Relative to Reverse Mortgage Loans (“the Reverse Mortgage Act”), Chapter 604 of the Acts of 1989. Section 3 of the Reverse Mortgage Act, codified at G.L. c. 183, § 67, prohibits all reverse mortgages other than a narrow category of regulated products allowed under section 1. Section 1, originally codified at G.L. c. 167E § 2, and since moved to G.L. c. 167E, §§ 7 & 7A, sets forth (1) the types of reverse mortgages permitted in the Commonwealth, (2) the manner in which such reverse mortgages can be offered, and (3) licensing and approval requirements for reverse mortgage programs.

35. The careful regulation of lawful reverse mortgages and prohibition of any other reverse

⁴ See Chatterjee, S. (2016). Reverse mortgage participation in the United States: Evidence from a national study. *Int’l Journal of Fin. Studies*, 4(1), 1–10. <https://doi.org/10.3390/ijfs4010005> (“HECM reverse mortgage loans account for more than 90% of all reverse mortgage loans originating in the American markets.”)

mortgages limit the risks to consumers and prevent the sale of unsuitable products to homeowners. Specifically, certain reverse mortgage products that have been carefully vetted to reduce risks are available only to elderly consumers who, after receipt of independent counseling, have determined that notwithstanding the costs and risks, the product is appropriate for their circumstances.

B. Subprime Lending in the Mortgage Market

36. In the late 1990s to early 2000s, subprime lending in the mortgage market began rapidly expanding, particularly by entities outside the traditional banking sector. New mortgage products were marketed nationwide, to all income levels, but targeted individuals with limited access to the mainstream financial sector.
37. This lending was frequently done by nonbank entities or subsidiaries to allow high-risk and frequently predatory conduct to proceed absent meaningful regulatory oversight.
38. As these operations expanded, lenders began offering mortgage loans underwritten primarily against the value of the home, without regard for a borrower's documented ability to repay the loan. These loans were referred to as "low-doc," "no-doc," and even "ninja" (no income, no job, no assets) loans, because they required little or no documentation of a borrower's income, job, and/or assets.
39. Around 2005, certain lenders touted no-documentation loans as a means to offer faster underwriting with less paperwork. These lenders often sold the resulting mortgage loans onto the secondary mortgage market, thus retaining the loan origination fees while offloading the risks of these loans onto other financial institutions.
40. Subprime lenders and brokers also engaged in a practice of "loan-flipping," or repeated refinancing of borrowers' loans in a short time, to generate additional fees. This practice would gradually strip away a consumer's home equity, often until little or nothing remained.

41. Some of these “no-doc” loans also included other risky features such as negative amortization, interest-only periods, “exploding” adjustable-rate features where the fully indexed interest rate was much higher than the initial “teaser” rate, or “balloon payments,” in which the majority of the principal comes due in a single payment at the end.
42. Many lenders used the artificially low initial cost of the loan to qualify borrowers, without regard to their ability to make the one-time payment at the expiration of the loan’s term.
43. This combination of payment shock (which often occurred when the “teaser rate” jumped to the fully indexed rate or when a “balloon payment” became due) and the lax underwriting that de-emphasized a borrower’s ability to repay, led to a predictable and disastrous result both in Massachusetts and nationwide: millions of homeowners were unable to pay their mortgages and, in many instances, lost their homes.
44. Ultimately, the subprime crisis led to a wave of foreclosures across the Commonwealth and the country, resulting in immense and foreseeable harm to borrowers, as well as a catastrophic recession.
45. In response to these practices, the Commonwealth took legislative, regulatory and enforcement actions. The federal government and the governments of other states did the same.
46. Remedial legislation included An Act Prohibiting Certain Practices in Home Mortgage Lending, 2004 Mass. Acts 268 (limiting high cost home mortgage loans), An Act Protecting and Preserving Home Ownership, 2007 Mass. Acts 206 (providing for licensure of mortgage originators, limiting adjustable-rate subprime loans, and providing borrowers a right to cure defaults) and An Act Preventing Unlawful and Unnecessary Foreclosures, 2012 Mass. Acts 194 (establishing right to pursue modifications of certain mortgage loans).

47. The Massachusetts Office of the Attorney General promulgated 940 CMR 8.00 et seq., effective April 4, 2008, which were intended to ensure that the mortgage industry would operate fairly and honestly by means of legitimate and responsible business acts and practices that are neither unfair nor deceptive. This included restrictions on bait advertising, on mortgages with unconscionably high interest rates, and on lending that disregards homeowners' ability to repay through income or other assets.
48. These legislative, regulatory, and enforcement actions were intended to prevent and deter misconduct in the mortgage industry and prevent another foreclosure crisis in the Commonwealth.
49. As discussed below in Section V, the Hometap HEI is riskier, underwritten with less diligence, and vastly more expensive to consumers than these pre-recession subprime mortgage loans.

V. Hometap's Conduct in Massachusetts

A. Hometap's Product: The "Home Equity Investment"

50. Hometap was founded in 2018, and has since expanded its presence in numerous states. In late 2018, Hometap began originating, advertising, and marketing a product in Massachusetts that it calls a "Home Equity Investment," or an "HEI."
51. From late 2018 to the present, Hometap has entered into 563 Hometap HEIs with Massachusetts homeowners.
52. While the precise terms of the Hometap HEI have varied somewhat over time, all Hometap HEIs have the same four core features:
- a. **Fast Cash:** The Hometap HEI provides upfront cash to homeowners with no documentation or underwriting of income, job, or assets other than the home itself. Hometap refers to this cash as the "Investment Amount."

- b. **Equity Devaluation:** In exchange for the Investment Amount, Hometap acquires an interest in a percentage of the homeowner's home equity that exceeds the percentage of home value paid to the homeowner by up to 2x.
 - c. **Hometap Cap:** Hometap purports to cap its return at a 20% compound annual interest rate even if Hometap's Equity Devaluation would have otherwise led to a higher payout. Hometap HEIs that are paid off earlier in the ten-year term are likely to settle at this Hometap Cap. As described further below, in reality, Hometap's "capped" return routinely exceeds 20% annual interest.
 - d. **Ten-Year Balloon:** The homeowner is not required to make any payments to Hometap for ten years. At the end of the ten-year period, the homeowner must make a single, very large payment to Hometap.
53. Hometap employs form contracts in all transactions with homeowners. A template of one version of a Hometap HEI contract used in Massachusetts and the documents securing it is attached as Exhibit A.
54. The Hometap HEI contracts contain the header: "Option Purchase Agreement." As described by Hometap in the contract, the homeowner grants Hometap an option in exchange for the "Investment Amount" paid to the homeowner. Under the contract, Hometap's option entitles it to payment of a percentage of the home's value at the end of its ten-year term, or on certain other events (for example, if the homeowner were to "default" by failing to pay property taxes or home insurance). Hometap's right to its payment is secured by a mortgage on the home, which permits non-judicial foreclosure.
55. Hometap's Investment Amount is a cash payment to the homeowner, less certain fees and costs. While some of these fees and costs are paid to third parties, Hometap retains others,

including a 3% “Hometap Fee.” Thus, for example, if Hometap offered a \$100,000 “Investment Amount” to a homeowner, the consumer would actually receive less than \$97,000.

56. Even some of the so-called “third-party costs,” such as appraisal fees and recording fees, are actually retained by Hometap, because Hometap charges the homeowner more for appraisals than the amount it pays to third parties for these services.

57. Under the terms of the HEI, in exchange for this “Investment Amount” Hometap will receive a payment from the homeowner equal to a percentage of the value of the home at the time of repayment (called the “Hometap Percentage”). Critically, at the time of origination, the value of the Hometap Percentage is far higher than the sum that Hometap pays the homeowner. The devaluation of homeowners’ equity is a core feature of every iteration of the Hometap HEI. Hometap effectively gives itself a buy-one-get-one-free deal on its customers’ home equity by paying homeowners just half the value of the equity it takes.

58. Hometap calculates the Hometap Percentage based on the full “Investment Amount,” prior to deducting fees and costs, which further devalues homeowners’ equity. Under the current version of the Hometap HEI, Hometap gets 2x the amount of homeowners’ equity than it pays for, devaluing homeowners’ equity by 50%.⁵ Thus, the example payment of less than \$97,000 referenced above would purchase home equity with a present value of \$200,000. When one factors in home value appreciation over the ten-year term of the HEI, Hometap’s equity share is often worth substantially more.

59. Under the Hometap HEI contract, repayment (which Hometap refers to as “settlement” in its

⁵ Earlier HEIs featured an Equity Devaluation of 1.67x or 1.78x, effectively allowing Hometap to pay 40% or 43.75% less than market value for a homeowner’s home equity.

formal external communications) must occur within ten years, or earlier upon transfer of title to the property, or certain other triggering events (such as a default in mortgage payments, property taxes, etc.).

60. Whenever the Hometap HEI settles, Hometap's return is primarily driven by Equity Devaluation, not by appreciation in home value. In other words, because Hometap pays half-price for homeowners' equity, the homeowner must pay back Hometap twice what they received even *before* factoring in any appreciation in home values. Thus, it is Hometap's devaluation of homeowners' home equity rather than home value appreciation that is truly responsible for Hometap's profit, at the expense of homeowners.
61. The Hometap HEI also has a core feature called the "Hometap Cap," whereby the payment to Hometap is limited because the value of Hometap's equity is so much higher than the Investment Amount during the early years of the Hometap HEI's ten-year term. Hometap explains the Hometap Cap as a 20% limit on its annual rate of return "so that you the homeowner reap the benefits of your home's appreciation."
62. Of those Massachusetts HEIs that have already settled, the vast majority have settled at the Hometap Cap.
63. Because the Hometap Cap functions as a compounding interest rate, and because of the portion of the Investment Amount that Hometap itself retains through the Hometap Fee and other costs, Hometap HEIs that settle at the Hometap Cap uniformly exceed a 20% simple interest rate on the amount advanced to the homeowner. Thus, for example, the payment to the homeowner of less than \$97,000 referenced above would be subject to a 20% limit on Hometap's annual rate of return at the end of year 1, calculated on the full value of the Investment Amount (\$100,000) rather than the amount actually received by the homeowner.

If this Hometap HEI settled at the end of year 1, the Hometap Cap would be \$120,000, which amounts to an annual simple rate of interest of 24%. Moreover, because the Hometap Cap is compounding, at the end of year 2, the Hometap Cap would be \$144,000 (instead of \$140,000), and at the end of year 3, the cap would be \$172,800 (instead of \$160,000), which would be equivalent to an annual simple rate of interest of 24.26% on the \$100,000 Investment Amount and 26.05% on the \$97,000 actually disbursed to the homeowner.

64. If the property's value declines or (in some versions of the contract) the Hometap HEI settles within a shorter period of time, then the Hometap Percentage is reduced somewhat. However, even under this "downshare percentage" scenario, Hometap still devalues homeowners' equity. At present, the downshare percentage equates to a devaluation of 33% rather than 50%. Both because the Hometap Cap generally limits the payment for HEIs that settle quickly and because multi-year declines in property values are very uncommon, this feature has only reduced the payment to Hometap in a very small number of instances.
65. Critically, even if the homeowner's property declines in value and the downshare percentage applies, Hometap has ensured that it will still be repaid the "Investment Amount," plus a handsome profit. Indeed, Hometap's own internal documents state that the "average home would need a realized decline of 25%" before Hometap would lose its "first dollar of principal." Hometap's "heads I win, tails you lose" proposition means that almost regardless of what happens to property values, homeowners will pay back vastly more than they receive from Hometap, whose principal is never meaningfully at risk.
66. Due to Equity Devaluation, the Hometap Fee, the third-party costs, the inflated appraisal fees, and the de facto compounding of interest in calculating the Hometap Cap, Hometap routinely receives, directly or indirectly, interest and expenses the aggregate of which exceed

the criminal usury statute's limit of simple interest of twenty percent per annum.

67. The chart below reflects the anticipated repayment and the effective simple interest rate that a homeowner would owe based on a \$100,000 Investment Amount using the current version of the HEI and various assumptions about the change in home values:⁶

	MA Last 5 to 10 Years	MA Historical Average	Worst Market in MA History
Payment to homeowner	\$96,701	\$96,701	\$96,701
Settlement at year 5	\$273,325 <i>HT Cap:</i> \$248,832	\$242,934	\$125,487
Effective 5-year annual interest rate	36.5% <i>HT Cap:</i> 31.5%	30.2%	6.0%
Settlement at Year 10	\$388,958	\$373,375	\$140,747
Effective 10-year annual interest rate	30.2%	28.6%	4.6%

68. To put these figures in context, as of February 13, 2025, the prevailing interest rate on a 15-year mortgage is approximately 6.09%.⁷ Shorter-term mortgages generally tend to have lower rates than longer-term mortgages.

69. The first column above reflects what a homeowner would repay based on the past five to ten years of home price appreciation in Massachusetts. The second column reflects a Massachusetts historical average rate of appreciation in home values. In both scenarios, the

⁶ All values based on the FHFA All-Transactions House Price Index for Massachusetts. Historical average is calculated from Q1 1975 to the latest data available (Q3 2024). Worst in Massachusetts History is based on the 5-year period of Q1 2006 to Q1 2011, and 10-year period of Q4 2005 to Q4 2015. Payment to homeowner represents the Investment Amount of \$100,000, minus the 3% Hometap Fee and appraisal fee (which varied but was always at least \$299).

⁷ Based on the Freddie Mac Primary Mortgage Market Survey as of February 13, 2025, <https://www.freddiemac.com/pmms>.

required payment to Hometap would substantially exceed Massachusetts' 20% usury limit.

Indeed, of the 138 Hometap HEIs that "settled" as of April 2024, either due to the homeowner repaying the Hometap HEI to cut their losses, or due to a transfer of the property, Hometap collected interest and expenses the aggregate of which exceeded 20% per annum in 130 of those instances.

70. Equity Devaluation costs homeowners so much that even assuming that the Hometap HEI had been taken at the peak of the housing market before the Great Recession and the value of the home tracked the collapsing market (the scenario represented by the third column), Hometap still would have made money. In other words, Hometap is not truly "investing alongside" the homeowner. Its principal is not meaningfully at risk.

71. In fact, of the Hometap HEIs that have settled in Massachusetts as of April 2024, Hometap has *never once* lost money.

B. Hometap Conceals the Costs and Fees of the Hometap HEI and Misrepresents it as a Better Alternative to Existing Financial Products

1) Hometap Obscures Equity Devaluation —The Hometap HEI's Primary Cost to Homeowners

72. Hometap engages in advertising and marketing online to generate initial interest in its product by directing homeowners to its website via paid advertising. Whether homeowners reach the website through an advertisement or via a search engine, their first encounter with Hometap's product is generally by reading the materials on Hometap's website.


73. On its website, Hometap has asserted that homeowners who use its product will owe no interest.

74. Hometap claimed on its website at least until the spring of 2024 that it would "invest[] alongside homeowners" and would do so "without any . . . interest over the life of the investment."

75. As a result, Hometap leads some homeowners to believe, falsely, that home price appreciation drives Hometap's returns. By contrast, Hometap markets to its investors that its product has a "low" reliance on home price appreciation. Hometap's investor materials tout the HEI as a product that provides "downside protection, even during times of declining home values," and notes that its "exposure is limited by ensuring an adequate cushion in each property investment to minimize potential losses." This "cushion" is in fact the Equity Devaluation that Hometap applies when purchasing a homeowner's equity in order to insulate itself and its investors at homeowners' expense from any actual risk of loss.

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76. Below is an image from a page on Hometap's website which purports to compare the Hometap HEI's cost with those of a conventional home equity loan:

		Home Equity Loan
Investment/loan amount	\$100,000	\$100,000
Term/effective period	10 years	10 years
Loan	No	Yes
Interest rate type	None	Fixed or variable
Average interest rate	No interest	7.74%
Monthly payment	None	\$1,165
Costs & fees	3% of investment + signing costs	3-5% of the loan amount
Due at settlement, sale, or refinancing	15-20% of home value Dependent on appraised home value at settlement and investment duration	Outstanding principal
View Pricing Details		
<small>*Example based on home value of \$1 million **Loan interest levels and payments are based on a credit score of 730. Rates sourced from 2022 Bankrate.com data</small>		

77. In presenting this cost comparison on its website, Hometap intentionally obscures the fact that it has devalued homeowners' equity by up to 50%, getting twice the equity it paid for and obscuring the true cost of the Hometap HEI.

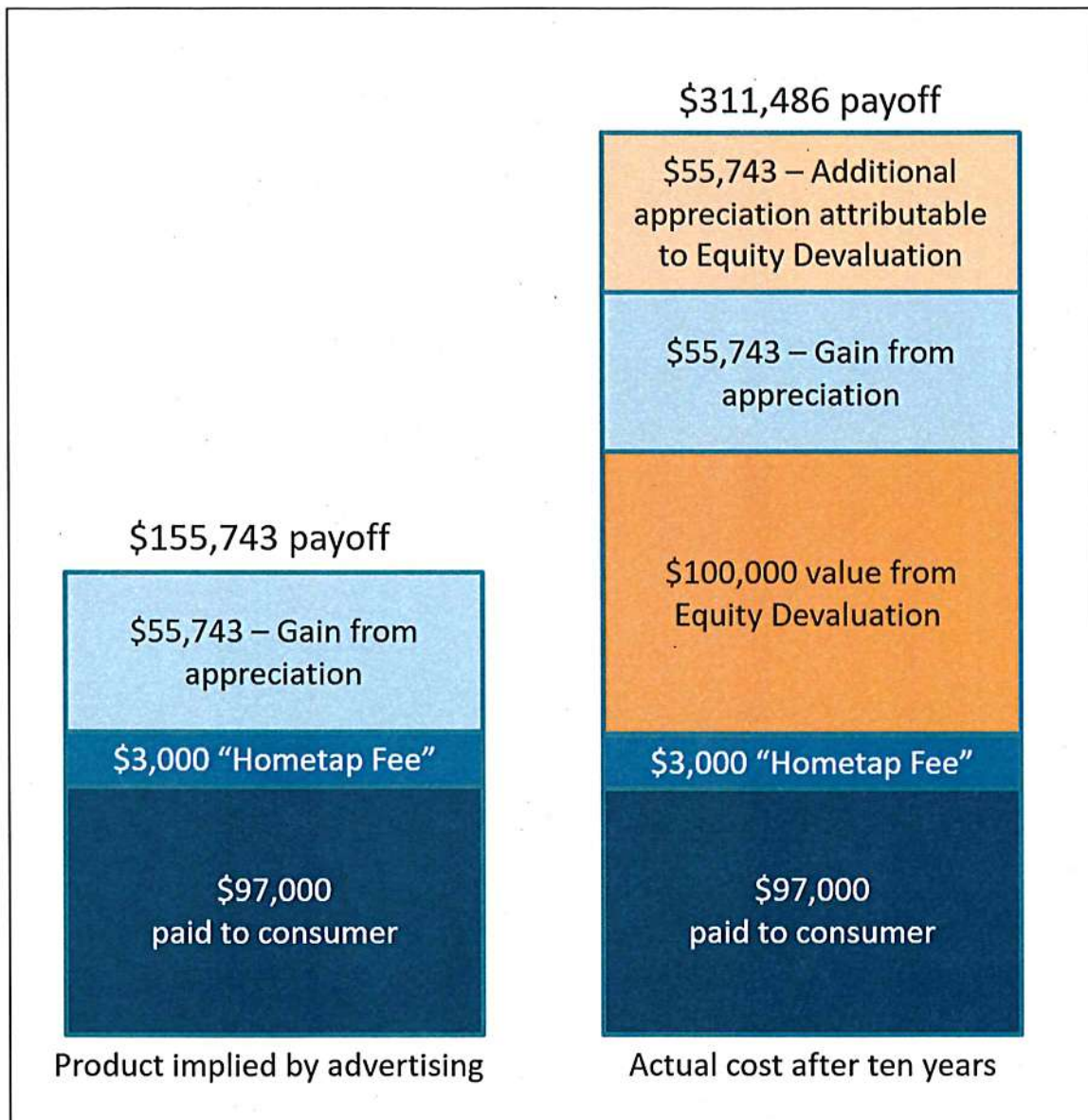
78. For example, by combining the statement "no interest" under "average interest rate" with the

percentages listed under “Due at settlement, sale, or refinancing,” Hometap falsely implies that the repayment amount consists of the original investment percentage plus the disclosed 3% fee and signing costs, thereby implying that Hometap’s “investment” represents a dollar-for-dollar payment for the fair value of the stake Hometap acquires. The website graphic suggests that if Hometap pays a homeowner \$100,000 (minus the 3% fee and signing costs), the homeowner has only sold rights to \$100,000 worth of home equity. This is not true.

79. In the bottom of the page, in miniscule font, is an asterisk with the statement: “Example based on home value of \$1 million.” A homeowner would have to not only spot the small print at the bottom of the graphic, but also must realize that they need to divide the \$1 million home value by the \$100,000 “Investment Amount,” and then compare the result (10%) to the home value due at settlement, sale, or refinancing (15-20%). Hometap’s graphic therefore misleads consumers into thinking that the \$100,000 “Investment Amount” is equal to 15-20% of the home value, when in reality, it is only equal to 10%. In this way, Hometap misleads consumers into believing that the lines titled “interest rate” and “costs and fees,” reflect the primary cost of the Hometap HEI, when it is actually driven by Hometap’s carefully hidden Equity Devaluation.

80. This is only one example. Hometap pervasively obscures the Equity Devaluation feature of the Hometap HEI throughout its marketing materials.

81. The Hometap HEI's actual cost—i.e. the additional interest and expenses paid to Hometap at repayment over and above the principal—is driven primarily by the devaluing of homeowners' equity and is substantially higher than what a homeowner would pay had they selected any mainstream mortgage product, with effective interest rates routinely exceeding 20%, as shown in the below chart.



AGO Graphic Showing Difference Between Advertised and Actual Cost of Example Hometap HEI, assuming annual home price appreciation at historical average levels

82. The column on the left of the chart reflects what a consumer would understand their

repayment obligation to be based on Hometap's marketing. The column on the right of the chart includes the actual HEI terms, including the devalued equity, through which Hometap pays the homeowner only half of the value of the equity interest it purchases. The homeowner's total repayment is \$311,486, which works out to a usurious per annum interest rate of over 22%.

83. After enticing homeowners through promises of no interest, Hometap invites homeowners to submit inquiries if they are interested in a Hometap HEI. When a homeowner does, a Hometap "Investment Manager" contacts them by phone. The Investment Manager is a sales representative, whose role is to convert the sales lead into a Hometap HEI contract.
84. During these phone calls, Investment Managers explain the product to homeowners, largely through the use of scripts provided by Hometap. For some homeowners, Investment Managers continued to obscure the devaluation of homeowners' equity during these calls.
85. In several instances, Investment Managers falsely or misleadingly told homeowners that Hometap would "share in the loss" if a property were to depreciate. In fact, although Hometap would sometimes have a lower profit margin if a property depreciated, because of the substantial devaluation of the equity it purchases, Hometap would virtually never actually suffer a "loss."
86. Hometap trains its Investment Managers to use selective and misleading language to convince homeowners that they can be trusted to offer neutral advice. For example, Investment Managers are trained to describe themselves as a "guide," to seek information on the totality of the homeowner's picture, and to present as "experts in anything home finance related." The Investment Managers state that they will help "determine if [a Hometap HEI] is

a good fit for you.” At least one⁸ Investment Manager misrepresented their role to the homeowner, explicitly and falsely stating that the Investment Manager’s job was not to convince the homeowner one way or the other about whether to take out a Hometap HEI. In fact, Investment Managers were employed specifically to sell Hometap HEIs.

87. After receiving information about alternatives that homeowners have considered, their financial status, and their goals for the money, Hometap’s Investment Managers are directed to say, “Great! Based off that, I think you definitely came to the right place,” in virtually every circumstance, regardless of what information the homeowner provided.
88. Despite Investment Managers’ claims to be a “guide” who will “determine if this is a good fit for you,” Hometap specifically directs the Investment Managers to avoid telling homeowners that they might be eligible for other, less costly products or to disclose that the Hometap HEI might make qualifying for a future refinance more difficult or impossible. By transferring substantial equity to Hometap via the Hometap HEI, the homeowner increases the amount they would need to borrow while reducing the amount of equity they own in their home, potentially below minimum eligibility requirements.
89. Hometap specifically instructs its Investment Managers to tell homeowners that the product is an investment, not a loan, and prohibits them from disclosing the actual cost of the Hometap HEI in a way that is easy for a homeowner to compare to their other options, for example by providing an Annual Percentage Rate (APR) or effective interest rate for the product based on settlement scenarios. In some instances, Investment Managers falsely told homeowners that the cost of a Hometap HEI was comparable to the cost of a debt product,

⁸ This allegation is based on a review of a small sample of recorded phone calls and is likely not the only instance of this occurring.

such as a home equity loan.

90. Hometap does not disclose the APR or effective interest rate of the Hometap HEI to consumers at any point in the origination process in any manner. It instead directs its Investment Managers to discuss costs through use of a “scenario planner” tool. While this tool displays total dollar costs to consumers based on various settlement assumptions, it does not include an APR or effective annual interest rate to allow homeowners to compare the costs of the Hometap HEI to competing products.
91. Hometap’s Investment managers were prohibited from telling consumers the APR or effective APR, even when asked directly. Instead, Hometap directed its Investment Managers to state, falsely, that it was not possible to calculate an APR because the Hometap HEI was not a loan.
92. When discussing the Hometap Cap, Hometap’s Investment Managers use descriptions that make comparisons with other products unnecessarily difficult. For example, the Investment Managers describe the cap as 10% of the advance if the Hometap HEI settles in six months or 5% of the amount advanced if the Hometap HEI settles in three months. In using periods shorter than a year, Hometap avoids describing the Hometap Cap in a way that is easily comparable to an APR or interest rate.
93. The representations in Hometap’s Marketing and made by its Investment Managers had, on net, a tendency to obscure the true cost of the Hometap HEI and the reality that the Hometap HEI is dramatically more costly to homeowners than other mainstream mortgage products or than Hometap’s marketing materials and sales scripts communicated.
94. Hometap’s Marketing prevented Homeowners from understanding the Equity Devaluation feature, or the fact that the Equity Devaluation was the primary cost of the Hometap HEI.

95. Even if the true costs of the Hometap HEI were later disclosed to some homeowners in phone calls or contract documents, Hometap's Marketing had the tendency to deceive homeowners by creating the impression that the cost of the Hometap HEI was primarily the 3% Hometap Fee, and that any further profits to Hometap would be caused by home price appreciation.
96. These deceptive marketing and sales communications had a tendency to deceive homeowners at a phase when they were determining whether to engage with Hometap or to engage with one of Hometap's less costly competitors.
97. Many Hometap customers were surprised to learn, after executing documents, that the Hometap HEI would be more expensive than they anticipated. *See, e.g.*, Affidavit of Matthew Zuschlag ("Zuschlag Aff.") at ¶¶ 4-5, 10, attached hereto as Exhibit B; Affidavit of Stephen Harvey ("Harvey Aff. ") at ¶ 9, attached hereto as Exhibit C; Affidavit of Susan Ellis ("Ellis Aff.") at ¶ 6, attached hereto as Exhibit D; Affidavit of Asa Vought ("Vought Aff.") at ¶ 18, attached hereto as Exhibit E.

2) Hometap Deceives Homeowners About the Costs of Double Tapping

98. In addition to deceiving homeowners at the outset of the transaction, once a homeowner entered into a Hometap HEI, Hometap, in numerous instances, further deceived homeowners concerning "double tapping."
99. A double tap was marketed to existing Hometap customers as a way for them to access additional home equity to obtain more cash.
100. In a "double tap", the homeowner pays off their old Hometap HEI with a new, larger Hometap HEI and obtains additional cash on top.
101. When a homeowner pays off an old Hometap HEI with a new one, Hometap charges the homeowner additional duplicative fees which they had already charged for the initial HEI, namely: the Hometap Fee, and additional appraisal, title, recording, and assignment fees.

While the Hometap Fee is prorated to the difference between the new "Investment Amount" and the original "Investment Amount," the homeowner is still charged a Hometap Fee for the portion of the new Hometap HEI that pays off Hometap's (usurious) return on the old Hometap HEI. The homeowner also pays repeated appraisal fees and closing costs.

102. For example, one homeowner entered into a Hometap HEI for \$227,950 (after Hometap Fee). Less than a year later, she entered into a second Hometap HEI, for which Hometap advanced her a net additional amount of approximately \$29,000. For the additional \$29,000 advanced, Hometap charged (and the homeowner paid) nearly \$4,000 in fees on top of Hometap's 23.9% effective interest rate from the prior Hometap HEI. Hometap then applied its Equity Devaluation again. As a result, Hometap then owned a right to 50% of the value of an approximately \$1 million home, having advanced the homeowner only approximately \$257,000 after fees.

103. Another homeowner entered into a Hometap HEI for \$56,865 after fees and costs, for which Hometap took a right to 27.4% of her property value. Approximately 18 months later, she entered into a second Hometap HEI, receiving another approximately \$16,000. In between the time of the first Hometap HEI and the second, Hometap changed its contract structure to increase the Equity Devaluation to 2x instead of 1.67x, taking even more home equity from the consumer without paying for it. Between the new, larger devaluation of homeowners' equity, the usurious return on the original Hometap HEI, and the additional fees incurred, Hometap ultimately owns 50% of this homeowner's property value, even though it only paid a total of less than 20% of the value.

104. Hometap initially referred to this practice as a "double tap." In October 2021, however, Hometap directed its sales personnel to stop referring to this practice as a "double tap" and,

instead, to refer to it as an “investment increase.”

105. The term “investment increase” is deceptive because it falsely implies that it is only an “increase” (i.e., not a new Hometap HEI) and thus homeowners do not have to pay all the costs and fees of a new Hometap HEI.

106. Hometap markets the “double tap” or “investment increase,” to existing customers, without always disclosing that they will charge (and capitalize) another round of fees to the homeowner.

107. Of the 138 instances of Hometap HEI “settlement” in Massachusetts as of April 2024, approximately 30 in fact represent a homeowner using another, larger Hometap HEI to pay off their original Hometap HEI, taking out additional cash in the process.

108. In entering into these “double tap” arrangements with homeowners, Hometap extracts additional equity from homeowners through Equity Devaluation, as well as additional fees, on top of those already assessed.

3) Hometap Misrepresents Third-Party Costs to Retain Additional Profit

109. At closing, Hometap charges homeowners an appraisal fee, either a \$299 fee for a “virtual appraisal,” or a \$599 fee for a “traditional appraisal.”

110. Hometap refers to this fee as “third party costs,” which has a tendency to deceive homeowners to believe that this is a fee paid in full to a third-party appraiser.

111. In most cases, Hometap performs a virtual appraisal, for which it charges the homeowner \$299. The virtual appraisal is based on two main inputs: (1) a combination of third-party Automated Valuation Models (AVMs), which on information and belief Hometap purchases for a total of less than \$50; and (2) a property condition assessment, for which Hometap generally pays approximately \$65. Hometap thus retains for itself over half of the \$299 in so-called “third party costs.”

112. Hometap also retains a portion of the \$599 it charges for traditional, physical appraisals.

113. Hometap thus unfairly inflates the costs of these appraisals and misrepresents the nature and purpose of the appraisal fees.

4) Hometap Deceptively Profits From Differences in Appraisal Methods

114. While Hometap encourages homeowners to use its “virtual” appraisal when they enter into the Hometap HEI, Hometap requires a formal physical appraisal when the Hometap HEI is paid off (other than through an arms-length sale).

115. Hometap’s internal research shows that formal physical appraisals tend to result in slightly higher appraised property values than virtual appraisals.

116. By using two different appraisal methods, Hometap obtains a little more profit at the homeowner’s expense than it would if it used the same method at both the beginning and end of the Hometap HEI.

117. Hometap does not disclose this expected difference in appraised property values to homeowners when they opt for a virtual appraisal, and the expected difference would likely be material to a reasonable homeowner.

5) Hometap Deceives Homeowners About Renovation Adjustments

118. Hometap markets the Hometap HEI as a source of financing for home improvement and home repairs.

119. Hometap knows that homeowners may be concerned about giving Hometap a right to a percentage of their home equity right before they intend to make a significant investment in improving the property. In order to allay those concerns, Hometap offers a “renovation adjustment.”

120. Hometap advertises the renovation adjustment as “the difference, as determined by an appraiser, between the appraised value of the property post-renovation and the hypothetical

value of the property without the renovations,” provided the renovation is \$25,000 or more.

121. Hometap does not disclose in its marketing that the amount of the renovation adjustment is limited to the lesser of the amount actually spent by the homeowner on the renovations or the difference between starting and ending home values.
122. Thus, if a homeowner spends \$50,000 on a home renovation which ultimately increases the property value by \$100,000, Hometap’s marketing would tend to deceive the homeowner into believing that they would be entitled to a renovation adjustment of \$100,000 rather than the true \$50,000.
123. Similarly, if the property value would have decreased by \$100,000 over the term of the HEI, but the homeowner prevented that decrease by conducting \$50,000 in home repairs, Hometap’s marketing would tend to deceive the homeowner into believing that they would be entitled to a renovation adjustment of \$100,000. In fact, a homeowner would not be entitled to a renovation adjustment at all in that scenario.
124. These restrictions on renovation adjustments directly contradict Hometap’s marketing representations concerning the renovation adjustment. The only disclosure of these restrictions is buried in the middle of Hometap’s lengthy homeowner contract, which homeowners only see after the application and underwriting process is complete.
125. The restrictions on renovation adjustments would be material to a homeowner who intended to use funds from a Hometap HEI to conduct home renovations or repairs—which is one of the use cases for which Hometap specifically markets.

C. Hometap Targets Financially Vulnerable Homeowners and Disregards Their Inability to Make the Exorbitant Balloon Payment Required by the HEI

126. A substantial fraction of Hometap’s customers are homeowners facing financial vulnerability such as a lack of income, high debts, or high expenses. This is a function of

both Hometap's marketing and Hometap's negligible underwriting process, as described further below.

1) Hometap Markets to Financially Vulnerable Homeowners

127. Hometap actively markets its product to homeowners who could not obtain a traditional mortgage or loan in the amount of the Hometap HEI because of their income or credit history. For instance, Hometap markets the Hometap HEI to individuals who "can't qualify for a loan."
128. Hometap also markets the Hometap HEIs specifically to homeowners who it knows are unemployed or retired, with limited income. Hometap's marketing to retirees emphasizes that it does not comply with the rules that apply to either normal or reverse mortgages, stating it has "no income requirements," "no 62+ age requirement," "flexible qualification criteria," "and "Max LTV⁹ 75%."
129. Where investment managers learn that consumers are unemployed and concerned about their eligibility, Investment Managers are directed to say "A totally fair concern, but employment verification and income verification are not barriers of ours, so they should be just fine."
130. Hometap also specifically markets to consumers who are seeking to "pay off debt" with phrases like, "eliminate loans, bills, or other debts so you can get closer to financial freedom." Through this marketing, Hometap has persuaded homeowners to use a Hometap HEI to pay off lower cost or unsecured debt with the much higher cost Hometap HEI, which has the added risk of placing their family homes in jeopardy. In some instances, zero-interest, no payment obligations have been refinanced into a high-cost Hometap HEI.

⁹ LTV is a common term in the mortgage industry and stands for "Loan to Value" ratio.

131. In pitching the Hometap HEI as a method to pay off debt, Hometap has specifically told some homeowners that the Hometap HEI will be easier to pay off through a refinance in ten years because the Hometap HEI will “lower their debt-to-income ratio.” This statement is (at best) a profoundly misleading half-truth because the Hometap HEI’s high cost will greatly increase the amount the homeowner will need to borrow in connection with any such refinance, and thus actually increase, not decrease, the debt-to-income ratio the lender will consider.

132. Hometap has additionally pitched the Hometap HEI as an option for homeowners who are coming out of a COVID-related forbearance, generally without disclosing the other options available to homeowners in this situation that are less costly or include less risk of losing the home.

2) Hometap’s Negligible Underwriting Ignores Homeowners’ Inability to Repay the Hometap HEI

133. Prior to entering a Hometap HEI, Hometap does not determine whether or not a homeowner can repay the Hometap HEI using their income and other assets.

134. Hometap also makes no assessment of the homeowner’s ability to continue making payments of taxes, insurance, maintenance expenses, or existing mortgage payments, even though failure to make these payments triggers the homeowner’s repayment obligation.

135. Specifically, Hometap reviews no documentation of income, assets, or employment, and does not base its underwriting decisions on any of these factors.

136. Instead, Hometap’s only evaluation prior to entering an HEI pertains to a homeowner’s ability to repay the Hometap HEI through sale or refinancing of the home itself, based on the amount of equity a homeowner has in the property.

137. Hometap’s woefully deficient underwriting is a core feature of its product, because it

allows Hometap to offer “fast cash.” Hometap uses its lack of documentation requirements as an advertised reason for homeowners to choose the Hometap HEI over loans that cost less and have safeguards that protect homeowners, loan servicers, and investors from loss and unnecessary risk.

138. Hometap’s ability to provide “fast cash” is dependent on Hometap’s disregard for the restrictions on asset-based lending and “no doc” mortgage loans promulgated in response to the Great Recession (described in section IV, *supra*).

139. The minimum credit score for a Hometap HEI has been as low as 500. For context, “subprime” credit scores range from 580 to 619. A credit score of 500 is considered “deep subprime.”

140. Among Hometap’s Massachusetts customers for whom Hometap provided credit score data, over 35% had below “prime” credit scores.

141. Many of Hometap’s customers entered HEIs because they were, or believed they were, ineligible for other financing products from lenders that, as required by Massachusetts law, assess their customers’ ability to repay without the loss of their home. *See, e.g.*, Ex. C (Harvey Aff.), ¶ 4; Ex. B (Zuschlag Aff.), ¶ 4; Ex. E (Vought Aff.), ¶¶ 4-5; Affidavit of Erin Erler (“Erler Aff.”) at ¶¶ 3-4, attached hereto as Exhibit F.

3) The Hometap HEI is Structurally Unfair and/or Unconscionable

142. As a result of Hometap’s negligible underwriting, coupled with the high cost and balloon payment structure of the Hometap HEI, a significant fraction of Hometap’s customers are at risk of losing their homes as a result of not being able to afford the repurchase payment when it comes due after ten years.

143. This subset of homeowners likely will be unable to pay off the Hometap HEI by refinancing the balance into a traditional mortgage or with other income or assets, because

their income or credit history will not support a loan large enough to pay off an original mortgage coupled with the high-cost Hometap HEI.

144. If a homeowner is unable to pay the required percentage of their home's value in cash to Hometap at the end of the ten-year term, then Hometap is entitled to "take joint ownership of the Property... and seek to Transfer the entire Property, including [the homeowner's] interest, to one or more third parties under the Special power of Attorney." Ex. A at § 2.6(c). Hometap's own investor materials make clear that exercising its "option" under the contract means that Hometap will "either foreclose on the property or force a sale of the property if the homeowner cannot otherwise settle" (i.e. repay Hometap).
145. Thus, the Hometap HEI is both a high-cost and a high-risk product. Hometap creates an unreasonable risk of foreclosure or forced sale because of the payment shock associated with the high-cost balloon payment due at the end of the Hometap HEI's ten-year term.
146. Numerous Hometap customers are concerned that they may be forced to sell their homes in order to pay off their Hometap HEIs because they do not have a plan for where else to get the money to pay Hometap. *See, e.g.*, Ex. C (Harvey Aff.), ¶ 10; Ex. F (Erler Aff.), ¶ 8; Ex. D (Ellis Aff.), ¶¶ 7-9; Ex. E (Vought Aff.), ¶ 19; Affidavit of Jennifer Corbett ("Corbett Aff.") at ¶¶ 10-11, attached hereto as Exhibit G.
147. Hometap engages in much of the same conduct that was rightly prohibited after the subprime mortgage crisis in order to prevent a future foreclosure crisis and ensure the solvency and soundness of the economic system. In failing to either extend financing only to those homeowners who have a demonstrated ability to repay, as with forward mortgages, or to comply with the strict limits on reverse mortgages outlined herein, Hometap flouts or circumvents these critical regulations to the detriment of consumers in the Commonwealth.

and gains a competitive advantage over its law-abiding competitors.

D. Hometap's HEI is an Unlawful Reverse Mortgage Loan

148. The Hometap HEI results in an advance of money from Hometap to the homeowner, followed by later repayment of a greater amount of money from the homeowner back to Hometap. In plain English and economic reality, the Hometap HEI is a loan, and the difference between the amount advanced and the amount repaid is interest.
149. Hometap notionally structures its product as a purchase, priced vastly below market value, of an option to obtain a percentage possessory interest in the consumer's home, coupled with a right to sell the property unless the homeowner repurchases this option at market value. The purchase of an asset at much less than its true value coupled with an option and intent by the nominal seller to later repurchase the asset at full market value is a secured loan.
150. Conclusory assertions that a product is "not a loan" or has "no interest" neither alter the fundamentals of the product nor, where a product is fundamentally a loan, excuse non-compliance with lending laws and regulations.
151. The Hometap HEI is secured by a mortgage on real property, which permits non-judicial foreclosure through the statutory power of sale. It also contains an additional special power of attorney, which purports to be an alternative means for Hometap to recoup its investment by forcing a sale of the property.
152. The Hometap HEI requires that, unless Hometap gives its express permission in writing at its sole discretion, the homeowner "shall occupy the Property as [the] Owner's principal place of residence." Ex. A at § 6.1(b).
153. The Hometap HEI is non-recourse, meaning that Hometap's interest in repayment is secured only by the value of the mortgaged property and does not become a personal debt of

the homeowner.

154. The Hometap HEI does not require any periodic payments of principal or interest – the entire amount owed becomes due and payable only at the end of the 10-year term, or earlier if the property is transferred or upon various other breaches.
155. Because of the Equity Devaluation, the compounding effect of the Hometap Cap, and (where applicable) the increase in the Hometap Percentage over time, the Hometap HEI is negatively amortizing. The amount of money that a homeowner must repay to Hometap rises over time.
156. Thus, the Hometap HEI is a non-recourse, negative amortization loan which provides up-front cash, secured by a mortgage on the homeowner's principal dwelling, with no required periodic payments required until the end of the loan. In other words, the Hometap HEI is a reverse mortgage.

157. The chart below compares a Home Equity Conversion Mortgage, the most common type of reverse mortgage, and the Hometap HEI:

HECM	Hometap HEI
Upfront cash payment(s) to Homeowner or line of credit.	Upfront cash payment to Homeowner.
Secured by mortgage, such that default results in foreclosure.	Secured by mortgage, such that default results in foreclosure.
Non-recourse.	Non-recourse.
No monthly payments to lender but Homeowner is required to keep paying property taxes, home insurance, maintenance & repairs.	No monthly payments to Hometap but Homeowner is required to keep paying property taxes, home insurance, maintenance & repairs directly.
Negative amortization.	Negative amortization.
Amount owed determined by the lesser of a compounding interest rate or a percentage of the value of the mortgaged real estate at maturity.	Amount owed determined by the lesser of a percentage of the value of the mortgaged real estate at maturity or a compounding interest rate.
May include shared appreciation component.	Includes shared appreciation component.
Triggering conditions for maturity: 1. Death of Homeowner. 2. Sale of Home. 3. Moving out. 4. Default.	Triggering conditions for maturity: 1. Death of Homeowner. 2. Sale of Home. 3. Moving out. 4. Default. 5. 10-year term.

158. The Hometap HEI is functionally identical to a reverse mortgage as the legislature would have understood the term when it passed G.L. c. 183, § 67 and, other than the *ipse dixit* claim that the Hometap HEI is not a loan, the Hometap HEI is marketed and presented to homeowners in substantially the same manner as reverse mortgages have been.
159. Hometap uses marketing messages for the Hometap HEI that are nearly identical to descriptions of reverse mortgages in the 1980s and 1990s, as described in section IV(A),

supra.

160. Echoing language used in early marketing of reverse mortgages, Hometap markets its product by saying, “Today, far too many U.S. homeowners are ‘house-rich, cash-poor’ — while their home is quite possibly their largest financial asset.” It markets the Hometap HEI to homeowners as “tapping into home equity,” as a way to “take cash from the equity you’ve earned in your home,” and promotes that seniors can “Tap into your home’s equity to live comfortably in retirement.” Hometap’s marketing emphasizes that the Hometap HEI does not require monthly payments during its ten-year term as a primary selling point.
161. The Hometap HEI does not comply with requirements for lawful reverse mortgages including but not limited to: (1) that they must be made only to those 60 years or older, G.L. c. 167E, § 7(a); (2) that they must provide for a seven day rescission period, G.L. c. 167E, § 7(d)(2); (3) that a borrower must receive approved third-party counseling, G.L. c. 167E, § 7(e) and 209 CMR 55.04; and (4) that they cannot force someone out of their home until after the consumer dies, no longer occupies the home, or transfers the home. 12 CFR § 1026.33(a)(2); G.L. c. 167E, § 7(a).¹⁰
162. In sum, the Hometap HEI is a reverse mortgage within the meaning of G.L. c. 183, § 67, but it does not comply with the carveout for lawful reverse mortgages, and it is thus an unlawful reverse mortgage prohibited by that section.

E. Hometap Unfairly Seeks to Circumvent Massachusetts Law Related to the Foreclosure of Mortgages

163. In addition to the incorporation of the Statutory Power of Sale, Hometap purports to have

¹⁰ Massachusetts law could permit term-limited reverse mortgages, if any were approved by the Division of Banks. However, the only reverse mortgages currently approved in Massachusetts align with the federal requirement for HECM reverse mortgages that they only mature and become due when the consumer dies, no longer occupies the home, or transfers the home.

a separate right to sell the homeowner's property pursuant to a power of attorney.

164. This type of power of attorney, which permits sale of a collateral property in the event of a breach, is simply a power of sale for the purpose of foreclosing a mortgage.

165. In setting this power of attorney out separately, Hometap unfairly asserts a right to sell the homeowner's property without the protections to consumers and the title system afforded by G.L. c. 244.

166. On information and belief, while Hometap has not yet exercised its separate power of attorney in Massachusetts, because no Hometap HEIs have reached the end of their 10-year terms, it intends to do so as HEIs begin reaching maturity.

VI. Causes of Action

Count I

Unfair or Deceptive Acts in Violation of G.L. c. 93A, § 2: Origination of Illegal Mortgage Loans

167. The allegations contained within paragraphs 1-166 are hereby re-alleged and incorporated herein.

168. The Hometap HEI is an advance of money from Hometap to a consumer.

169. Hometap advances the money to the consumer with the expectation of future repayment.

170. The amount the consumer will be required to repay in the future exceeds the amount of the advance.

171. Hometap's underwriting ensures that the money advanced by Hometap is not meaningfully at risk and that it will receive full return of its principal at least as frequently as more traditional lenders.

172. Therefore, the Hometap HEI is a loan, and any repayment amount in excess of the amount advanced is interest and/or expenses of the loan.

173. The Hometap HEI is secured by a mortgage.
174. Most or all of the Hometap HEIs originated by Hometap in the Commonwealth are made on one to four family dwellings owned and occupied in whole or in part by the mortgagor.
175. The Hometap HEI is negative-amortizing.
176. The Hometap HEI requires no periodic payments to Hometap during its 10-year term. Instead, after 10 years (or earlier under certain circumstances), the entire balance becomes due and owing.
177. The Hometap HEI is non-recourse.
178. Because the Hometap HEI is (1) a loan; (2) secured by a mortgage on a one to four family dwelling owned and occupied in whole or in part by the mortgagor; (3) negatively amortizing; (4) requiring no periodic payments; (5) that is non-recourse; and (6) with full payment due at maturity or transfer of the home, the Hometap HEI is a “reverse mortgage loan” within the meaning of G.L. c. 183, § 67.
179. The Hometap HEI does not comply with G.L. c. 167E §§ 7 and 7A. Hometap offers the HEI to consumers under age 60, does not provide for a seven-day rescission period, does not ensure that consumers receive approved third-party counseling, does not make required disclosures, and otherwise does not meet the minimum consumer protection requirements of the statute.
180. The Hometap HEI is therefore an unlawful reverse mortgage loan under G.L. c. 183, § 67.
181. Each time Hometap originated a Hometap HEI on a one to four family dwelling owned and occupied in whole or in part by the mortgagor and located in the Commonwealth in violation of G.L. c. 183, § 67 constitutes a separate violation of G.L. c. 93A, § 2.

182. Hometap's HEI is also a "high cost mortgage home loan" as defined by G.L. c. 183C, § 2 because (1) the Hometap HEI's annual percentage rate calculated in accordance with the Federal Truth In Lending Act (15 U.S.C. 1601 et seq.) and the regulations promulgated thereunder exceeds by more than 9 percentage points the yield on the United States Treasury securities having comparable periods of maturity; and (2) the Hometap HEI does not fall within the carve-out for *lawful* reverse mortgages that comply with G.L. c. 167E §§ 7 and 7A.
183. The Hometap HEI does not comply with G.L. c. 183C, § 3 because Hometap does not require and does not confirm that consumers obtain independent third-party counseling prior to originating HEIs.
184. The Hometap HEI does not comply with G.L. c. 183C, § 4 because Hometap performs negligible underwriting, such that at the time Hometap enters into contracts with consumers, it does not have a reasonable belief that consumers will be able to make the scheduled payment to repay the HEI based upon a consideration of the consumer's current and expected income, current and expected obligations, employment status, and other financial resources other than the borrower's equity in the dwelling which secures repayment of the loan.
185. Each violation of G.L. c. 183C described above is a per se violation of G.L. c. 93A, § 2.
186. The Hometap HEI does not comply with 940 CMR, § 8.06(6) because (1) its APR, properly calculated, exceeds the greater of (a) ten percent above the highest domestic "Prime Rate" listed in the Money Rates section of The Wall Street Journal; or (b) 20% percent, and it is not consistent with comparable rates for borrowers with similar financial circumstances; and (2) it does not fall within the carve-out for *lawful* reverse mortgages that comply with G.L. c. 167E §§ 7 and 7A.

187. The Hometap HEI does not comply with 940 CMR, § 8.06(16) because (1) it is made without either obtaining documentation verifying the borrower's income or making the required disclosures to consumers that include the identification of the borrower's income and the source of the income; and (2) it does not fall within the carve-out for *lawful* reverse mortgages that comply with G.L. c. 167E §§ 7 and 7A.
188. Each violation of 940 CMR, § 8.06(6) and § 8.06(16) described above is a per se violation of G.L. c. 93A, § 2.
189. Hometap knew or should have known that each of these acts or practices described above violate G.L. c. 93A, § 2(a).

Count II

Unfair or Deceptive Acts in Violation of G.L. c. 93A, § 2: Usurious Lending

190. The allegations contained within paragraphs 1-189 are hereby re-alleged and incorporated herein.
191. The Hometap HEI is a loan.
192. Hometap knows or could have ascertained by reasonable inquiry that many of its customers intend to settle their Hometap HEIs in a timeframe that will ensure that Hometap receives interest and expenses that in aggregate exceed 20% per annum.
193. Hometap has collected interest and expenses on Hometap HEIs that in aggregate exceed 20% per annum on at least 130 occasions.
194. Hometap's collection of these sums is in violation of strong public policy against usurious lending as established in the criminal usury statute, G.L. c. 271, § 49.
195. Hometap has not informed the Attorney General's Office of its intention to engage in a transaction or transactions which, but for the provisions of G.L. c. 271, § 49(d), would be proscribed under the criminal usury statute.

196. Each time Hometap contracted to collect or actually collected a usurious or unconscionably high rate of interest is a separate violation of G.L. c. 93A, § 2.
197. Hometap knew or should have known that each of these acts or practices violate G.L. c. 93A, § 2(a).

Count III

Unfair or Deceptive Acts in Violation of G.L. c. 93A, § 2: Deceptive Marketing

198. The allegations contained within paragraphs 1-197 are hereby re-alleged and incorporated herein.
199. Hometap has utilized marketing that has a tendency to deceive consumers by implying that the total cost of the Hometap HEI to consumers is substantially less than competing products such as mortgage refinances, home equity loans, or HUD-guaranteed Home Equity Conversion [reverse] Mortgages.
200. Specifically, Hometap's marketing and sales communications would lead a consumer to reasonably believe, at least initially, that Hometap's returns, and thus, consumers' costs, come primarily from the 3% "Hometap Fee" and from home price appreciation.
201. In fact, Hometap's returns, and thus consumers' costs, come primarily from Hometap devaluing consumers' home equity and purchasing it at a price substantially below market value.
202. Hometap's marketing and sales communications obscure the Equity Devaluation and have a tendency to deceive a reasonable consumer into the belief that there is no Equity Devaluation.
203. To the extent that consumers learned the true cost of the Hometap HEI, it often occurred only much later in the process at a time where homeowners may have lost interest in Hometap's competitors who more honestly advertise the costs of their products.

204. Hometap's marketing and sales communications also deceptively obscured the costs of double tapping, misrepresented third-party costs, concealed material information about the difference in home values depending on differing appraisal methods, and concealed material information about renovation adjustments.
205. Hometap further made representations or statements of fact to consumers that are false or misleading or have the tendency or capacity to be misleading, or which Hometap does not have sufficient information upon which a reasonable belief in the truth of the representation or statement could be based, including claims or representations about the possibility or likelihood of settling the Hometap HEI through refinancing.
206. Each communication Hometap made which was deceptive in any of the above ways is a separate violation of G.L. c. 93A, § 2.
207. Hometap knew or should have known that each of these acts or practices violate G.L. c. 93A, § 2(a).

Count IV
Unfair or Deceptive Acts in Violation of G.L. c. 93A, § 2: Deceptive Marketing Related to Lending

208. The allegations contained within paragraphs 1-207 are hereby re-alleged and incorporated herein.
209. The Hometap HEI is a loan.
210. Hometap repeatedly and systematically represented to consumers that the Hometap HEI was not a loan.
211. Hometap failed to provide disclosures that are required by state and federal laws and regulations when making loans. Failure to provide these disclosures has been declared unfair or deceptive by regulation. *See* 940 CMR 8.05.

212. While advertising, negotiating, and entering into the Hometap HEI, each communication to a consumer in which Hometap represented that the Hometap HEI was not a loan and failed to provide disclosures required by law is a separate violation of G.L. c. 93A, § 2.

Count V

Unfair or Deceptive Acts in Violation of G.L. c. 93A, § 2: The Hometap HEI is an Unfair, Oppressive, or Otherwise Unconscionable Product

213. The allegations contained within paragraphs 1-212 are hereby re-alleged and incorporated herein.

214. The Hometap HEI is a consumer finance product secured by a mortgage on residential property.

215. The cost of the Hometap HEI to the consumer substantially exceeds the cost of other mortgage-secured consumer financial products that the Massachusetts legislature has prohibited or otherwise restricted.

216. The structure of the Hometap HEI requires a lump sum payment at the end of its ten-year term that is disproportionate to the amount advanced. If consumers cannot pay this amount, Hometap has the right to force a sale of the consumer's home to collect the payment.

217. When initiating a Hometap HEI, Hometap makes no assessment of the consumer's ability to settle the HEI at the conclusion of the 10-year term while maintaining ownership of their home.

218. When marketing the Hometap HEI, Hometap deliberately markets to financially vulnerable consumers, including retirees and consumers who are in debt or cannot qualify for traditional loans. In fact, Hometap has actual knowledge or reason to believe that a substantial subset of its customers are unlikely to settle the HEI with financial resources other than the borrower's equity in their home.

219. The Hometap HEI's (1) high cost, (2) its balloon payment structure, (3) Hometap's deficient underwriting, and (4) its marketing to financially vulnerable consumers, together create an unreasonable risk of foreclosures with respect to a significant fraction of consumers as Hometap HEIs begin to mature.
220. Consumer protection regulations on lending and loan products, including prohibitions on the type of conduct described in the preceding paragraphs, constitute a common-law, statutory, or other established concept of unfairness.
221. Whether or not one or more variants of the HEI is technically distinguishable from a mortgage loan, the foregoing conduct falls within at least the penumbra of concepts of unfairness intended to protect consumers from other dangerous mortgage-backed consumer financial products.
222. The Court may and should turn to these laws and regulations as a yardstick against which to measure the fairness or unfairness of the HEI, whether or not the Hometap HEI is a novel product. These laws and regulations establish the applicable concept of fairness for mortgage-backed consumer financial products even if the Court determines that Hometap succeeded in creating a product that falls into a regulatory gap.
223. The Hometap HEI is an unfair product in violation of G.L. c. 93A, § 2. The Hometap HEI is further oppressive or otherwise unconscionable in violation of 940 CMR 3.16(1).

VII. Requests For Relief

WHEREFORE, the Commonwealth requests that this Court, as authorized by G.L. c. 93A, § 4, G.L. c. 231A, and pursuant to its own equitable powers after a trial on the merits:

- a. Enter a binding determination pursuant to G.L. c. 231A, § 6 declaring that each and every Hometap HEI contract between Hometap and a Massachusetts

consumer is an unlawful mortgage loan and subject to the Massachusetts Criminal Usury Statute.

- b. Pursuant to G.L. c. 93A, § 4, issue a permanent injunction barring Hometap from further violations of G.L. c. 93A, § 2;
- c. Order that each outstanding Hometap HEI contract be reformed in order to restore to each consumer the ascertainable losses they would otherwise suffer by reason of Hometap's unlawful practices;
- d. Order Hometap to pay restitution to each consumer who held a now-closed Hometap HEI contract in the amount of the consumer's ascertainable losses caused by Hometap's unlawful practices;
- e. Order Hometap to pay civil penalties and costs of investigation and litigation of this matter, including reasonable attorney's fees, to the Commonwealth; and
- f. Order such other and further relief as this Court deems just and proper.

Respectfully submitted,

COMMONWEALTH OF MASSACHUSETTS
ANDREA JOY CAMPBELL, ATTORNEY GENERAL

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Date: February 19, 2025

EXHIBIT A

Investment No.: {Friendly_ID}

THIS IS NOT A LOAN.

THIS IS AN AGREEMENT PURSUANT TO WHICH A HOMEOWNER RECEIVES PAYMENT IN EXCHANGE FOR AN OPTION TO PURCHASE A SPECIFIED PERCENTAGE INTEREST IN THE HOMEOWNER'S HOME THAT MAY BE EXERCISED IN THE FUTURE UPON THE OCCURRENCE OF CERTAIN EVENTS SUCH AS A SALE OF THE HOME.

OPTION PURCHASE AGREEMENT

This Option Purchase Agreement (this "**Agreement**") is entered into as of the date of last signature (the "**Signing Date**") by and between Hometap Equity Partners, LLC, a Delaware limited liability company with its principal offices at 800 Boylston Street, 16th Floor, Boston, MA 02199 ("**we**", "**our**", "**us**", and/or "**Hometap**"), and the homeowner(s) set forth on the signature page attached hereto under the heading of "**Owner**" ("**you**", "**your**", and/or the "**Owner**"). Capitalized terms used in this Agreement but not otherwise defined shall be defined as set forth in the Investment Term Sheet (as defined below).

WHEREAS, Hometap wishes to purchase an exclusive and irrevocable option to acquire, in the future, a percentage possessory interest in Owner's home according to the terms and conditions of this Agreement and to provide the Owner with consideration in exchange for granting such an option;

WHEREAS, the Owner wishes to grant Hometap the requested option according to the terms and conditions of this Agreement in exchange for the Investment Amount and understands that by doing so, Hometap shall immediately have a contractual and economic interest in the Owner's home that may be exercised in the future, at which time Hometap may have a possessory interest in the Owner's home;

WHEREAS, Hometap wishes to protect its economic interest in the Option through the mechanisms identified in this Agreement and the concurrent Mortgage and Security Agreement, and these and other documents shall be recorded in a manner to establish the priority of Hometap's economic interest;

WHEREAS, as of the Signing Date, the Owner and Hometap have conducted and completed the execution of this Agreement (the "**Investment Signing**") at which the Owner has reviewed, confirmed, executed, and returned to Hometap a full, complete, and accurate Investment Term Sheet (the "**Investment Term Sheet**"), which together with this Agreement define, among other information, the Beginning Home Value, Investment Amount, Net Investment Amount, Hometap Percentage, Hometap Share, and Investment Fee;

WHEREAS, as of the Signing Date, Hometap has deposited the Investment Amount, as set forth in the Investment Term Sheet, in escrow with the Settlement Agent, which shall be disbursed upon the Effective Date in accordance with the terms and conditions of this Agreement;

WHEREAS, the Investment Term Sheet sets forth certain fees, costs, and expenses that Hometap shall incur and/or charge to the Owner in connection with its purchase of the Option;

WHEREAS, the Investment Term Sheet is attached and made a part of this Agreement as Schedule A; and

WHEREAS, in reliance upon the Investment Term Sheet, and the terms and conditions set forth in this Agreement, Hometap wishes to purchase the Option, and the Owner wishes to sell the Option and accept the Investment Amount, as described in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and Hometap agree as follows:

SECTION 1 **OPTION PURCHASE**

Section 1.1 Option and Hometap Percentage. You agree to sell to Hometap an exclusive and irrevocable option (the "**Option**") to acquire an undivided percentage interest (the "**Hometap Percentage**") of fee simple title ownership in that certain residential real property owned by the Owner as more fully identified and described on Exhibit A (the "**Property**"), which is attached and made a part of this Agreement. The Property will include only the real property described in Exhibit A and fixtures appurtenant thereto.

Section 1.2 Agreement Execution and Delivery. In connection with the execution and delivery of this Agreement, the Settlement Agent has conducted the Investment Signing, at which you have:

(a) Executed and delivered to the Settlement Agent originals of the following documents (each as well as other documents completed and delivered in connection with the consummation of the transactions contemplated by this Agreement an "**Investment Document**", and together the "**Investment Documents**");

(i) this Agreement;

(ii) the Investment Term Sheet;

(iii) a notarized Mortgage and Security Agreement, substantially in the form set forth in Exhibit B, which is attached and made a part of this Agreement (the "**Security Instrument**");

(iv) a Notice of Right to Cancel, substantially in the form as set forth in Exhibit C, which is attached and made a part of this Agreement; and

(v) a signed and completed Insurance Request and Authorization Form granting authorization for Hometap to be added as a loss payee (or as we otherwise direct) on all of Owner's insurance policies for the Property.

(b) Received the Signing Instructions prepared and provided by the Settlement Agent based upon the Investment Term Sheet, which shall set forth the use and disbursement of the Investment Amount (the "**Signing Instructions**"); and

(c) Provided the Settlement Agent any other documents and information we reasonably request to have completed the Investment Signing and secure and perfect the Option and related documents as a lien upon the Property.

Section 1.3 Right to Cancel.

(a) You have a right to rescind and cancel this Agreement ("**Right to Cancel**") by delivering written notice to us at any time prior to 11:59 p.m. Eastern Time on the third (3rd) Business Day following the Signing Date (the "**Cancellation Period**") of your exercise of your Right to Cancel.

(b) If you exercise your Right to Cancel during the Cancellation Period, then this Agreement shall become null and void and of no further legal effect or consequence, the Investment Amount shall be returned to Hometap, and you and Hometap shall have no further obligations to one another.

(c) If you do not exercise your Right to Cancel during the Cancellation Period, then upon expiration thereof, this Agreement shall become binding and effective upon the parties at 12:00 a.m. Eastern Time on the first Business Day following the Cancellation Period (the "**Effective Date**").

(d) For purposes of this Agreement, a "**Business Day**" shall be all calendar days except Sundays and any day that is a federal banking holiday in the United States.

Section 1.4 Disbursement of Funds and Recording of Documents. Upon the Effective Date:

(a) Disbursement of Investment Amount and Net Investment Amount. Hometap shall cause the Investment Amount to be disbursed by the Settlement Agent in accordance with the Settlement Instructions, and the Net Investment Amount shall be delivered and paid to the Owner via wire transfer or check, as instructed by the Owner, as soon as reasonably practicable on or following the Effective Date.

(b) Recording of Documents. Hometap shall use commercially reasonable efforts, via the Settlement Agent, to record and file the Security Instrument, as well as any other documents evidencing the satisfaction of liens or encumbrances on the Property as a result of the payments made pursuant to the Signing Instructions with the appropriate Registry of Deeds or other applicable governmental, city, county, or municipal office in which the Property is situated. You agree to take any reasonable actions and sign any additional documentation deemed necessary or desirable by Hometap to allow Hometap to record and file the Security Instrument and any related documents.

Section 1.5 Option Period. The term of the Option (the "**Option Period**") shall commence on the Effective Date and shall continue until the earlier of (a) an Owner Repurchase (as defined below), (b) a Hometap Option Exercise (as defined below), or (c) 11:59 p.m. Eastern Time on the tenth (10th) anniversary of the Effective Date (the "**Expiration Date**"); *provided, however*, that Hometap may extend the Option Period one or more times by up to a total of an additional ten (10) years, by providing you with written notice (an "**Extension Notice**") of our intent to extend the Option Period prior to the Expiration Date or the conclusion of any Extension Period (as defined below). Any Extension Notice shall include the period for which Hometap intends to extend the Option Period (such period being the "**Extension Period**", and the Option Period and any Extension Period collectively being the "**Effective Period**"), and upon any such extension, the Expiration Date shall be accordingly extended to the last day of any Extension Period. The Extension Period shall continue until the earlier of (a) an Owner Repurchase (as defined below), (b) a Hometap Option Exercise (as defined below), or (c) 11:59 p.m. Eastern Time on the last day of the Extension Period.

SECTION 2
OPTION CONDITIONS

Section 2.1 Determination of Ending Home Value. The "**Ending Home Value**" shall be (i) determined by the Appraisal Process (as defined below in Section 2.3) or (ii) in the event of a Permitted Sale (as defined

below in Section 2.6(a)), the sale price of the Property, provided that such price is at least ninety percent (90%) of the value of the Property determined by the Appraisal Process.

Section 2.2 Calculation of the Hometap Share. The "**Hometap Share**" represents the value of Hometap's interest in the Property by virtue of the Option and shall be determined by multiplying (a) the Hometap Percentage, as set forth in the Investment Term Sheet, by (b) the Ending Home Value; *provided, however*, that the Hometap Share shall not exceed an amount equal to an annualized rate of return of twenty percent (20%) on the Investment Amount ("**Hometap Cap**"), as further described in the Investment Term Sheet.

Section 2.3 Appraisal Process.

(a) **Physical Appraisal.** For purposes of this Agreement, a "**Physical Appraisal**" shall mean a physical inspection and appraisal of the Property that meets the following criteria:

- (i) the appraiser will be selected by us or approved in advance by us;
- (ii) the appraiser must be unaffiliated with either you or us or any other individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government, or any agency or political subdivision of any of the foregoing (each a "**Person**") with an interest in the Property, such as a potential third-party buyer;
- (iii) the inspection and appraisal of the Property must be done in compliance with the Uniform Standards of Professional Appraisal Practice; and
- (iv) the Owner shall be responsible for payment of Appraisal costs.

(b) **Second Physical Appraisal.** In any circumstance where the Ending Home Value is being determined by an Appraisal under the terms of this Agreement, either the Owner or Hometap shall have the right to order and complete a second Physical Appraisal. If either party desires to have a second Physical Appraisal, then (a) the second Physical Appraisal must be completed (not just requested or ordered) within thirty (30) days after receiving final results of the first Appraisal and at least ten (10) Business Days before any scheduled closing or settlement, and (b) the Ending Home Value will then be the average of the value of the two Appraisals. Notwithstanding anything in this Agreement to the contrary, the party requesting a second Physical Appraisal shall bear the costs associated with such second Physical Appraisal. The process of undertaking and completing one or two Appraisals under this Agreement shall be referred to as the "**Appraisal Process**".

(c) **Alternative Appraisal.** Notwithstanding the requirements of Section 2.3(a) above, Hometap may elect to utilize an alternative method of appraisal (an "**Alternative Appraisal**") in lieu of a Physical Appraisal and such Alternative Appraisal shall be deemed binding for all purposes under this Agreement as if such Alternative Appraisal was a Physical Appraisal, subject to the rights of the Owner or Hometap to request a second Physical Appraisal pursuant to Section 2.3(b) above.

(d) **Appraisal.** For purposes of this Agreement, the singular or plural term "**Appraisal**" shall include, in Hometap's sole discretion, either a Physical Appraisal as defined in Section 2.3(a) or an Alternative Appraisal as defined in Section 2.3(c).

(e) Cooperation. Each party agrees to comply with the Appraisal Process and cooperate in good faith with any third-party vendors so that the Physical Appraisal(s) may be completed in a timely and effective manner.

(f) Notice. If applicable, Hometap shall deliver to you written notice of the Ending Home Value and the Hometap Share within ten (10) Business Days after completion of the Appraisal Process.

(g) Cost of Physical Appraisals. You will pay all reasonable costs and expenses associated with any Physical Appraisal ordered, scheduled, or conducted in accordance with the terms of this Agreement.

Section 2.4 Owner Repurchase.

(a) Owner Right to Repurchase. The Owner shall have the right to repurchase the Option (an "**Owner Repurchase**") from Hometap in the amount of the Hometap Share in accordance with the terms and conditions of this Agreement.

(b) Repurchase Notice. You may elect to complete an Owner Repurchase at any time during the Effective Period, regardless of whether a Transfer is contemplated, by delivering to us written notice (a "**Repurchase Notice**"). Within fifteen (15) Business Days of our receipt of a Repurchase Notice, we shall have the right to conduct the Appraisal Process, at your cost, and determine the Ending Home Value for purposes of calculating the Hometap Share. Within ten (10) Business Days after completion of the Appraisal Process, Hometap shall deliver to you written notice of the Ending Home Value and the Hometap Share and schedule a settlement of the Owner Repurchase (the "**Repurchase Settlement**").

(c) Confirmation of Title. Upon receipt of your Repurchase Notice, we may request, as evidenced by a completed title report, at your cost, confirmation of good and marketable title in and to the Property in fee simple and free of any Liens and Encumbrances (as defined below in Section 2.6(a)(iii)), subject only to the Permitted Encumbrances (as defined below in Section 2.6(a)(iii)), to be provided in the form either (i) of a policy of title insurance issued to, or for the benefit of, Hometap and insuring our rights under the Investment Documents; or (ii) of a written title report, abstract of title, or other title search documentation reflecting, to our satisfaction, confirmation of good and marketable title to the Property (either such form of confirmation being "**Confirmation of Title**").

(d) Transfer. In the event of a Transfer (as defined below in Section 2.5(a)), you agree to follow all procedures set forth below in Section 2.6 in addition to those provided herein in Section 2.4. Should any procedures be inconsistent, those procedures in Section 2.6 shall control.

(e) Expiration. In the event of the Expiration Date, you agree to follow all procedures set forth below in Section 2.7 in addition to those provided herein in Section 2.4. Should any procedures be inconsistent, those procedures in Section 2.7 shall control.

(f) Sufficiency of Tender. Hometap retains the right to reject any tender by you of the Hometap Share payment where we believe your tender is not for the full amount of the Hometap Share, is not actually received by us, is not tendered within the time frame agreed to by you and us, or is subject to any legal limitation.

(g) Termination of Option. Upon our receipt of the Hometap Share payment, the Option shall be terminated, and we will have no further right to exercise the Option or have any further interest whatsoever in the Property. After our receipt of the Hometap Share (together with any other amounts owed by Owner to Hometap under the terms of this Agreement), we will terminate and release the Security

Instrument and deliver any other documents reasonably required to verify the termination of the Option and release of the Security Instrument. Owner will be responsible for all Transfer Closing Costs as defined and set forth in Section 2.6(d)(iv) below.

Section 2.5 Hometap Right to Exercise Option. Unless and until you elect and complete an Owner Repurchase, Hometap shall have the right to exercise the Option (a "**Hometap Option Exercise**"), as provided for below in Section 3.1, only upon any of the following events or occurrences during the Effective Period:

(a) any Permitted Sale (as defined below in Section 2.6(a)), or other sale, exchange, transfer, conveyance, or assignment of all or any part of the Property or any legal or beneficial interest in the Property (any such occurrence being a "**Transfer**"), as provided below in Section 2.6; *provided, however*, that any Transfer to a surviving Owner or estate of an Owner in the event of a death of an Owner shall not trigger a Hometap Option Exercise;

(b) on or in anticipation of the Expiration Date, as provided below in Section 2.7;

(c) upon an Event of Default, as provided below in Section 7;

(d) upon destruction of the Property as provided below in Section 6.1(d);

(e) upon condemnation of the Property, as provided below in Section 6.1(h); or

(f) the mutual agreement of Hometap and Owner.

Section 2.6 Event of Transfer.

(a) Permitted Sale. For purposes of this Agreement, a "**Permitted Sale**" shall mean a Transfer of the Property that meets the following conditions as determined in Hometap's sole reasonable discretion:

(i) the Transfer must be a transaction entered into in good faith without fraud or deceit carried out by unrelated or unaffiliated parties, by a willing buyer and a willing seller, each acting in his or her own self-interest, in which the sale price represents fair market value of the Property (an "**Arm's Length Transaction**"); *provided, however*, that an Arm's Length Transaction does not include any of the following: (A) a transaction between family members or business associates at less than fair market value of the Property, (B) a transaction subject to hidden terms or agreements or special understandings between the parties, whether written or oral (for example, the seller to regain ownership of the Property or the buyer to resell the Property and the seller to receive any proceeds from the resell transaction), or (C) a Transfer in which the sale price of the Property is less than ninety percent (90%) of the fair market value as determined by an Appraisal;

(ii) the terms and conditions of an Arm's Length Transaction will be set forth in a commercially reasonable standard form of Agreement for the Purchase and Sale of Real Property (a "**P&S**") prepared and negotiated by legal counsel with experience in such matters; and

(iii) you must convey title free and clear of any and all (A) licenses, easements, equitable servitudes, public bond obligations, and other conditions, covenants, restrictions and rights to which the Property is subject (collectively, "**Liens and Encumbrances**"), except for those: (1) that are stated as exceptions in the Confirmation of Title, or (2) to which we have expressly agreed in writing that the Property will remain subject (such excepted Liens and Encumbrances being "**Permitted Encumbrances**"), and (B) loans or other obligations, the

payment or performance of which is secured by a lien on the Property (such items being "**Senior Liens**"), including any loans or other obligations owed to any creditor or third-party vendor.

(b) Notices and Documentation upon Proposed Transfer. In connection with any Transfer, the Owner agrees as follows:

(i) Permitted Sale: Owner Notice of Binding Offer. In the event of a Permitted Sale, Owner shall provide Hometap written notice (a "**Binding Offer Notice**") of any binding offers to Transfer the Property to any Person who proposes to purchase the Property (a "**Third-Party Buyer**"). Such Binding Offer Notice must be delivered within three (3) Business Days of receiving such binding offer and, in any event, no less than thirty (30) days prior to the proposed closing date for such Permitted Sale. Any binding offers shall be in form and substance that are typical of real property purchases and sales for the state in which the Property is located and shall be required to include terms and conditions evidencing an Arm's Length Transaction. A Binding Offer Notice shall include a full and complete copy of the binding offer, which must include the name of the Third-Party Buyer, the sale price, the proposed closing date for the Permitted Sale, the proposed inspection date, if any, and any and all other material terms and conditions of the proposed Permitted Sale, including, without limitation, any financing or mortgage contingencies. The Binding Offer Notice must also indicate whether the Owner intends to complete an Owner Repurchase prior to, or simultaneous with, the closing of the Permitted Sale.

(ii) All Other Transfers: Owner Notice of Transfer. In the event of any Transfer other than a Permitted Sale, Owner shall provide Hometap written notice (a "**Transfer Notice**") no less than thirty (30) days prior to the closing date for such Transfer. A Transfer Notice shall include a full and complete copy of the documents governing the Transfer, which must include the name of the transferee, the sale price (if any), the proposed closing date for the Transfer, the proposed inspection date (if any), and any and all other material terms and conditions of the proposed Transfer, including, without limitation, any financing or mortgage contingencies. If the Owner intends for the Transfer to be an Exempted Owner Assignment (as defined below in Section 8.9(b)) or an Exempted Owner Property Transfer (as defined below in Section 8.9(c)), the Owner shall provide any additional necessary documentation in the Transfer Notice. The Transfer Notice must also indicate whether the Owner intends to complete an Owner Repurchase prior to, or simultaneous with, the closing of the Transfer.

(iii) Notice of Hometap Option Exercise upon a Transfer. Following receipt of a Binding Offer Notice or a Transfer Notice in which you do not elect to exercise your right to an Owner Repurchase, and prior to the closing of the proposed Transfer contemplated by such Binding Offer Notice or Transfer Notice, Hometap shall have the right to complete a Hometap Option Exercise, as further described in Section 3.1, by delivering to you a written notice (an "**Exercise Notice**") of our intent to do so. Upon receipt of an Exercise Notice, you (A) shall not consummate any closing of the Transfer unless and until Hometap has completed its Hometap Option Exercise and all actions deemed necessary or advisable by Hometap to document its interest in the Property, and (B) shall promptly, and in no event more than two (2) Business Days from receipt thereof, provide Hometap all documents, binding offers, escrow instructions, preliminary title reports, and any other materials and information relating to the proposed Transfer that become available. Following receipt of such materials, Hometap shall use commercially reasonable efforts to complete its Hometap Option Exercise and all actions deemed necessary or advisable by Hometap to document its interest in the Property prior to any closing of a Transfer.

(c) Appraisal Process upon Transfer. Within fifteen (15) Business Days of receiving notice of your election to exercise the Owner Repurchase or our delivering you an Exercise Notice, we may undertake the Appraisal Process and conduct an Appraisal.

(d) Transfer Closing. Any Transfer shall be completed through a closing process (the "**Transfer Closing**") that is commercially reasonable and follows standard practices and procedures for the purchase and sale of real property in the state in which the Property is located, including without limitation using the services of a Settlement Agent. The Owner shall provide written notice (the "**Transfer Closing Notice**") to Hometap promptly, and in any event no later than ten (10) Business Days prior to the date of the Transfer Closing. The Transfer Closing Notice shall include the proposed date of the Transfer Closing, and any and all relevant documents related to such Transfer Closing, including written settlement instructions, identification and acknowledgement of an Owner Repurchase or Hometap Option Exercise, and instructions for the payment of the Hometap Share. Hometap shall have the right to (A) review and provide input on any such settlement instructions and (B) have a representative attend the Transfer Closing. The Owner acknowledges and agrees that the completion of an Owner Repurchase or Hometap Option Exercise shall be concurrent with a Transfer Closing.

(i) Transfer Closing Deliverables. On or prior to a Transfer Closing where there will be an Owner Repurchase or a Hometap Option Exercise, you agree to deliver to the Settlement Agent the appropriate deeds, affidavits, certificates, notices, and other documents required by law, the Settlement Agent or us, in form satisfactory to us, to effect the Owner Repurchase or the Hometap Option Exercise.

(ii) Payment Allocations. At any Transfer Closing where there will be an Owner Repurchase, the Owner shall be responsible for paying Hometap the Hometap Share, as well as any Transfer Closing Costs (as defined below in Section 2.6(d)(iv)).

(iii) Termination and Release by Hometap at Transfer Closing. Within ten (10) Business Days of any Transfer Closing, and contingent upon our receipt of the Hometap Share funds, we will submit the documents necessary to terminate and release the Security Instrument.

(iv) Transfer Closing Costs. Owner shall pay all costs in connection with a Transfer Closing or Repurchase Settlement including, without limitation, recording fees and costs, reconveyance fees, lien release fees, escrow fees, title insurance fees, federal, state, local and documentary transfer taxes ("**Transfer Closing Costs**") and all sales commissions ("**Sales Commissions**"). Transfer Closing Costs and Sales Commissions shall be paid from the amounts that are owed to Owner and not from any amounts that are owed to Hometap; provided, however, that Owner shall pay Hometap directly for any Transfer Closing Costs or Sales Commissions incurred by Hometap and as detailed on the settlement instructions provided by Hometap to Owner.

Section 2.7 Event of Expiration Date.

(a) In the event that the Option remains in effect and has not been, nor is the subject of, a Hometap Option Exercise or Owner Repurchase, then (i) the Owner has the right to complete an Owner Repurchase as of the Expiration Date, and (ii) Hometap shall have the right to complete a Hometap Option Exercise as of the Expiration Date (either an Owner Repurchase as of the Expiration Date or a Hometap Option Exercise as of the Expiration Date being an "**Expiration Settlement**"), each implemented by delivering written notice to the other party (either a Repurchase Notice or Exercise Notice, as appropriate) prior to the Expiration Date.

(b) Any Owner Repurchase or Hometap Option Exercise shall follow the procedures, terms, and conditions of Section 2.4 and Section 3.1, respectively. Should any provisions be inconsistent, those provisions of this Section 2.7 shall control.

(c) If we are not satisfied with the Ending Home Value following the Appraisal Process, or with the Confirmation of Title, we may withdraw or reject the Expiration Settlement without any penalty to us, and extend the Effective Period as provided in this Agreement.

SECTION 3 **EXERCISE OF OPTION; OTHER TERMINATION OF OPTION**

Section 3.1 Exercise of Option. Only upon the occurrence of any of the events identified in Section 2.5 above, Hometap shall have the right to exercise the Option as described in this Section 3.1. Exercise of the Option shall allow Hometap to acquire a percentage possessory ownership interest in the Property equivalent to the Hometap Percentage at the time of exercise.

(a) Exercise Notice. Upon our election to exercise our right to a Hometap Option Exercise, we shall provide you with an Exercise Notice at least thirty (30) days prior to the anticipated date for closing the Hometap Option Exercise ("**Exercise Closing**"). The Exercise Notice shall specify the Exercise Closing date, the Exercise Payment (as defined below in Section 3.1(e)), written settlement instructions, and instructions for release of the Security Instrument upon completion of the Hometap Option Exercise.

(b) Hometap Ownership. In Hometap's sole discretion, we may implement the Hometap Option Exercise by (i) taking joint ownership of the Property with you and (ii) soliciting a Transfer of the entire Property, including your interest, to one or more Third-Party Buyers, and receiving the Hometap Share and the Exercise Payment in connection with such Transfer. Hometap's ownership of the Property shall be a percentage possessory interest in the Property equivalent to the Hometap Percentage at the time of the Hometap Option Exercise. If Hometap takes joint ownership of the Property, the legal form of such joint ownership will be decided by us, which may include a trust with you and us as beneficiaries.

(c) Owner Repurchase. After receiving the Exercise Notice, you may exercise your right to elect an Owner Repurchase pursuant to Section 2.4 above; *provided that* (i) you deliver a Repurchase Notice to Hometap at least twenty (20) days before the Exercise Closing date; (ii) the Repurchase Settlement must (A) occur (1) within fifteen (15) days of you providing us with a Repurchase Notice, and (2) prior to any scheduled Exercise Closing, and (B) use an Ending Home Value that is the value of the Property as determined by an Appraisal. If you elect to make an Owner Repurchase but the Repurchase Settlement is not completed within the prescribed periods in this Section 3.1(c), then (1) your right to make an Owner Repurchase may be terminated, and (2) we may elect to immediately exercise a Hometap Option Exercise.

(d) Exercise Closing. You agree to take any reasonable actions and sign any documentation deemed necessary or desirable by Hometap to allow Hometap to complete the Hometap Option Exercise, including without limitation participating in an Exercise Closing, and to effect our Hometap Percentage possessory interest in the Property.

(e) Disbursement of Exercise Closing Payment. In consideration for the Hometap Percentage possessory interest in the Property, Hometap shall issue a payment to you in the amount of one percent (1%) of the Investment Amount ("**Exercise Payment**"). Hometap shall cause the Exercise Payment to be disbursed by the Settlement Agent in accordance with the Exercise Notice, and the Exercise Payment shall be delivered and paid to the Owner via wire transfer or check, as instructed by the Owner, as soon as reasonably practicable at or following the Exercise Closing.

(f) Recording of Documents. Hometap shall use commercially reasonable efforts, via the Settlement Agent, to record and file the any documents evidencing the Hometap Option Exercise and the Hometap Percentage possessory interest in the Property with the appropriate Registry of Deeds or other applicable governmental, city, county, or municipal office in which the Property is situated. You agree to take any reasonable actions and sign any additional documentation deemed necessary or desirable by Hometap to allow Hometap to record and file such documents.

(g) Transfer Following Hometap Option Exercise.

(i) Occupancy. Prior to a Transfer, you will retain physical possession and the exclusive right to occupy the Property (except if we determine that the Property is at risk of waste or gross neglect, in which case we will have discretionary rights of entry or possession solely in order to preserve and maintain the Property).

(ii) Initiation of Transfer by Owner. If you intend to initiate a Transfer, such Transfer shall meet the conditions of a Permitted Sale as described above in Section 2.6(a). Furthermore, you agree to comply with the requirements of Section 2.6 in completing the Transfer.

(iii) Initiation of Transfer by Hometap. If we choose to initiate a Transfer, we will provide you with written notice at least ten (10) Business Days prior to soliciting buyers and transferring the Property to one or more third parties in a Transfer. You will cooperate by allowing access to the Property and promptly executing all documents presented to you by us to effect a Transfer of your interest in the Property to the Third-Party Buyer.

(iv) Ending Home Value and Payment of the Hometap Share. In any Transfer following a Hometap Option Exercise, the Ending Home Value will be the sale price of the Property. At the Transfer Closing for such Transfer, the sale proceeds will be allocated and paid in the manner described in this Section 3.1 and above in Section 2.6(d)(ii), and we will be paid (A) any Transfer Closing Costs that we paid as further detailed in Section 2.6(d)(iv) and (B) any other amounts paid by us related to the preparation, marketing, or sale of the Property.

Section 3.2 Non-Exercise; Other Terminations of Option. Subject to the continuing duties, rights, and obligations of the parties in this Agreement, the Option will terminate under the following conditions if there has not been a prior Owner Repurchase or Hometap Option Exercise:

(a) upon a Permitted Sale for which we received a Binding Offer Notice, as provided above in Section 2.4(b)(1), and we affirmatively elected not to exercise the Option and complete a Hometap Option Exercise;

(b) we elect not to complete a Hometap Option Exercise as of the Expiration Date and allow the Option to lapse as of the Expiration Date;

(c) the Property is destroyed and the insurance proceeds and proceeds of any sale of the Property are paid to us in the full amount specified below in Section 6.1(d);

(d) the Property is condemned, in whole and not in part, and the condemnation proceeds are paid to us in the full amount specified below in Section 6.1(h); or

(e) we voluntarily terminate the Option in a written notice delivered by us to you.

Section 3.3 Effect of Non-Exercise and Termination. If the Option is terminated as provided above in Section 3.2, then:

- (a) the Option and our rights to exercise the Option will immediately terminate;
- (b) the Investment Amount will be retained by you in consideration for the Option;
- (c) subject to any survival provisions, this Agreement and any and all the other Investment Documents will terminate and be of no further legal force or effect; and
- (d) we will execute, acknowledge, deliver to you, and record and file with the appropriate Registry of Deeds or other applicable governmental, city, county, or municipal office in which the Property is situated a release and/or reconveyance of the Security Instrument, and any other documents reasonably required to verify the termination of the Option and the Investment Documents; *provided, however*, that certain obligations and provisions of this Agreement will survive such termination as provided below in Section 8.10.

SECTION 4 **OWNER REPRESENTATIONS AND WARRANTIES**

Section 4.1 Owner Representations and Warranties. The truth, accuracy, and completeness of the representations and warranties set forth in this Section 4.1 are a condition precedent to any of Hometap's obligations under each of the Investment Documents. The Owner hereby represents and warrants to Hometap as of the Effective Date, and hereby renews and reiterates such representations and warranties upon any consummation of a Hometap Option Exercise or Owner Repurchase as provided for in this Agreement, as follows:

- (a) Title to Property. You, as Owner(s) identified in this Agreement, individually and collectively, appear on record title of the Property as holding fee simple title to 100% of the Property. There are no other Persons who have a claim to any title to the Property, and all Owners are identified in this Agreement. Your fee simple title to the Property is marketable and insurable, free of any Liens and Encumbrances, except for any Permitted Encumbrances, and there are no additional existing or pending Liens and Encumbrances, or any other claims, restrictions, or other interests against the title to the Property.
- (b) Capacity and Authority. You have the full capacity and the legal power, right, and authority to grant the Option, to enter into this Agreement and the other Investment Documents, and to consummate the transactions contemplated hereby and thereby.
- (c) Trust. If you are the Trustee of a Revocable Trust: (a) the trust has been duly formed; (b) the Trustees of the trust have the capacity and authority to enter into this Agreement and the other Investment Documents; and (c) true, accurate, and complete copies of all trust documents (and all amendments and supplements) have been delivered to us. For purposes of this Agreement, a "**Revocable Trust**" shall mean a revocable trust, revocable living trust, inter vivos trust, revocable family trust or similar trust established in accordance with the laws of any state.
- (d) No Lawsuits, Claims, Bankruptcy, or Foreclosures. There is no litigation or arbitration pending, or to your knowledge, threatened against you relating to your ownership of the Property or that might adversely affect your title to the Property, the Property itself, the value of the Property, the Hometap Share, Hometap's rights herein, or your ability to perform your obligations under this Agreement. You have not received nor are you aware of any: (a) special assessment or other proceedings affecting the Property; (b) default or notice of default with respect to any loan or other obligation secured by the Property;

(c) notice of sale with respect to any lien or deed of trust or mortgage (as appropriate) on the Property; or
(d) information or notice that the Property is to be sold or foreclosed upon by a Person holding a lien on the Property.

(e) No Violations. There are no violations of, or claims of violation of, any laws, regulations, zoning ordinances or other land-use regulations relating to the Property and all operations or activities upon, or use or occupancy of the Property or any portion of the Property, by you or others comply with law, including local laws and zoning ordinances.

(f) Environmental Matters. To your knowledge, there are no violations of, or claims of violation of, any state, federal, or local environmental law or regulation relating to the Property, including those concerning hazardous materials ("**Environmental Laws**"). To your knowledge, no hazardous materials are present on, in, or about the Property or property in the vicinity of the Property. You will not, and will not allow others to, violate any laws, including, without limitation, Environmental Laws, relating to the Property or perform any activities upon, or use or occupy the Property or any portion of the Property, in any manner that violates any laws, including, without limitation, Environmental Laws.

(g) Documentation and Information Supplied by Owner; Financial Condition of Owner. Your application to us and all financial and other documentation and other information supplied or made available by you or your spouse or co-owner, if applicable, as part of applying for, or in connection with entering into, this Agreement, the Option, and the Investment Documents is truthful, complete, not misleading, and fairly and accurately reflects your (and, if applicable, your spouse's or co-owner's) financial condition as of (a) the date supplied and (b) the Effective Date. There has been no material change in your financial condition as of the Effective Date since your application to us. To your knowledge, there has not been any change in the condition or value of the Property since the date of any Appraisal conducted prior to the Effective Date.

(h) New Debt or Obligations. Since the date on which you initiated discussions with Hometap, you have not incurred (or agreed to incur) any additional obligations with respect to the Property such as additional debt or other investments in the equity or appreciation of the Property, nor have any additional liens been placed (or, to your knowledge, will be placed) on the Property, in each case other than where you have provided written notification to Hometap of such debt, obligations, or liens.

(i) Not a Loan. You acknowledge and understand that the payment of the Investment Amount by Hometap is not a loan or any other form of financing transaction, swap, or futures contract. Under no circumstances will the Investment Amount accrue interest, and if the Option expires, then you will not be obligated to return or repay the Investment Amount.

(j) Conflict; Enforceability. The execution, delivery, and performance of the Investment Documents will not conflict with, or result in a breach of, any of the terms, conditions, or provisions of, or constitute a default under, any note or other evidence of indebtedness or any contract, indenture, mortgage, deed of trust, loan, agreement, lease, or other agreement or instrument to which you are a party or by which the Property may be bound. The Investment Documents and all other documents required to be executed by you in connection with those documents are and will be valid, legally binding obligations of, and enforceable against, you and any successors or permitted assignees in accordance with their terms.

SECTION 5

HOMETAP REPRESENTATIONS AND WARRANTIES

Section 5.1 Hometap Representations and Warranties. Hometap hereby represents and warrants to the Owner as of the Effective Date, and hereby renews and reiterates such representations and warranties upon

any consummation of a Hometap Option Exercise or Owner Repurchase as provided for in this Agreement, as follows:

(a) Authority. Hometap is a duly established and organized Delaware limited liability company, is in good standing in all jurisdictions in which it is qualified to do business, and is duly authorized to execute and deliver this Agreement, to enter into transactions contemplated hereunder, and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery, and performance.

(b) Enforceability. Hometap's obligations under this Agreement and any related agreement to which it is a party constitute its legal, valid, and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium, or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

SECTION 6 COVENANTS

Section 6.1 Owner Covenants. During the Effective Period, the Owner hereby agrees to comply with and satisfy and observe the following covenants:

(a) Maintain Mortgage, Liens and Encumbrances and Other Secured Obligations. You shall (i) maintain, pay, keep current, and comply with any and all obligations, maintenance requirements, and covenants under your primary mortgage and any and all other mortgages, loans, and obligations that are senior to the lien established by the Security Instrument, the covenants running with the land under this Agreement, and the Option, of which (A) we have actual written notice under a title report, title search, or title commitment obtained in connection with this Agreement and the transaction related thereto, and (B) that are acknowledged in writing by us before or upon our execution of this Agreement (each an "**Acknowledged Pre-Existing Lien**"), and you shall notify Hometap promptly in writing of any defaults or potential or pending defaults thereunder; and (ii) at all times keep the Property free of any and all Liens and Encumbrances, except for (A) Acknowledged Pre-Existing Liens, (B) Permitted Encumbrances, and (C) Approved Subsequent Loans (as defined below in Section 6.1(i)(ii)).

(b) Owner Occupied; Right of Occupancy. During the Effective Period, the Owner (or at least one Owner if there are multiple Owners) shall occupy the Property as Owner's principal place of residence ("**Owner Occupied**") other than during periods of vacancy no longer than ninety (90) days due to renovation. In the event you desire for the Property to no longer be Owner Occupied, you must request such change in writing from Hometap, which shall be approved or denied in Hometap's sole discretion. You will enjoy continuous right of occupancy of the Property as an owner, and not as a tenant or lessee, whether or not we have completed a Hometap Option Exercise, subject to the rights of you and Hometap to Transfer the Property pursuant to the terms of this Agreement. Your sole right of occupancy will be effective only so long as you do not Transfer or attempt to Transfer the Property except as permitted under this Agreement. Your sole right of occupancy is not transferable by you except as part of a Permitted Sale or Exempted Owner Property Transfer, or as otherwise permitted by us.

(c) Maintain Adequate Insurance Coverage. You will keep the Property and all buildings or other customarily insured improvements upon the Property insured by a nationally recognized insurer acceptable to us against loss by fire, hazards of extended coverage, other hazards common for similar properties in similar locations, and other hazards we may request, in an amount equal or greater than the full insurable value of the Property, but in no event less than the minimum amount necessary to fully compensate for any damage or loss on a replacement cost basis. All such insurance policies will name us

and our successors and assigns as a loss payee (or as we otherwise direct). If the Property is or becomes located in an area identified on a flood hazard map or flood insurance rate map issued by the Federal Emergency Management Agency as having special flood hazards, a flood insurance policy meeting the requirements of the guidelines of the Federal Insurance Administration is and will be in effect, which policy is and will be issued by a nationally recognized insurer acceptable to us and provide coverage in an amount equal to not less than the lesser of the full insurable value of the Property or the maximum amount of insurance available under the National Flood Insurance Act of 1968. All such flood insurance policies will name us and our successors and assigns as a loss payee (or as we otherwise direct). You will timely pay all premiums for all such insurance policies and, if you fail to do so, we are authorized to maintain and/or obtain such policies at your cost and expense, and you will immediately reimburse us for such costs and expenses. Hometap is under no obligation to purchase any particular type or amount of coverage. As such, coverage shall cover Hometap but may not protect Owner, Owner's equity in the Property, or the contents of the Property and might provide greater or lesser coverage than was previously in effect. You shall provide written evidence of your compliance with the above at any and all signings, closings, and settlements conducted under this Agreement, or as Hometap may reasonably request from time to time.

(d) Destruction or Loss of Property.

(i) Repair and Restoration. If the Property is destroyed or experiences material damage, you will restore or repair the Property to at least the same condition and characteristics as of the time immediately preceding the destruction or damage, subject to all applicable local ordinances. Except to the extent you are required to take other action in connection with any Senior Lien on the Property, you will apply any insurance proceeds to the restoration or repair. If the insurance proceeds are insufficient to complete the restoration or repair, you will be responsible for any shortfall and we will have no responsibility or obligation to pay any amount whatsoever in connection with the restoration or repair of the Property.

(ii) Allocation Where Repair Not Feasible. If any loss occurs in connection with the Property, and restoration or repair is not economically feasible, you will obtain a Physical Appraisal, provided that the appraiser will be instructed to determine the value of the Property as it existed immediately prior to the destruction or damage. Any insurance proceeds, whether or not the underlying insurance was required by us, will be allocated in the following order: (A) to the payment (or reimbursement) of reasonable costs and expenses (including attorneys' fees that have been approved by us) reasonably incurred by you, any lender of a Senior Lien, and/or Hometap in collecting and contesting with the insurers the payments under the insurance policies; (B) to payment of any Senior Lien, provided that, if the insurance proceeds equal or exceed the amount owed under any Senior Lien, such payment will result in the discharge of any related Senior Lien; (C) to us, an amount equal to the Hometap Share; and (D) to you, the balance of the proceeds.

(e) Physical Appraisals. In connection with any Physical Appraisal, you will cooperate with the appraiser by granting full access to the Property at reasonable times and by making available any relevant documents in your possession pertaining to conditions that may affect the value of the Property. You will immediately share with us any written Physical Appraisal you receive related to this Agreement.

(f) Renovation.

(i) Owner shall be entitled, in your sole discretion to renovate, modify, or otherwise make physical alterations to the Property (a "**Renovation**"), provided that any such Renovation is completed by licensed contractors in accordance with local zoning laws and regulations, properly permitted, and only upon receipt of any approvals from any local, municipal, or state authorities. If the Owner undertakes a single Renovation project with documented aggregate costs in excess of

\$25,000, then the Owner may provide written notice (a "**Renovation Notice**") to Hometap within ninety (90) days following the completion of such Renovation. The Renovation Notice will include: (A) a summary describing the Renovation, (B) photographs of the Property prior to and following the Renovation, (C) copies of all contracts, invoices, permits, and other documentation associated with such Renovation, (D) all material terms and information describing the Renovation, and (E) any other information relating thereto that Hometap may reasonably request.

(ii) In connection with an Owner Repurchase, the Owner may request and Hometap may, in its sole discretion, accept an adjustment to the Ending Home Value to account for any appreciation in the value of the Property resulting from the Renovation. In connection with such a potential Renovation adjustment at the time of an Owner Repurchase, Hometap shall complete an Appraisal at Owner's expense, and such Appraisal shall include a determination of the increase in the Ending Home Value attributable exclusively to the Renovation (the "**Renovation Value Increase**"). If accepted by Hometap, in its sole discretion, the amount of the Renovation Value Increase shall be deducted from the Ending Home Value for purposes of calculating the Hometap Share; *provided, however*, that the Renovation Value Increase shall not exceed the actual cost of the Renovation as evidenced and documented in the Renovation Notice; *and further provided* that the Renovation Value Increase shall not exceed the difference between the Ending Home Value and the Beginning Home Value.

(g) Option Fees. You will pay any reasonable fees imposed or incurred by us from time to time related to the Option during the Effective Period (such fees being referred to as "**Option Fees**"), which may include, without limitation: (i) fees for processing your requests for subordination; (ii) fees for processing your requests for Property title or ownership changes; (iii) fees for processing any reconveyance or renewal recordings of any Security Instrument or other documentation pertaining to the Option; (iv) fees for processing Hometap Cure Payments (defined below in Section 7.2(a)); (v) fees relating to any Event of Default (defined below in Section 7.1), including any fees, costs, or expenses for our oversight of the default process; (vi) fees incurred in any dispute relating to the Property; and (vii) charges to cover any third-party or other out-of-pocket costs relating to any of the foregoing (including charges imposed by title companies and escrow companies, charges related to recording of documents, and attorneys' fees).

(h) Condemnation. If the Property is condemned in whole or in part during the Effective Period, then all condemnation proceeds net of reasonable costs and expenses (including attorneys' fees that have been approved by us) reasonably incurred by you and/or us in collecting and contesting the condemnation proceeds ("**Net Condemnation Proceeds**") will be allocated as provided above in Section 6.1(d)(ii). If the Property is condemned in part, then the Hometap Share shall be calculated using the Net Condemnation Proceeds as the Ending Home Value, and such proceeds will be allocated in the order provided above in Section 6.1(d)(ii). In the case of a partial condemnation, the Option will be retained with respect to any portion of the Property that has not been condemned.

(i) Allowed Loans and Transactions.

(i) Minimum Owner Equity. Owner may not at any time increase, or permit the increase of, the total balance of loans or other property interests secured by liens on the Property (including for such purposes the unused portion of any committed line of credit) if such additional debt or property interest would reduce Owner's remaining Owner Equity (as defined below) in the Property below the dollar amount equal to the "**Minimum Owner Equity**", which is twenty percent (20%) of the current appraised value of the Property (the "**Current Property Value**"). "**Owner Equity**" shall be defined as the amount calculated by subtracting from the Current Property Value: (1) all Acknowledged Pre-Existing Liens, (2) all Approved Subsequent Loans (as defined below), (3) the present value of the Hometap Share (assuming Ending Home Value higher than Beginning

Home Value); *provided, however*, that for purposes of this calculation the Hometap Cap shall not apply, and (4) any other debt or obligations secured by the Property.

(ii) Approved Subsequent Loans.

- (1) In order for Hometap to consider any request by Owner to incur any additional indebtedness secured by a lien on the Property (an "**Approved Subsequent Loan**"), Owner shall provide Hometap with all documentation relating to such proposed Approved Subsequent Loan that Hometap may reasonably request, including, without limitation, any commitment letter, offer letter, term sheet, proposed note, preliminary title report, appraisal, or inspection report, as well as any similar documentation relating to any Acknowledged Pre-Existing Liens.
- (2) If the proposed Approved Subsequent Loan would result in a lien (or modification or increase of an Acknowledged Pre-Existing Lien) that is senior to the Option, and/or Hometap is being asked to subordinate its Option, any such subordination agreement or consent shall be in a form reasonably acceptable to Hometap.
- (3) In connection with a request for an Approved Subsequent Loan, Hometap, in its sole discretion, will either use the Beginning Home Value for the purpose of calculating the Current Property Value and Minimum Owner Equity or may require, at Owner's expense, a new Appraisal of the Property.
- (4) Following receipt of (i) a request for an Approved Subsequent Loan, (ii) all documentation required in Section 6.1(i)(ii)(1), and (iii) a new Appraisal (if applicable), Hometap will conduct all such other inquiries and reviews as it deems necessary to make a determination regarding whether to consent to such Approved Subsequent Loan; *provided, however*, that so long as such request meets all such requirements, consent to such Approved Subsequent Loan shall not be unreasonably withheld.
- (5) In the event that Hometap consents to an Approved Subsequent Loan, Owner shall provide Hometap with the final executed documentation relating to such Approved Subsequent Loan as soon as reasonably practicable following the closing of such transaction.

(iii) Prohibited Loans and Transactions. Owner will not encumber the Property with, and Hometap will not give consent to, any proposed transaction that could have the effect of impairing Hometap's rights under the Investment Documents, or the Hometap Share, including "reverse" mortgage loans, "shared appreciation" mortgage loans, mortgage loans with negative amortization features, private or non-institutional loans, investments in the equity or appreciation of the Property, or unrecorded loans secured by the Property. Owner will not encumber the Property with and Hometap will not give consent to, any proposed cash-out refinance of an Acknowledged Pre-Existing Lien or an Approved Subsequent Loan after the seventh anniversary of the Effective Date.

(iv) Subsequent Loans used for Owner Repurchase. Owner may incur additional indebtedness secured by a lien on the Property at any time during the Effective Period if Owner is

incurring such additional indebtedness in order to execute an Owner Repurchase in full compliance with the terms of this Agreement, including but not limited to Section 2.4. In all such instances, Hometap shall receive a direct payment, via wire transfer or similar means, for the entire Hometap Share concurrently with the closing of this subsequent indebtedness; failure to do so will be considered an Event of Default. Notwithstanding the foregoing, Hometap reserves the right to withhold its approval for the additional indebtedness if Hometap believes, in its sole discretion, that such additional indebtedness will not facilitate a full Owner Repurchase.

(j) Obligation to Provide Information to and Cooperate with Hometap. During the Effective Period, you will cooperate with Hometap to schedule any Appraisal, and you will use commercially reasonable efforts to promptly respond to requests for information that Hometap may reasonably ask from time to time regarding the status of the Property, or information, reports, proof of payment of taxes or assessments, insurance policies, proof of insurance coverage, and any other information available to you concerning the Property and any modifications to the Property. You will immediately provide us with notice of any event that has or may be expected to have a material effect upon the Property, the value of the Property, the Option, or Hometap's rights under the Investment Documents, including, without limitation, (i) the death or divorce of any Owner; (ii) the death or removal of any Trustee or Trustor, as well as the appointment of any substitute or additional Trustee or Trustor; (iii) environmental matters affecting the Property; (iv) the commencement of any legal action involving the Property; or (v) the occurrence of an Event of Default.

(k) Waiver of Right to Partition. Owner agrees to waive and relinquish all rights you may now or later have to seek partition of the Property, whether in kind or by sale.

Section 6.2 Hometap Rights and Covenants.

(a) Hometap Interest. Pursuant to this Agreement, during the Effective Period, Hometap shall have an economic interest in the Property, which is protected by this Agreement and the other Investment Documents.

(b) Waiver of Right to Partition. Hometap waives and relinquishes all rights it may now or later have to seek partition of the Property, whether in kind or by sale; *provided, however*, that we will retain the right to seek a partition (i) in the event of, and as part of any action arising out of an Event of Default, which is not timely cured pursuant to Section 7.2, or (ii) in connection with any claim or action by Owner which asserts that any provision of this Agreement is against the law or unenforceable.

(c) Right to Disclose Certain Information. We may share certain personal and financial information relating to you or the Property with our affiliates, subsidiaries, assignees, contractors, agents, representatives, and persons with whom we intend to conduct business, including the address and general location of the Property, appraisal reports and other valuations of the Property, and the financial terms of this Agreement, to the extent not prohibited by law.

(d) Agreement to Subordination. We may agree to subordinate the priority of our rights under any of the Investment Documents to the lien of any lender that refinances any Acknowledged Pre-Existing Lien or proposes to extend to you any other Approved Subsequent Loan secured by a lien on the Property; *provided that* any requested subordination and loan documents contain only reasonable and customary terms common to such agreements, and you pay any amounts we reasonably require.

(e) No Hometap Liability. Hometap shall not be liable for any (i) Acknowledged Pre-Existing Liens, Liens and Encumbrances, Approved Subsequent Loans, or any other loans or obligations to any third parties created, established, or obtained by you whether before or after the consummation of the transactions

contemplated hereunder, and whether or not consented to, approved by, or subordinated to by us, or (ii) for homeowner association fees, property taxes, homeowner or property insurance, or other liabilities or obligations that might arise in connection with the Property.

SECTION 7

EVENTS OF DEFAULT

Section 7.1 Events of Default. The occurrence of any of the following will constitute an Event of Default ("**Event of Default**"):

(a) you breach or fail to perform any obligation or covenant under the Investment Documents, including any action or failure to act resulting in, or which can reasonably be expected to result in, a violation of Hometap's rights herein or a breach of this Agreement or other Investment Document, which breach or failure is not cured (if capable of being cured) within thirty (30) days of the occurrence thereof;

(b) you take any action that does not honor the Option or you omit to state a material fact relating to your obligations in this Agreement, including any misrepresentation or omission related to the amount or kind of consideration given to you in any Transfer which can reasonably be expected to result in a violation of Hometap's rights under the Investment Documents or a breach of this Agreement or other Investment Document), which breach or failure is not cured (if capable of being cured) within thirty (30) days of the occurrence thereof;

(c) you fail to timely provide us any notice required under this Agreement;

(d) any representation or warranty set forth above in Section 4.1, is or becomes false or misleading, and you fail to correct and provide Hometap written notice of such false or misleading representation or warranty within five (5) Business Days of becoming aware of such occurrence;

(e) (i) the voluntary or involuntary commencement of any case or proceeding against an Owner under any bankruptcy, insolvency, reorganization, liquidation, moratorium, dissolution, delinquency, or similar law, or the appointment or election of a receiver, conservator, trustee, custodian, or similar official for an Owner or any substantial part of the Property, or the convening of any meeting of creditors for purposes of commencing any such case or proceeding or seeking such an appointment or election, (ii) the making by an Owner of a general assignment for the benefit of creditors, or (iii) the admission in writing by an Owner of Owner's inability to pay such Owner's debts as they become due or of your or any co-owner's insolvency, and in all cases, where such case, proceeding, assignment, or admission is not dismissed or otherwise reversed within thirty (30) days;

(f) Owner fails to pay in a timely manner any taxes, assessments, liens, amounts due under loans that are secured by liens on the Property, whether recorded or unrecorded, or other obligations relating to or on the Property, which failure is not cured within thirty (30) days of the occurrence thereof;

(g) the Transfer or attempted Transfer of the Property, or any interest in the Property, by you, except in accordance with this Agreement;

(h) a lien attaches to the Property that does not have our prior written approval, or you obtain any loan secured or to be secured by the Property that we have not approved in writing, whether recorded or unrecorded;

(i) you fail to preserve or maintain the Property in good repair and in a condition substantially similar to its condition on the Effective Date, except for normal wear and tear;

(j) insurance on the Property is not maintained as required by this Agreement, including any payment due on the insurance becomes delinquent, which failure, if curable, is not cured within thirty (30) days of the occurrence thereof;

(k) any assignment, attempted assignment, or other transfer of the Option or Investment Documents in violation of this Agreement;

(l) any other action or event occurs within your reasonable control which has, or may reasonably be expected to have, a material adverse effect on the Property, the value of the Property, the Option, or the Hometap Share.

Section 7.2 Remedies Following Event of Default. Following an Event of Default, Hometap will provide you with a Notice of Right to Cure Default, which shall state the specific Event(s) of Default and the time in which it must be cured, which shall be no more than thirty (30) days following delivery of the Notice of Right to Cure Default. If Owner fails to cure the default within the time period set forth in the Notice of Right to Cure Default, Hometap may declare a default by delivering to you a written notice (a "**Default Notice**") and may exercise any of the rights and remedies set forth below in this Section 7.2.

(a) **Hometap Option Exercise.** Upon delivery of a Default Notice, we will have the right in our sole discretion to initiate and complete a Hometap Option Exercise in compliance with Section 3.1. We may record the Default Notice in the county where the Property is located.

(b) **Hometap Cure.** To the extent that you fail to take any actions or make any payments that Hometap determines are necessary to avoid or remedy an actual or impending Event of Default or otherwise protect Hometap's rights under the Investment Documents or the Option, Hometap shall have the right, but not the obligation, to take such actions or complete such payments ("**Hometap Cure Payments**"). We may make payments to cover any delinquent payments, insurance premiums, accrued interest, late fees, reinstatement fees, property and other taxes, and other penalties, together with any and all amounts which we deem necessary to cure an Event of Default. Hometap shall provide Owner with five (5) Business Days written notice, or the minimum notice period required by applicable law, prior to taking any corrective action or making any Hometap Cure Payments, which may include, without limitation, payment of taxes, placement of insurance or curing of a default with a lender or other third party with an interest in the Property. Beginning on the day a Hometap Cure Payment is made, interest shall accrue at the lesser of eight percent (8%) per annum or the maximum amount permitted by applicable law. Hometap shall have the right to demand repayment of any Hometap Cure Payments (plus applicable interest) on five (5) Business Days' notice, and failure to pay such amounts shall be deemed an Event of Default. Notwithstanding anything in the foregoing to the contrary, any repayment of Hometap Cure Payments will be deemed reimbursement of expenses and the Hometap Cap shall not apply to such amounts.

(c) **Power of Foreclosure and Sale Under State Laws.** We will be entitled to exercise our rights under the Mortgage and Security Instrument in accordance with applicable laws and regulations established in the jurisdiction where the Property is located.

(d) **Failure to Maintain Adequate Insurance.** If you fail to maintain insurance in amounts required by Section 6.1(c), or any insurance claim is denied due to Owner's action or inaction, then the Hometap Share will be increased by the amount of any such denied claim. Any such increase shall be deemed exempt, on a dollar-for-dollar basis, from the Hometap Cap. If this occurs, we may complete a Hometap Option Exercise if we have not already done so and Transfer the Property in its then-current state according to the procedure set forth in Section 3.1. The proceeds of any Transfer pursuant to this Section 7.2(d), together with any available proceeds from any insurance policies (whether or not the underlying insurance was required by us), will be allocated as in the order provided in Section 6.1(d)(ii).

(e) Owner Repurchase After Event of Default. At any time following our delivery of a Default Notice, you may repurchase the Option by paying us the Hometap Share in an Owner Repurchase pursuant to Section 2.4 above; *provided that* the Repurchase Settlement must (i) occur (A) within twenty (20) days of you providing us written notice of your election to make an Owner Repurchase, and (B) prior to any scheduled closing of a Hometap Option Exercise, and (ii) use an Ending Home Value that is the value of the Property as determined by a Physical Appraisal. If you elect to make an Owner Repurchase, but the Repurchase Settlement is not completed within the prescribed periods in this Section 7.2(e) then (1) your right to make an Owner Repurchase may be terminated, and (2) we may elect to immediately exercise a Hometap Option Exercise without regard to any restrictions in Section 3.1.

(f) Specific Performance, Rescission and Injunctive Relief. You and we agree that if we are not allowed to exercise our rights under any of the Investment Documents, or if you fail to comply with your obligations under any of the Investment Documents, the damages to us would be irreparable and extremely difficult to estimate, making money damages, or any remedy at law inadequate. Thus, in addition to any other rights and remedies available to us in law, equity, or otherwise, we will be entitled to seek specific performance of the covenants, agreements, and rights contained in each of the Investment Documents or, as permitted by applicable law, to seek full rescission of this Agreement. You and we further agree and acknowledge that a violation or threatened violation of this Agreement by you is likely to cause irreparable injury to us and that, in addition to any other remedies that may be available, in law, in equity, or otherwise, we are entitled to obtain immediate and other injunctive relief against the threatened breach of this Agreement or the continuation of any such breach by you, without the posting of a bond or the necessity of proving actual damages.

Section 7.3 Repayment in Bankruptcy. If we are required to and do remit or disgorge any amounts paid by you pursuant to this Agreement as a preference claim in a bankruptcy proceeding involving you, then we will be entitled to assert a claim against you for the amount remitted or disgorged and any related costs we incur, and such claim by us will begin to accrue on the date such amount is actually remitted or disgorged and will automatically survive the Effective Period.

Section 7.4 Calculation of Liquidated Damages. To the extent that enforcement of the Security Instrument and any power of sale granted under the Security Instrument require specification of an amount in default or liquidated bid amount or we elect to exercise the power of sale and foreclose on the Property, Owner and Hometap agree and acknowledge that the damages that would arise from Owner's (or Owner's executor's) defaults may be uncertain, depend on many factors, and may be extremely difficult to ascertain, and that a reasonable calculation of such damages is the calculation of liquidated damages. The amount in default or liquidated bid amount under any remedy may also include: (a) the sum of all monetary obligations owed to us by you under this Agreement; and (b) any amounts required to satisfy your loan, tax, and insurance related obligations on the Property, including late fees, reinstatement fees, and other penalties.

Section 7.5 Remedies Concurrent and Not Exclusive. The remedies set forth in Section 7.2 will be concurrent, cumulative, and not exclusive, to the extent not prohibited by law. Every right, power, and remedy granted to us in the Investment Documents will be in addition to all those rights, powers, and remedies available to us at law, equity, or otherwise, and each such right, power, and remedy may be exercised from time to time and as often and in any order we decide to the extent not prohibited by law, and the decision not to exercise of any such right, power, or remedy will not be deemed a waiver of the right to exercise any right, power, or remedy.

SECTION 8 MISCELLANEOUS

Section 8.1 Indemnification by Owner and Maximum Liability. You agree to defend, indemnify, and hold us harmless from and against any claims, causes of action, proceedings, judgments, damages, losses, liabilities, penalties, fines, reasonable fees (including reasonable attorneys' fees), reasonable costs, reasonable expenses, settlements, and other obligations of every kind arising out of or relating to: (a) a breach of any of your representations, warranties, covenants, or agreement in this Agreement or the other Investment Documents; (b) any act or omission by you or your contractors, agents, or representatives; or (c) any and all damage to any person or property occurring in, on, or about the Property or off the Property arising out of actions on the Property. Notwithstanding your indemnification obligation under this Section 8.1, at our election, we may defend any third-party claim subject to your indemnification obligation with counsel of our own choosing at your reasonable cost and expense and without your participation. You will not, without our prior written consent, which shall not be unreasonably withheld settle or compromise any claim, action or proceeding or consent to the entry of any judgment regarding which indemnification is owed to us. WITHOUT LIMITING YOUR INDEMNIFICATION OBLIGATION, IN NO EVENT WILL OUR AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE PROPERTY EXCEED THE INVESTMENT AMOUNT.

Section 8.2 Asset Administration. From time to time during the Effective Period, Hometap may designate one or more authorized representatives to (a) monitor and effect your compliance with this Agreement and any other Investment Documents, (b) exercise our rights and carry out our obligations under this Agreement or any other Investment Documents, (c) protect and administer the Option, and (d) do anything else we may be permitted to do under this Agreement or any other Investment Documents.

Section 8.3 Covenants to Run with Land. The provisions of this Agreement are covenants running with the land so long as this Agreement remains in effect. We will record the Security Instrument reflecting this fact in the public records.

Section 8.4 Relationship. We are not a partner, joint venturer, trustee, lender, or fiduciary with, or of, Owner. You are not permitted to execute any document or enter into any agreement on our behalf. The Option is intended to be and will be treated for all purposes (including tax purposes) as an economic interest and not as a loan or joint venture.

Section 8.5 Ongoing Credit Checks. By entering into this Agreement, you are providing written instructions, consent, and authorization to Hometap under the Fair Credit Reporting Act authorizing Hometap to obtain information from your personal credit report or other information for the duration of the Effective Period from one or more consumer reporting agencies, such as TransUnion, Experian, or Equifax.

Section 8.6 Multiple Owners. If multiple Persons are Owners, then: (a) the Investment Documents must be signed by each Owner; (b) all rights and powers specified for Owner in the Investment Documents must be approved and exercised unanimously by each Owner; (c) each Owner will be jointly and severally liable for all liabilities and obligations specified for an Owner under this Agreement or any other Investment Documents; (d) any notice required to be given by or to an Owner will be deemed adequately given if given by or to any Owner using the Notice Address, as defined below in Section 8.16; and (e) we may treat any notice received from any one Owner as notice from all Owners.

Section 8.7 Revocable Trusts. If Owner is a Revocable Trust: (a) all Trustors must sign the Investment Documents in their capacities as individuals and as Trustors; (b) all Trustees must sign the Investment Documents in their capacities as Trustees; (c) each Trustee and Trustor who signs this Agreement represents and warrants that all Trustees and Trustors have been disclosed to us; (d) all rights and powers specified

for, and all actions required of, Owner in the Investment Documents must be approved and exercised by all Trustees unanimously; (e) all Trustors, in their capacities as individuals, will be jointly and severally liable with Owner for all liabilities and obligations specified for Owner under any of the Investment Documents; (f) all representations and warranties by Owner in the Investment Documents are made by all Trustees on behalf of the Revocable Trust and by all Trustors in their capacities as individuals; (g) notice required to be given by or to an Owner will be deemed adequately given if given by or to any of the Trustees using the Notice Address, as defined below in Section 8.16; and (h) we may treat any notice received from any one Trustee as notice from all Trustees and from Owner.

Section 8.8 Delegation of Duties. We may perform any of our duties under this Agreement or any other Investment Document by or through contractors, agents, employees, or attorneys-in-fact and will be entitled to advice of counsel concerning all matters pertaining to such duties and any actions taken on the basis of such advice from counsel will be deemed to have been taken in good faith. We will not be responsible for the negligence or misconduct of any contractor, agent, employee, or attorney-in-fact that we select as long as our selection was made without gross negligence or willful misconduct.

Section 8.9 Successors and Assignees; Owner's Estate. The Investment Documents will be binding on your and our respective heirs, successors, and permitted assignees. If Owner dies, then the Investment Documents will be binding on Owner's Estate. The death of Owner will not terminate any of the Investment Documents.

(a) **Assignment by Hometap.** We may assign, participate, hypothecate, sell, transfer, or otherwise transact, in whole or in part, our right and title to, and interest in, any of the Investment Documents at any time and to any Person without prior notice to or consent of Owner. In connection with any assignment, participation, hypothecation, sale, transfer, or transaction, we may disclose any documents and information in our possession relating to Owner and the Property. Upon such assignment, sale, or transfer, our assignee, buyer, or transferee will automatically have all the rights and remedies of Hometap under the Investment Documents. You will execute and deliver in recordable form, if requested, at our expense, such other documents we deem appropriate to reflect the assignment, sale, or transfer of the Option and the other Investment Documents. You agree to cooperate with such assignee, buyer, or transferee, including by executing any documents deemed appropriate by assignee, buyer, or transferee to insure or protect such Person's interest in the Investment Documents.

(b) **Assignment of Agreement by Owner.** Absent our prior written consent, which consent may be withheld, Owner may not assign or otherwise transfer any of the Investment Documents. We may grant consent to an assignment to Owner's spouse who acquires an interest in the Property or a Trustee of a Revocable Trust in which Owner is the sole Trustor; *provided that* in each case the assignee: (i) was alive as of the Effective Date; (ii) executes this Agreement; (iii) executes a recordable addendum to the Security Instrument in a form provided by us; (iv) executes an assignment with the assignor in a form satisfactory to us; and (v) provides any information or other documents requested by us and satisfactory to us ("**Exempted Owner Assignment**"). In the event of an Exempted Owner Assignment to the Trustee(s) of a Revocable Trust, the original Owner (i.e., the Trustor(s)), jointly and severally, will continue to remain liable under the Investment Documents.

(c) **Exempted Owner Property Transfer.** If Owner obtains our prior written consent, Owner may Transfer the Property into the name of Owner's spouse or the Trustees of a Revocable Trust in which you are the sole Trustor; *provided that* the requirements for an Exempted Owner Assignment under Section 8.9(b) are met (an "**Exempted Owner Property Transfer**"). An Exempted Owner Property Transfer shall not trigger a Hometap Option Exercise.

Section 8.10 Survival. The following provisions will survive any termination of this Agreement without limitation: (a) Owner's obligations to reimburse any Hometap Cure Payments and Option Fees; (b) Owner's obligation to remove any liens on the Property and pay any Sales Commissions and Transfer Closing Costs; (c) Section 7.2; (d) any amounts owed to us under this Agreement; (e) any other provisions which entitle us to remedies, fees, costs, and expenses; (f) Section 4; and (g) Section 8.

Section 8.11 Injunction. If we are stayed or enjoined from undertaking a Hometap Option Exercise, commencing or initiating any notice and procedures relating thereto in this Agreement, or enforcing any of our rights under this Agreement, the Option will not expire until ninety (90) days after such stay or injunction is lifted by a final order of the appropriate court. Any deadline or notice period contained in the Investment Documents which we are prevented or prohibited from observing by operation of law, court order, or otherwise, will automatically be stayed for the duration of such stay, injunction, prevention, or prohibition until such stay, injunction, prevention, or prohibition is no longer applicable or is lifted by final order of the appropriate court.

Section 8.12 Governing Law. The Option, this Agreement, and the other Investment Documents will be determined under, governed by, and construed in accordance with laws of the state in which the Property is located, without regard to its conflict of law principles to the furthest extent possible; *provided, however*, to the extent the mandatory provisions of the laws of another jurisdiction relating to (a) the perfection or the effect of perfection or non-perfection of any lien or other right, title, and/or interest in the Property, or (b) the availability of and procedures relating to any remedy hereunder or related to this Agreement are required to be governed by such other jurisdiction's laws, such other laws will be deemed to govern and control.

Section 8.13 DISPUTE RESOLUTION BY BINDING ARBITRATION. PLEASE READ THIS SECTION CAREFULLY AS IT AFFECTS YOUR RIGHTS.

(a) Agreement to Arbitrate. This Dispute Resolution by Binding Arbitration Section 8.13 is referred to in this Agreement as the "**Arbitration Agreement**." You agree that any and all disputes or claims that have arisen or may arise between you and us, whether arising out of or relating to this Agreement or the other Investment Documents, any advertising, or any aspect of the relationship or transactions between us, will be resolved exclusively through final and binding arbitration, rather than a court, in accordance with the terms of this Arbitration Agreement, except that you may assert individual claims in small claims court, if your claims qualify. Further, this Arbitration Agreement does not preclude you from bringing issues to the attention of federal, state, or local agencies, and such agencies can, if the law allows, seek relief against us on your behalf. You agree that, by entering into this Agreement, you and we are each waiving the right to a trial by jury or to participate in a class action. Your rights will be determined by a neutral arbitrator, not a judge or jury. The Federal Arbitration Act governs the interpretation and enforcement of this Arbitration Agreement.

(b) WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT POSSIBLE, HOMETAP AND OWNER VOLUNTARILY, UNCONDITIONALLY, AND IRREVOCABLY WAIVE TRIAL BY JURY UNDER ALL CIRCUMSTANCES WHETHER IN ANY LITIGATION OR PROCEEDING IN A STATE OR FEDERAL COURT RELATED TO, OR ARISING OUT OF, THE INVESTMENT DOCUMENTS OR THE OBLIGATIONS OR TRANSACTIONS CONTEMPLATED BY THE INVESTMENT DOCUMENTS, INCLUDING ALL CLAIMS OR DISPUTES HOWEVER ARISING (INCLUDING TORT CLAIMS AND CLAIMS FOR BREACH OF CONTRACT) BETWEEN HOMETAP AND OWNER.

(c) PROHIBITION OF CLASS AND REPRESENTATIVE ACTIONS AND NON-INDIVIDUALIZED RELIEF. YOU AND WE AGREE THAT EACH OF US MAY BRING CLAIMS

AGAINST THE OTHER ONLY ON AN INDIVIDUAL BASIS AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE ACTION OR PROCEEDING. UNLESS BOTH YOU AND WE AGREE OTHERWISE, THE ARBITRATOR MAY NOT CONSOLIDATE OR JOIN MORE THAN ONE PERSON'S OR PARTY'S CLAIMS AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. ALSO, THE ARBITRATOR MAY AWARD RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF NECESSITATED BY THAT PARTY'S INDIVIDUAL CLAIM(S), EXCEPT THAT YOU MAY PURSUE A CLAIM FOR AND THE ARBITRATOR MAY AWARD PUBLIC INJUNCTIVE RELIEF UNDER APPLICABLE LAW TO THE EXTENT REQUIRED FOR THE ENFORCEABILITY OF THIS PROVISION.

(d) Pre-Arbitration Dispute Resolution. We are always interested in resolving disputes amicably and efficiently, and most concerns can be resolved quickly and to your satisfaction by emailing us at legal@hometap.com. If such efforts prove unsuccessful, a party who intends to seek arbitration must first send to the other, by certified mail, a written notice of dispute (a "**Notice of Dispute**"). The party seeking arbitration must send the Notice of Dispute to the other Party at their Notice Address (as defined in Section 8.16 below) by certified mail, with a copy of any Notice of Dispute directed to Hometap to legal@hometap.com. The Notice of Dispute must (i) describe the nature and basis of the claim or dispute, and (ii) set forth the specific relief sought. If we or you do not resolve the claim within sixty (60) days after the Notice of Dispute is received, we or you may commence an arbitration proceeding. During the arbitration, the amount of any settlement offer made by us or you will not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which you or we are entitled.

(e) Arbitration Procedures. Arbitration will be conducted by a neutral arbitrator in accordance with the American Arbitration Association's (the "AAA") rules and procedures, including the AAA's Consumer Arbitration Rules (collectively, the "**AAA Rules**"), as modified by this Arbitration Agreement. For information on the AAA, please visit its website, <http://www.adr.org>. Information about the AAA Rules and fees for consumer disputes can be found at the AAA's consumer arbitration page, <http://www.adr.org/consumer>. If there is any inconsistency between any term of the AAA Rules and any term of this Arbitration Agreement, the terms of this Arbitration Agreement will control unless the arbitrator determines that the application of the inconsistent Arbitration Agreement terms would not result in a fundamentally fair arbitration. The arbitrator must also follow the provisions of this Agreement as a court would. All issues are for the arbitrator to decide, including issues relating to the scope, enforceability, and arbitrability of this Arbitration Agreement. Although arbitration proceedings are usually simpler and more streamlined than trials and other judicial proceedings, the arbitrator can award the same damages and relief on an individual basis that a court can award to an individual under this Agreement and applicable law. Decisions by the arbitrator are enforceable in court and may be overturned by a court only for very limited reasons.

(f) Unless we and you agree otherwise, any arbitration hearings will take place in a reasonably convenient location for both parties with due consideration of their ability to travel and other pertinent circumstances. If the parties are unable to agree on a location, the determination will be made by AAA. If your claim is for \$10,000 or less, we agree that you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing, or by an in-person hearing as established by the AAA Rules. If your claim exceeds \$10,000, the right to a hearing will be determined by the AAA Rules. Regardless of the manner in which the arbitration is conducted, the arbitrator will issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based.

(g) Costs of Arbitration. Payment of all filing, administration, and arbitrator fees (collectively, the "**Arbitration Fees**") will be governed by the AAA Rules, unless otherwise provided in this Arbitration Agreement. If the value of the relief sought is \$75,000 or less, at your request, we will pay all Arbitration Fees. If the value of relief sought is more than \$75,000 and you are able to demonstrate to the arbitrator that you are economically unable to pay your portion of the Arbitration Fees or if the arbitrator otherwise determines for any reason that you should not be required to pay your portion of the Arbitration Fees, we will pay your portion of such fees. In addition, if you demonstrate to the arbitrator that the costs of arbitration will be prohibitive as compared to the costs of litigation, we will pay as much of the Arbitration Fees as the arbitrator deems necessary to prevent the arbitration from being cost-prohibitive. Any payment of attorneys' fees will be governed by the AAA Rules.

(h) Confidentiality. All aspects of the arbitration proceeding, and any ruling, decision, or award by the arbitrator will be strictly confidential for the benefit of all parties.

(i) Severability. If a court or the arbitrator decides that any term or provision of this Arbitration Agreement (other than Section 8.13(b)) is invalid or unenforceable, the parties agree to replace such term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Arbitration Agreement will be enforceable as so modified. If a court or the arbitrator decides that any of the provisions of Section 8.13(b) are invalid or unenforceable, then the entirety of this Arbitration Agreement will be null and void, unless such provisions are deemed to be invalid or unenforceable solely with respect to claims for public injunctive relief. The remainder of this Agreement will continue to apply.

(j) Future Changes to Arbitration Agreement. Notwithstanding any provision in this Agreement to the contrary, we agree that if we make any future change to this Arbitration Agreement (other than a change to the Notice Address) during the Effective Period, you may reject any such change by sending us written notice within thirty (30) days of the change to the Notice Address. By rejecting any future change, you are agreeing that you will arbitrate any dispute between us in accordance with the language of this Arbitration Agreement as of the date you first accepted this Agreement (or accepted any subsequent changes to this Agreement).

Section 8.14 Further Assurances. Each party agrees, from time to time, as requested by the other party or its successors, assigns, buyers, or transferees, to execute and deliver any instruments and take any action reasonably necessary or desirable in order to implement the provisions and otherwise to effect the intent and purposes of the Investment Documents.

Section 8.15 Severability; Waivers. Each provision of this Agreement and of the other Investment Documents will be severable from every other provision for the purpose of determining the legal enforceability of any provision and will be construed separately and is separately enforceable from every other provision. No waiver by us of any of our rights or remedies in connection with this Agreement or the other Investment Documents will be effective unless the waiver is in writing and signed by both parties, and then any waiver or consent will be effective only in the specific instance and for the specific purpose for which given. No delay, consent, or waiver by us will be construed as continuing, as a bar to, or as a waiver or release of, any subsequent right, remedy, or recourse. To the extent that enforcement of any provision or exercise of any right under this Agreement or the other Investment Documents is held to be invalid or stayed or enjoined by a court of competent jurisdiction, then the provision will be considered separate and apart from the remaining provisions, and any other remaining provisions will continue to be fully enforceable under law.

Section 8.16 Notice. Each party will deliver all notices, requests, consents, claims, demands, waivers, and other communications under this Agreement (each, a "**Notice**") in writing to the address of the other

party listed below, unless a party has been notified by the other party in writing of a substitute address ("Notice Address"). Each party will deliver all Notices by personal delivery, nationally recognized overnight courier (with all fees prepaid), facsimile or email (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). A Notice is effective only upon receipt by the receiving party. If any Notice required by the Security Instrument is also required under applicable law, such requirement of law will satisfy the corresponding requirement under this Agreement.

HOMETAP:

Hometap Equity Partners, LLC
800 Boylston Street, 16th Floor
Boston, MA 02199
Attention: Legal Department
Email: homeowners@hometap.com

OWNER:

See signature page.

Section 8.17 Entire Agreement; Amendment. Schedule A and the exhibits are incorporated into this Agreement by this reference. This Agreement, the Security Instrument, and the other written agreements made by and between the parties as of the Effective Date together constitute the entire agreement between the parties regarding the subject matter contained in them. All prior agreements, understandings, representations, warranties, statements, and negotiations between the parties, if any, whether oral, electronic or written, relating to the Property, the Option, this Agreement, the other Investment Documents, and the related transaction, including any offer letters, terms sheets, and draft and earlier versions of settlement statements and other documents and agreements, are superseded and merged into this Agreement. No supplement, modification, or amendment of this Agreement will be binding unless in writing and executed by the party against whom enforcement is sought.

Section 8.18 No Third-Party Beneficiaries. This Agreement and the other Investment Documents are entered into for the protection and benefit of us and Owner and their respective successors and permitted assigns. No other Person will have any rights, remedies, or recourse under this Agreement or the other Investment Documents.

Section 8.19 Counterparts; Electronic Signatures. This Agreement and the other Investment Documents may be executed in counterparts, each of which when so executed will be deemed an original, but all such counterparts will constitute one and the same agreement. A signed copy of this Agreement that is transmitted by a party to the other party via facsimile or by electronic means will be binding on the signatory to that copy.

Section 8.20 Registered Domestic Partnerships and Civil Unions. An Owner will have the same rights and obligations with respect to Owner's civil union partner or registered domestic partner as Owner will have with respect to its spouse for all purposes under the Investment Documents, subject to the same conditions and limitations that would apply to a transfer or assignment to Owner's spouse, a payment by Owner's spouse, or the rights of Owner's spouse not on record title.

Section 8.21 Consent of Spouse/Domestic Partner. If you should marry or remarry or enter into a civil union or registered domestic partnership during the Effective Period, within thirty (30) days after the marriage, civil union, or domestic partnership, as applicable, you and your spouse or domestic partner, as applicable, must notify Hometap and execute any reasonably necessary documents to acknowledge your spouse or domestic partner's interest in the Property, this Agreement, and the Security Instrument, which may include a Consent of Spouse/Domestic Partner and/or joinder to this Agreement.

Section 8.22 RECOMMENDATION TO SEEK LEGAL AND TAX ADVICE. OWNER UNDERSTANDS THAT THE SALE OF THE PROPERTY, OR THE SALE OF AN ECONOMIC INTEREST IN THE PROPERTY, CAN HAVE SIGNIFICANT TAX, FINANCIAL, AND FAMILY CONSEQUENCES. OWNER ACKNOWLEDGES THAT HOMETAP HAS REQUESTED THAT OWNER DISCUSS THIS AGREEMENT WITH TAX, LEGAL, AND FINANCIAL ADVISORS AND WITH FAMILY MEMBERS TO ENSURE AN UNDERSTANDING OF THE RISKS AND BENEFITS OF THIS AGREEMENT, AND OWNER HAS HAD THE OPPORTUNITY TO DO SO.

Section 8.23 NO ADVICE. IN ENTERING INTO THE INVESTMENT DOCUMENTS AND INTO ANY FUTURE PROPERTY SALE, OWNER IS NOT RELYING AND WILL NOT RELY ON ANY INFORMATION OR REPRESENTATION THAT MAY HAVE BEEN PROVIDED BY HOMETAP OR ITS AGENTS OR REPRESENTATIVES, INCLUDING: (a) THE VALUE OF THE PROPERTY OR THAT THE BEGINNING HOME VALUE IS A REPRESENTATION OF THE MARKETABLE, INSURABLE, OR FAIR MARKET VALUE OF THE PROPERTY; (b) THE ADVISABILITY OF ENTERING INTO THE INVESTMENT DOCUMENTS OR A PROPERTY SALE; OR (c) THE TAX IMPLICATIONS AND CONSEQUENCES OF ENTERING INTO THE INVESTMENT DOCUMENTS OR A PROPERTY SALE. OWNER HAS MADE, AND WILL MAKE, HIS, HER OR ITS OWN INVESTIGATION AND JUDGMENTS REGARDING SUCH MATTERS AND HAS BEEN ADVISED BY HOMETAP TO DISCUSS THEM WITH OWNER'S LEGAL, FINANCIAL AND TAX ADVISORS, AS WELL AS WITH FAMILY MEMBERS.

Section 8.24 Subordination of Homestead and Waivers. If you have acquired or acquire in the future an estate of homestead in the Property, you agree, to the greatest extent permitted by applicable law, that such homestead estate is subordinated in all respects to the Mortgage and Security Agreement and any amounts due under this Agreement and to all renewals, extensions, and modifications of the Mortgage and Security Agreement or this Agreement, and that such homestead estate is subject to all of our rights under the Mortgage and Security Agreement and this Agreement and all renewals, extensions and modifications of the Mortgage and Security Agreement and this Agreement, and is subordinate to the lien evidenced by the Mortgage and Security Agreement, and all renewals, extensions and modifications of the Mortgage and Security Agreement. You waive and relinquish all rights of curtesy and dower in the Property.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have caused this Agreement to be executed as of the Signing Date. This Agreement may be executed in multiple counterparts, each of which when so executed will be deemed an original, but all such counterparts will constitute one and the same agreement.

HOMETAP EQUITY PARTNERS, LLC

By: _____

Name: _____

Title: _____

Date: _____

Acknowledgment Certificate

Commonwealth of Massachusetts

County of Suffolk

On this _____ day of _____, 20____, before me, the undersigned notary public, personally appeared _____, _____, proved to me through satisfactory evidence of identification, which was _____, to be the person whose name is signed on the preceding or attached document in my presence, and acknowledged to me that they signed it voluntarily for its stated purpose, as an authorized signatory for Hometap Equity Partners, LLC, a limited liability company.

Notary Public Signature

My commission expires _____

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have caused this Agreement to be executed as of the Signing Date. This Agreement may be executed in multiple counterparts, each of which when so executed will be deemed an original, but all such counterparts will constitute one and the same agreement.

OWNER(S)

By: _____
{Homeowner_One}

Date: _____

{if !empty(\$Homeowner_Two)}

By: _____
{Homeowner_Two}

Date: _____
{/if}

Notice Address:
{Mailing_Address}

Acknowledgment Certificate

Commonwealth of Massachusetts

County of _____

On this ____ day of _____, 20____, before me, the undersigned notary public, personally appeared {Homeowner_One}, proved to me through satisfactory evidence of identification, which were _____, to be the person whose name is signed on the preceding or attached document in my presence, and acknowledged to me that (he)(she) signed it voluntarily for its stated purpose.

Notary Public Signature

My commission expires _____

{if !empty(\$Homeowner_Two)} Acknowledgment Certificate

Commonwealth of Massachusetts

County of _____

On this ____ day of _____, 20____, before me, the undersigned notary public, personally appeared {Homeowner_Two}, proved to me through satisfactory evidence of identification, which were _____, to be the person whose name is signed on the preceding or attached document in my presence, and acknowledged to me that (he)(she) signed it voluntarily for its stated purpose.

Notary Public Signature

My commission expires _____

{/if}List of Schedules and Exhibits

Schedule A – Investment Term Sheet

Exhibit A – Property Description

Exhibit B – Mortgage and Security Agreement

Exhibit C – Notice of Right to Cancel

EXHIBIT A

LEGAL DESCRIPTION

Real property described as follows:

{Legal_Description|nl2:"" }

Parcel ID / APN: {Investment_Parcel_Number}

Schedule A: Hometap Investment Term Sheet

This document and the Option Purchase Agreement define key terms of the Option and Hometap's investment in the Property ("**Investment Terms**"). Capitalized terms are further defined in the Option Purchase Agreement.

Homeowner(s): {Homeowner_One} {if !empty(\$Homeowner_Two)}and {Homeowner_Two} {/if}

Property Address: {Subject_Property_Address}

Option ID: {Friendly_ID}

Effective Date: {strtotime(\$Effective_Date)|date_format:"m/d/Y"}

Section I: Predetermined Investment Terms

Hometap and Owner agree to the Investment Terms defined below. These terms have the value assigned to them as shown below, and such values shall not change during the Option Period.

Predetermined Investment Terms		
Term	Definition	Value
Investment Amount	<i>Gross amount that Hometap will pay you to acquire an Option in the Property</i>	{Investment_Amt currency_format:"\$"} "
Net Investment Amount	<i>Net amount that you will receive after Investment Fees and Costs (see Section II below) have been deducted from the Investment Amount</i>	{Cash_To_Homeowner currency_format:"\$"} format:"\$"
Beginning Home Value	<i>Property's value at the time of Investment Signing, determined by Appraisal</i>	{Beginning_Home_Value currency_format:"\$"} y_format:"\$"
Hometap Percentage (if Ending Home Value ≥ Beginning Home Value)	<i>Percentage of the Property that Hometap will acquire upon exercise of the Option when the Ending Home Value is equal to or greater than the Beginning Home Value; used to determine Option's value</i>	{Share_Up_Percentage}% ntage}%
Hometap Percentage (if Ending Home Value < Beginning Home Value)	<i>Percentage of the Property that Hometap will acquire upon exercise of the Option when the Ending Home Value is less than the Beginning Home Value; used to determine Option's value</i>	{Share_Down_Percentage}% centage}%
Acknowledged Pre-Existing Liens	<i>Current sum of debt obligations secured by a lien on the Property</i> {Name_Of_Lien_One}{if !empty(\$Name_Of_Lien_One)}, {\$Lien_One_Amt currency_format:"\$"}{/if} {Name_Of_Lien_Two}{if !empty(\$Name_Of_Lien_Two)}, {\$Lien_Two_Amt currency_format:"\$"}{/if} {Name_Of_Lien_Three}{if !empty(\$Name_Of_Lien_Three)}, {\$Lien_Three_Amt currency_format:"\$"}{/if}	{Total_Of_Prior_Liens_Amt currency_format:"\$"} ncy_format:"\$"

Section II: Investment Fees and Costs

Hometap and Owner agree to the Investment Fees and Costs defined below. The Investment Fees and Costs have the value assigned to them as shown below, which shall be deducted from the Investment Amount to determine the Net Investment Amount. The Net Investment Amount shall be paid to the Owner, as further provided in the Option Purchase Agreement.

Investment Fees and Costs Deducted from Investment Amount		
Term	Definition	Value
Investment Fee	<i>Investment fee charged by Hometap</i>	{ \$Investment_Fee currency_format: "\$" }
Third-Party Costs	<i>Costs incurred for third-party processing and services related to finalizing the Investment and signing the Investment Documents</i> <i>{Appraisal_Fee_Name}{if !empty(Appraisal_Fee_Name)}, { \$Appraisal_Fee currency_format: "\$" }{/if}</i> <i>{Title_Service_Fee_Name}{if !empty(Title_Service_Fee_Name)}, { \$Title_Fee currency_format: "\$" }{/if}</i> <i>{Third_Party_Fee_Name}{if !empty(Third_Party_Fee_Name)}, { \$Third_Party_Fee currency_format: "\$" }{/if}</i>	{ \$Total_Third_Party_Fees_And_Costs_Amt currency_format: "\$" }

Government Taxes and Fees	<p><i>Taxes and fees assessed by government entities related to finalizing the Investment and signing the Investment Documents</i></p> <p>{Mortgage_Fee_Name}{if !empty(\$Mortgage_Fee_Name)}, {Mortgage_Fee_Amount currency_format:"\$"}{/if}</p> <p>{Other_Tax_Or_Government_Fee_One_Name}{if !empty(\$Other_Tax_Or_Government_Fee_One_Name)}, {Other_Tax_Or_Government_Fee_One_Amount currency_format:"\$"}{/if}</p> <p>{Other_Tax_Or_Government_Fee_Two_Name}{if !empty(\$Other_Tax_Or_Government_Fee_Two_Name)}, {Other_Tax_Or_Government_Fee_Two_Amount currency_format:"\$"}{/if}</p> <p>{Other_Tax_Or_Government_Fee_Three_Name}{if !empty(\$Other_Tax_Or_Government_Fee_Three_Name)}, {Other_Tax_Or_Government_Fee_Three_Amount currency_format:"\$"}{/if}</p> <p>{Other_Tax_Or_Government_Fee_Four_Name}{if !empty(\$Other_Tax_Or_Government_Fee_Four_Name)}, {Other_Tax_Or_Government_Fee_Four_Amount currency_format:"\$"}{/if}</p> <p>{Other_Tax_Or_Government_Fee_Five_Name}{if !empty(\$Other_Tax_Or_Government_Fee_Five_Name)}, {Other_Tax_Or_Government_Fee_Five_Amount currency_format:"\$"}{/if}</p>	<p>{Total_Government_Fee currency_format:"\$"}{}</p>
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After Recording Return To:
Hometap Equity Partners, LLC
800 Boylston Street
16th Floor
Boston, MA 02199

Recording Requested By:
Hometap Equity Partners, LLC
Investment No.: {Friendly_ID}

_____[Space Above This Line For Recording Data]_____

Investment Amount: { \$Investment_Amt | currency format: "\$" }

MORTGAGE AND SECURITY AGREEMENT

This MORTGAGE AND SECURITY AGREEMENT, together with any riders (this “**Security Instrument**”), is made as of {strtotime(\$Signing_Date)|date_format:"m/d/Y"} (“**Signing Date**”), by and between {Owner_Of_Record} ({if !empty(\$Homeowner_Two)} collectively, {/if} the “**Owner/Mortgagor**”) and Hometap Equity Partners, LLC, a Delaware limited liability company, and its successors and assigns (“**Hometap/Mortgagee**”). This Mortgage and Security Agreement was prepared by Adam Jaskievic, with an address of: c/o Hometap, 800 Boylston Street, 16th Floor, Boston, MA 02199.

RECITALS

A. This Security Instrument is given in connection with the execution of the Option Purchase Agreement by and between Owner and Hometap (the “**Option Agreement**”) of even date, by which Mortgagor grants and conveys to Mortgagee the option to purchase an undivided percentage interest in that certain real property and improvements thereof located at {Subject_Property_Address} and further described on Exhibit A attached hereto (the “**Property**”).

B. Mortgagee desires to secure the rights granted to it in the Option Agreement and the performance of the Obligations (as defined below).

C. This Security Instrument is given pursuant to the Option Agreement, and payment fulfillment, and performance of the obligations due under the Option Agreement are secured by this Security Instrument- in accordance with the terms set forth herein.

D. Capitalized terms used in this Security Instrument have the meanings provided in this Security Instrument, or if not defined in this Security Instrument, in the Option Agreement. The Option Agreement and this Security Instrument are collectively referred to as the "**Hometap Homeowner Agreement.**"

TERMS

1. Grant. OWNER HEREBY IRREVOCABLY grants, transfers, and assigns to Mortgagee, and its successors and assigns, a security interest, with power of sale, for the benefit of Mortgagee, and its successors and assigns, in and to the Property, together with all improvements, replacements, and additions now or hereafter erected on the Property, all easements, appurtenances, and fixtures now or hereafter a part of the Property, and all rents, issues, profits, and proceeds, including insurance and condemnation proceeds, from the Property.

This Security Instrument is granted with MORTGAGE COVENANTS, upon the STATUTORY CONDITION, and upon the further condition that all covenants and agreements of, and conditions imposed upon, Owner contained in the Option Agreement will be kept and performed, for any breach of which Mortgagee will have the STATUTORY POWER OF SALE.

PROVIDED, HOWEVER, these presents are upon the express condition that, if Mortgagor shall well and truly (a) pay to Mortgagee the Hometap Share at the time and in the manner provided in the Option Agreement, this Security Instrument, and the other Investment Documents, (b) perform the Obligations as set forth in the Option Agreement, this Security Instrument, and the other Investment Documents, and (c) abide by and comply with each and every covenant and condition set forth in the Option Agreement, this Security Instrument, and the other Investment Documents, these presents and the estate hereby granted shall cease, terminate, and be void; *provided, however*, that Mortgagor's obligation to indemnify and hold harmless Mortgagee pursuant to the provisions hereof shall survive any such payment and release.

2. Secured Obligations. Owner makes the grant, transfer, and assignment set forth in Section 1 to secure the following:

- (a) Owner's performance of each of its obligations in the Option Agreement;
- (b) Mortgagee's rights under the Option Agreement;
- (c) Owner's payment obligations in the Option Agreement, including:
 - (i) Payment of the Hometap Share owed to Mortgagee pursuant to the terms of the Option Agreement;
 - (ii) Payment of all Option Fees owed to Mortgagee pursuant to Section 6.1 of the Option Agreement;
 - (iii) Payment of all insurance proceeds owed to Mortgagee pursuant to Section 6.1 of the Option Agreement;
 - (iv) Payment of all condemnation proceeds owed to Mortgagee pursuant to Section 6.1 of the Option Agreement;
 - (v) Payment of the liquidated damages pursuant to Section 7.4 of the Option Agreement;

(vi) Reimbursement of any expenditures made by Mortgagee pursuant to Section 6.1 and Section 7.2 of the Option Agreement; and

(d) Payment of all costs, fees, and expenses (including, as allowed by applicable law, court and other dispute resolution costs, attorneys' and experts' fees and costs, and fees and disbursements of in-house counsel) (collectively, "**Legal Fees**") incurred by Mortgagee in the enforcement and collection of the obligations listed above and the protection of Mortgagee's related rights, whether such costs, fees, and expenses are incurred in any state, federal, appellate, or bankruptcy court or otherwise and whether or not litigation or arbitration is commenced. Legal Fees include Legal Fees incurred in any state, federal, appellate, or bankruptcy court and in any bankruptcy case or insolvency proceeding, of any kind in any way related to this Security Instrument, to the interpretation or enforcement of the parties' rights under this Security Instrument, or to the Property.

The foregoing obligations are referred to collectively as the "**Obligations.**"

3. Uniform Commercial Code Security Agreement and Fixture Filing. This Security Instrument also is intended to be and will constitute a fixture filing financing statement and security agreement under the Massachusetts Uniform Commercial Code for any items of personal property that constitute fixtures or are specified as part of the Property and that under applicable law may be subject to a security interest under the Massachusetts Commercial Code. Owner grants to Mortgagee a security interest in those items to secure the performance and payment of the Obligations.

(a) Owner agrees that Mortgagee may file this Security Instrument, or a copy of it, in the real estate records or other appropriate index and/or in the Office of the Secretary of the Commonwealth of Massachusetts, as a financing statement for any of the items specified in the preceding paragraph as part of the Property.

(b) This Security Instrument constitutes a financing statement filed as a fixture filing pursuant to Sections 9-501(a)(1) and 9-502(c) of the Massachusetts Uniform Commercial Code, and any similar or successor provisions.

(c) Mortgagee may file such extensions, renewals, amendments, and releases as are appropriate to reflect the status of its security interest.

(d) Owner will pay all costs, fees, and expenses of filing such financing statements and any extensions, renewals, amendments, and releases of such statements, and will pay all costs, fees, and expenses of any record searches for financing statements that Mortgagee may require.

(e) Upon an Event of Default, Mortgagee will have the remedies of a secured party under the Massachusetts Uniform Commercial Code and may also take the actions provided in Section 7 of the Option Agreement. In exercising any of these remedies and taking any of these actions, Mortgagee may proceed against the Property's items of real property, fixtures or improvements separately or together and in any order whatsoever without in any way affecting the availability of Mortgagee's remedies under the Massachusetts Uniform Commercial Code or the actions available in Section 7 of the Option Agreement.

4. Absolute Assignment of Leases and Rents. Owner absolutely and unconditionally assigns to Mortgagee all of Owner's right, title, and interest in and to all current and future leases, subleases, and licenses relating to the use, occupancy, or enjoyment of all or any part of the Property and all rents, income, revenues, profits, proceeds, and earnings now or hereafter payable with respect to the ownership, use, or

occupancy of the Property (collectively, "**Rents**"); it being intended by Owner that this assignment constitutes a present, absolute assignment and not an assignment for additional security only.

(a) Owner gives to and confers upon Mortgagee the right, power, and authority, during the continuance of this Security Instrument, to collect the Rents, reserving the right upon an Event of Default, Owner's failure to perform any Obligation timely, or a breach of any agreement of Owner in this Security Instrument, to collect and retain the Rents, as they become due and payable.

(b) Upon an Event of Default, Owner's failure to perform any Obligation timely, or a breach of any agreement of Owner in this Security Instrument, Mortgagee may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the Obligations, enter upon and take possession of the Property or any part of it, in its own name sue for or otherwise collect the Rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including Legal Fees, to the Obligations, and in such order as Mortgagee may determine.

(c) The entering upon and taking possession of the Property, the collection of the Rents, issues, and profits and the application of the Rents, issues, and profits pursuant to this Security Instrument, will not cure or waive any breach or notice of default under this Security Instrument or invalidate any act done pursuant to such notice.

(d) Nothing in this Section will permit Owner to lease or rent the Property in contravention of any provision of the Option Agreement; nor will anything in this Section modify any provision in the Option Agreement relating to the use, lease, rent, or occupancy of the Property.

5. Covenants of Owner Regarding the Property. Owner agrees as follows:

(a) To appear in and defend any action, suit, or proceeding purporting to affect the security of this Security Instrument or the rights or powers of Mortgagee; and to pay all costs, fees, and expenses of Mortgagee (including cost of evidence of title and Legal Fees) incurred: (i) in any state, federal, appellate, or bankruptcy court, in any action, suit, or proceeding in which Mortgagee may appear, and in any action, suit, or proceeding brought by Mortgagee to foreclose this Security Instrument or to collect the Obligations or to protect Mortgagee's rights under this Security Instrument or the Option Agreement; and/or (ii) in connection with the enforcement of any provision of this Security Instrument or in connection with foreclosure upon the collateral granted under this Security Instrument, whether or not an action or suit is filed.

(b) To pay at least ten (10) days before delinquency all taxes and assessments affecting the Property and all encumbrances, charges, and liens, with interest, on the Property (or any part of the Property), which are prior or could obtain priority to the lien or to the rights granted under this Security Instrument, and all costs, fees, and expenses of this Security Instrument.

(i) If Owner fails to make any payment or to do any act as provided in this Security Instrument, Mortgagee may, but will not be obligated to, make the payment or do any such act, and any such payment and related expenses, including Legal Fees, will also be secured by this Security Instrument.

(ii) Such payments made or actions taken by Mortgagee will not require notice to, or demand on, Owner and will not release Owner from any obligation under this Security Instrument.

(iii) Mortgagee will have the following related rights and powers: (A) to enter upon the Property for the foregoing purposes, (B) to appear in and defend any action or proceeding purporting to affect the Property or the rights or powers of Mortgagee under this Security Instrument, (C) to pay, purchase, contest, or compromise any encumbrance, charge, or lien that in the judgment of Mortgagee appears to be prior or superior to this Security Instrument, and (D) to employ counsel and to pay such counsel necessary expenses and costs, including Legal Fees.

(c) To pay immediately upon demand all sums expended by Mortgagee related to this Security Instrument and to pay interest on any of such amounts demanded by Mortgagee at a rate not to exceed the maximum rate allowed by law at the time of such demand.

6. Power of Attorney. Owner irrevocably appoints Mortgagee as Owner's agent and attorney-in-fact (such agency being coupled with an interest). As agent and attorney-in-fact, Mortgagee may, in Mortgagee's name or in the name of Owner, prepare, execute, and file or record financing statements, continuation statements, applications for registration, and similar documents to create, perfect, or preserve any of Mortgagee's security interests and rights in or to any of the Property. Upon an Event of Default, Owner's failure to perform any Obligation timely, or a breach of any agreement of Owner in this Security Instrument, Mortgagee may take any other action that may be required or desired of Owner, including the ability to advertise and solicit the Property for sale, encumber the Property by obtaining loans secured by liens on the Property to raise funds deemed required or advisable to improve, repair, and prepare the Property for sale, and sell and convey the entire interest in, and title to, the Property; *provided, however*, that Mortgagee as agent and attorney-in-fact will be accountable only for such funds as are actually received by Mortgagee.

7. Default and Foreclosure. Upon an Event of Default, Mortgagee may declare all performance and Obligations secured by this Security Instrument immediately due by delivery to Owner of a written declaration of default. If any Event of Default has occurred and is continuing, Mortgagee may take any or all of the following actions, at the same or at different times:

(a) Possession. Mortgagee may enter upon and take possession of the Property; lease, rent and let the Property; and receive all the Rents, income, issues, and profits and apply the same to satisfy any Obligation. Mortgagee is granted full power and authority to do any act or thing which Owner or its successors or assignees who may then own the Property might or could do in connection with the ownership, use, and maintenance of the Property. This covenant becomes effective either with or without any action brought to foreclose upon the Property and without applying for a receiver of the Rents, if any. Should the Rents or any part thereof be assigned without the consent of Mortgagee, then this Security Instrument will, at the option of Mortgagee, become due and payable immediately, anything herein contained to the contrary notwithstanding.

(b) Appointment of Receiver. Mortgagee may have a receiver of the Rents (including an Asset Administrator), income, issues, and profits of the Property appointed without the necessity of proving either the depreciation or the inadequacy of the value of the security or the insolvency of Owner or any other person who may be legally or equitably liable for the Obligations, and Owner and each such person waive such proof and consent to the appointment of a receiver.

(c) Fair Rental Payments. If Owner or any subsequent owner is occupying the Property or any part the Property, it is agreed that the occupants will pay Mortgagee the amount of rent requested by Mortgagee in advance each monthly, and for the use of personal property covered by this Security Instrument.

(d) Excess Monies. Mortgagee may apply on account of the unsatisfied Obligations owed to Mortgagee after a foreclosure sale of the Property, whether or not a deficiency action has or will be instituted, any unexpended monies still retained by Mortgagee that were paid by Owner to Mortgagee or from the proceeds of such sale (i) for the payment of, or as security for, the payment of taxes, assessments, municipal or governmental rates, charges, impositions, liens, water or sewer rents, or insurance premiums, if any, or (ii) in order to secure the performance of some act by Owner.

(e) Remedies at Law or Equity. Mortgagee may take any of the remedies otherwise available to it as a matter of law, equity or otherwise.

(f) Statutory Power of Sale. To the extent permitted by applicable law:

(i) Mortgagee will have the power to sell the Property at a nonjudicial foreclosure sale. In connection with the sale, Mortgagee may declare all performance and Obligations immediately due by delivery to Owner of a written declaration of default. Mortgagee will give notice of default to Owner prior to acceleration following an Event of Default. The notice will specify: (i) the default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default must be cured; and (iv) that failure to cure the Event of Default on or before the date specified in the notice may result in acceleration of the performance and Obligations secured by this Security Instrument and sale of the Property. The notice will further inform Owner of any right to cure after acceleration and the right to bring a court action to assert the nonexistence of an Event of Default or any other defense of Owner to acceleration and sale. If the Event of Default is not cured on or before the date specified in the notice, Mortgagee at its option may require immediate performance in full of all Obligations without further demand and may invoke the power of sale and any other available remedies not prohibited by applicable law. Mortgagee will be entitled to collect all costs, fees, and expenses incurred in pursuing the remedies provided in this Security Instrument, including legal fees and costs of title evidence.

(ii) If Mortgagee invokes the power of sale, Mortgagee will execute a written notice of Mortgagee's election to cause the Property to be sold as may be prescribed by applicable law. Mortgagee will cause this notice to be recorded in each county in which any part of the Property is located. Mortgagee will mail copies of any notice required by applicable law to Owner and to the other persons required by applicable law. Mortgagee will give public notice of sale to the persons and in the manner as may be prescribed by applicable law.

(iii) After the time required by applicable law, Mortgagee may sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Mortgagee determines. Mortgagee may postpone the sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale.

(iv) Mortgagee will deliver to the purchaser its deed conveying the property sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts will be conclusive proof of their truthfulness. Any person, including Owner or Mortgagee, may purchase at the sale.

(v) After deducting all costs, fees, and expenses (including Legal Fees), including cost of evidence of title in connection with the sale, Mortgagee will apply the proceeds of the sale to payment of: first, to all sums expended under the terms of this Security Instrument, not then repaid, with accrued interest, if any, at the amount allowed by applicable law in effect on the Signing Date of this Security Instrument; second, to other sums then secured by this Security

Instrument and senior to Mortgagee's interest; third, the Hometap Share to Mortgagee; and fourth, the remainder, if any, to the person or persons legally entitled to it.

(vi) Notice provided to Owner under this Security Instrument will be to the address specified in this Security Instrument unless otherwise required by applicable law.

(vii) Exercise of Mortgagee's remedies under this Security Instrument will be in compliance with applicable law.

8. Late Performance. By accepting performance of any Obligation after its due date, Mortgagee does not waive its right either to require prompt performance when due of all other Obligations or to declare a breach or default for such failure to perform.

9. Mortgagee's Powers. At any time and from time to time, without liability and without notice, upon written request of Owner and presentation of this Security Instrument, and without affecting the personal liability of any person for the performance of the Obligations Mortgagee may: (a) release any part of the Property; (b) consent to the making of any map or plat of the Property; (c) join in granting any easement on the Property; and (d) join in any extension agreement or any agreement subordinating the lien or charge of this Security Instrument.

10. Successors. This Security Instrument applies to, inures to the benefit of, and binds all parties to this Security Instrument, their heirs, legatees, devisees, administrators, executors, and permitted successors and assigns. The terms "**Hometap**" and "**Mortgagee**" will include any successor or assign of Mortgagee's rights in the Option Agreement and in this Security Instrument, whether or not named as Mortgagee in this Security Instrument. Absent Mortgagee's prior written consent, which consent may be withheld in its sole discretion, Owner may not assign or otherwise transfer this Security Instrument.

11. Interpretation. In this Security Instrument, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural. Also, in this Security Instrument, the term "include" or "including" means without limitation by reason of enumeration.

12. Joint and Several Liability. If more than one person signs this Security Instrument as Owner, the obligations of each signatory will be joint and several.

13. Multiple Owners. If there are multiple Owners of the Property:

- (a) this Security Instrument must be signed by each Owner;
- (b) all rights and powers specified for Owner in this Security Instrument must be approved and exercised unanimously by each Owner;
- (c) each Owner will be jointly and severally liable for all liabilities and Obligations;
- (d) notice required to be given by, or to, each Owner will be deemed adequately given if given by or to any Owner using the contact information set forth in this Security Instrument; and
- (e) Mortgagee may treat any notice received from any Owner as notice from all Owners.

14. Incorporation by Reference. Exhibit A to this Security Instrument is incorporated by this reference.

15. Extent of Lien. The lien granted under this Security Instrument will encumber Owner's entire interest in the Property, notwithstanding the fact that the Option Agreement relates to only a fractional interest in the Property.

16. No Merger. So long as any of the Obligations remain outstanding and undischarged, unless Mortgagee otherwise consents in writing, the fee estate of Owner in the Property or any part of the Property (including the estate of Mortgagee after exercising the Option) will not merge, by operation of law or otherwise, with any other estate in the Property or any part of it, but will always remain separate and distinct, notwithstanding the union of the fee estate and such other estate in Mortgagee or in any other person.

17. Release. Following payment of all amounts secured by this Security Instrument, Mortgagee will discharge this Security Instrument. Owner will pay any recordation costs. Mortgagee may charge Owner a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under applicable law.

18. Subordination of Homestead and Waivers. If Owner has acquired before the Signing Date or acquires on or after the Signing Date an estate of homestead in the Property, Owner agrees, to the fullest extent permitted by applicable law, that such homestead estate is subordinated in all respects to this Security Instrument and the amount of any Obligation owed and to all renewals, extensions, and modifications of any Hometap Homeowner Agreement, and that such homestead estate is subject to all of the rights of Mortgagee under the Option Agreement and all renewals, extensions, and modifications of the Option Agreement, and is subordinate to the lien evidenced by this Security Instrument and all renewals, extensions, and modifications of this Security Instrument. Owner waives and relinquishes all rights of curtesy and dower in the Property.

19. Notice of Option Purchase Agreement. Mortgagor hereby provides notice that Mortgagor and Mortgagee have entered into the Option Agreement, as more particularly described below. The Option Agreement contains certain covenants and promises to or for the benefit of Mortgagee. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Property is and shall be conclusively deemed to have consented and agreed to every restriction, provision, covenant, right and limitation contained in the Option Agreement, whether or not such person or entity expressly assumes such obligations or whether or not any reference to the Option Agreement is contained in the instrument conveying such interest in the Property to such person or entity.

(a) Capitalized terms used shall have the meanings specified herein, or if not defined herein, in the Option Agreement.

(b) Mortgagor hereby declares that as of the Signing Date, Mortgagor and Mortgagee have entered into that certain unrecorded Option Agreement, which is hereby incorporated into this Option Notice as if set forth in full, pursuant to which Mortgagor grants and conveys to Mortgagee the option to purchase an undivided percentage interest of fee simple title ownership in and to the Property. In consideration for granting and conveying the Option to Mortgagee, Mortgagee paid to Mortgagor the Investment Amount. The Option is irrevocable by Mortgagor and expires on {strtotime(\$Settlement_Deadline)|date_format:"m/d/Y"}.

(c) In the Option Agreement, Mortgagor has made certain covenants and promises to, or for the benefit of, Mortgagee in connection with the Option and the Property, all as more particularly described in and on the terms and conditions stated in the Option Agreement.

(d) Mortgagor has executed this Security Instrument to give notice of the Option Agreement and certain rights and responsibilities of Mortgagor as to the Mortgagee, as well as the covenants

and promises set forth in the Option Agreement that run with the land and will be binding upon any party who acquires Mortgagor's interest in the Property, so long as the Option Agreement has not expired or been terminated.

(e) Notice. Every person or entity who now or later owns or acquires any right, title, or interest in or to any portion of the Property is and shall be conclusively deemed to have consented and agreed to every restriction, provision, covenant, right, and limitation contained in the Option Agreement and this Option Notice, whether or not such person or entity expressly assumes such restrictions, provisions, covenants, rights, and limitations or whether or not any reference to the Option Agreement or this Option Notice is contained in the instrument conveying such interest in the Property to such person or entity.

(f) Covenants. The Option Agreement covenants are deemed to be covenants running with the land, so as to give it the broadest possible application, and include, without limitation:

(i) Restrictions on Mortgagor's right to transfer the Property without giving proper written notice to Mortgagee and requirements that Mortgagor comply with specific sale procedures set forth in the Option Agreement;

(ii) Requirements that Mortgagor maintain insurance on the Property against certain hazards and risks;

(iii) Restrictions on Mortgagor's ability to increase the amount of debt to third parties secured by liens on the Property as specified in the Option Agreement;

(iv) Restrictions on the Mortgagor's ability to rent the Property;

(v) Requirements that Mortgagor keep Property free of liens not approved by Mortgagee; and

(vi) Requirements that Mortgagor protect and maintain the Property.

20. Jury Trial Waiver. Mortgagor hereby waives any right to a trial by jury in any action, proceeding, claim, or counterclaim, whether in contract or tort, at law or in equity, arising out of or in any way related to this Security Instrument or the Option Agreement.

21. Notices. All notices or other written communications hereunder shall be delivered in accordance with the applicable terms and conditions of the Option Agreement. Notices shall be sent to the address of the other party listed below as follows, unless a party has been notified by the other party in writing of a substitute address:

Hometap/Mortgagee:

Hometap Equity Partners, LLC
800 Boylston Street, 16th Floor
Boston, MA 02199
Attention: Legal Department

Owner/Mortgagor:

{Homeowner_One} {if
!empty(\$Homeowner_Two)}
{Homeowner_Two} {/if}
{Mailing_Street_Addr}
{Mailing_City}, {Mailing_State} {Mailing_Zip}

[Signature Pages Follow]

READ THIS DOCUMENT CAREFULLY BEFORE SIGNING IT. ALL PRIOR ORAL, ELECTRONIC, AND WRITTEN COMMUNICATIONS AND AGREEMENTS FROM OR WITH HOMETAP, INCLUDING ALL CORRESPONDENCE, OFFER LETTERS, PRINTED MATERIALS, AND DISCLOSURES ARE MERGED INTO AND SUPERSEDED AND REPLACED BY THIS SECURITY INSTRUMENT, THE OPTION AGREEMENT, AND THE INVESTMENT DOCUMENTS, AND THE OTHER WRITTEN AGREEMENTS MADE BY AND BETWEEN MORTGAGOR AND MORTGAGEE AS OF THE EFFECTIVE DATE.

OWNER DECLARES THAT OWNER HAS READ THIS MORTGAGE AND SECURITY AGREEMENT, UNDERSTANDS IT, HAS RECEIVED A COMPLETELY FILLED-IN COPY OF IT WITHOUT CHARGE THEREFOR, AND HAS SIGNED IT AS OF THE SIGNING DATE.

The undersigned Owner(s) requests that a copy of any Notice of Default or Notice of Sale under this Security Instrument be mailed to the Owner at the Owner's address set forth in Section 21 above.

IN WITNESS WHEREOF, each undersigned Mortgagor has executed this Mortgage and Security Agreement under seal as of the Signing Date.

MORTGAGORS:

By: _____
{Homeowner_One}

Date: _____

{if !empty(\$Homeowner_Two)}

By: _____
{Homeowner_Two}

Date: _____
{/if}

Acknowledgment Certificate

Commonwealth of Massachusetts

County of _____

On this ____ day of _____, 20____, before me, the undersigned notary public, personally appeared {Homeowner_One}, proved to me through satisfactory evidence of identification, which were _____, to be the person whose name is signed on the preceding or attached document in my presence, and acknowledged to me that (he)(she) signed it voluntarily for its stated purpose.

Notary Public Signature

My commission expires _____

{if !empty(\$Homeowner_Two)}**Acknowledgment Certificate**

Commonwealth of Massachusetts

County of _____

On this _____ day of _____, 20____, before me, the undersigned notary public, personally appeared {Homeowner_Two}, proved to me through satisfactory evidence of identification, which were _____, to be the person whose name is signed on the preceding or attached document in my presence, and acknowledged to me that (he)(she) signed it voluntarily for its stated purpose.

Notary Public Signature

My commission expires _____

{/if}
EXHIBIT A

LEGAL DESCRIPTION

Real property described as follows:

{Legal_Description|nl2:","}

Parcel ID / APN: {Investment_Parcel_Number}

EXHIBIT C
NOTICE OF RIGHT TO CANCEL

HOMEOWNER(S): {Homeowner_One}
{Homeowner_Two}

DATE:
{strtotime(\$Signing_Date)|date_format:"m/d/Y"}

ADDRESS: {Subject_Property_Address}

INVESTMENT NO.: {Friendly_ID}

YOUR RIGHT TO CANCEL

You are entering into a transaction that will result in a security interest in your home. You have a right to cancel this transaction, without cost, within three business days from whichever of the following events occurs last:

- (1) The date of this transaction, which is {strtotime(\$Signing_Date)|date_format:"m/d/Y"}; or
- (2) The date you received your Investment Term Sheet; or
- (3) The date you received this notice of your right to cancel.

If you cancel the transaction, the security interest is also cancelled. Within 20 calendar days after we receive your notice, we must take the steps necessary to reflect the fact that the security interest in your home has been cancelled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within 20 calendar days of your offer, you may keep it without further obligation.

HOW TO CANCEL

If you decide to cancel this transaction, you may do so by notifying us in writing, at

Hometap Equity Partners, LLC
800 Boylston Street, 16th Floor
Boston, MA 02199

Fax: 1-617-663-6878 / email: homeowners@hometap.com

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. You may notify us of your intention to cancel by email at homeowners@hometap.com, but we may require you to confirm in writing. Keep one copy of this notice because it contains important information about your rights.

If you cancel by email, you must send the notice no later than 11:59 PM ET of {strtotime(\$Recission_Date)|date_format:"m/d/Y"}. If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I WISH TO CANCEL

{Homeowner_One}

{Homeowner_Two}

By signing this notice, I acknowledge that I have RECEIVED this Notice of Right to Cancel:

{Homeowner_One}

{Homeowner_Two}

EXHIBIT B

AFFIDAVIT OF MATTHEW ZUSCHLAG

I, Matthew Zuschlag, hereby depose and state as follows:

1. I live in Attleboro, Massachusetts.
2. I have personal knowledge of the facts set forth below.
3. My brother and I are in business together as general contractors. During Covid, our business suffered. We had a contract with Lowe's at the time, so we had just ramped up and hired a bunch of people only to have them cancel the program two months later. We sold off all our equipment and maxed out our credit to try to keep the business running. We desperately needed money.
4. I found Hometap in 2021. I was talking to a friend who is a mortgage broker, and he referred us to Hometap due to our bad credit. This was a last-ditch effort to do whatever we could to pay the bills. My brother and I both did a Hometap for our homes. I got approximately \$85,000 after some fees.
5. My understanding is that you have to have at least 30% equity in your home to qualify for Hometap. Of that equity, they give you cash worth up to 20% of it. They assess your house at whatever time you want to pay it off within the ten years. I was assured that they would get no more than 19% above and beyond whatever equity they initially took; however, if the market went down, they would get less than that. They assured me there was some kind of cap.
6. I am definitely planning to stay in my home past the ten years of my contract with Hometap. I put an addition on my home, and my mother-in-law moved in, so I'm not going anywhere.
7. I have no plan for how to pay Hometap back. I am hoping to make more money in my business, but I'm probably going to have to refinance the house to pay Hometap what I owe. I am currently in an FHA mortgage, and I want to keep my lower interest rate, but I will probably have no choice but to refinance. My saving grace is that I have a lot of equity in my home so I should be able to refinance to pay them when the time comes.
8. I don't know the end result. We will not know what we owe until we get to that point. I don't know what happens when we try to pay this thing off. It is a little scary. Nobody wants to be uncertain, especially when it comes to their home.
9. I don't know if the Hometap product is more or less expensive than a HELOC, but at least with a HELOC you know your percentage, even if it's variable. Here, you have no idea what you will owe until they appraise your house.
10. While I was trying to find another way to pay them off, I contacted Hometap in December 2024 to ask for a payoff amount. At that time, they provided me with a settlement statement that said I would owe them \$158,550.19. The settlement statement said I would owe them over \$160,000 by January 1 of this year, which is almost double what I received.

11. We were desperate and there was no alternative for us at the time, but it seems like Hometap's product is legal leg-breaking. It seems like everybody is getting their piece except the people living in the house. My brother and I have used cash advances in our business. Hometap's product is a grey area like cash advances that Hometap exploited. Hometap seems to me to be a financial loop-hole. That loophole should be closed.

Sworn under the pains and penalties of perjury.


Matthew Zuschlag

Date: 1/6/2025

EXHIBIT C

AFFIDAVIT OF STEPHEN HARVEY

I, Stephen Harvey, hereby depose and state as follows:

1. I live in Franklin, Massachusetts.
2. I have personal knowledge of the facts set forth below.
3. I first found Hometap when searching on Google. My family was facing some financial difficulties at the time, and I was searching for solutions such as a home equity loan. My sons were in high school at the time and were settled in our community. We really did not want to move.
4. I soon discovered that a home equity loan was not an option for us because our income was interrupted at the time, and we would not qualify based on our lack of income.
5. I borrowed approximately \$110,000 from Hometap in March 2021.
6. Based on Zillow's Zestimate of my home's current value of about \$731,200, and using Hometap's online calculator, I would owe Hometap \$220,050 to settle today. Even if I assume a more conservative home value of \$600,000, the online calculator says I would owe Hometap \$202,520 to pay them back today. I know it costs money to borrow money, but this is outrageous.
7. Hometap's product is not easy to understand. I called them about 6 months ago and asked them to walk me through how much I owed to pay off the home equity investment and how it was calculated so I could get a better understanding of where the numbers are coming from. They just told me to use their online calculator on their website. Beyond referring me to the online calculator, they offered no help in understanding where I'm at today or how they reached that figure.
8. Since taking out the home equity investment with Hometap, I have determined that I need to make some repairs to the house. I did not realize when I signed up that I would not be able to recoup any amount we might spend on improvements that increase the value of the house unless it was over a specific threshold.
9. I thought I understood how Hometap's product worked when I signed up with them. However, I did not realize that the amount I owed Hometap would increase so dramatically so quickly. I have now come to realize that the amount I owe to Hometap is growing exponentially the longer I stay in my home without paying them back.
10. I do not want to sell my home. We like where we are, and this is the home my wife and I raised our kids in. However, Hometap's cut is getting too high, and my wife and I are now planning to sell our home in the next year to pay Hometap what we owe. If it were not for Hometap, we would not sell, but we feel we do not have a choice because there is no other way to pay them back.
11. I do not think Hometap's home equity investment is a good product. I now feel I was swallowed up by it because I did not understand the long-term ramifications of selling a

piece of our home equity. I did not realize the amount we owed could shoot up so high so fast.

Sworn under the pains and penalties of perjury.


Stephen Harvey

Date: 1/6/2025

EXHIBIT D

AFFIDAVIT OF SUSAN ELLIS

I, Susan Ellis, hereby depose and state as follows:

1. I live in Woburn, Massachusetts. I am 75 years old, and my husband Orrin is 80.
2. I have personal knowledge of the facts set forth below.
3. In 2021, we needed money. My husband and I both receive social security and have a little retirement savings, but that is it, and it wasn't quite enough.
4. We looked into reverse mortgages and had a housing counselor come out and talk to us about it. I talked it over with my son, and was concerned that with a reverse mortgage, I would owe too much money too soon.
5. I found Hometap online. It sounded like a great idea on paper. Hometap did an appraisal of our home and gave us three amounts we could choose from for how much money we wanted to receive. We chose the middle one. We got approximately \$150,000 from Hometap, which we are using for living expenses.
6. My understanding is that Hometap gets 43% of our home's value whenever we sell it. We needed money to live on, and we weren't in a position to do a loan with any monthly payments so we agreed to it. At the time we entered the contract with Hometap, we thought that the reverse mortgage would be more expensive than Hometap in the long run.
7. My husband and I built our house and would like to stay here. I would like to leave this house to my children, but it seems like that will not be an option.
8. Likely we will need to sell our home within the next few years to pay Hometap. We definitely need to repay Hometap through a sale of our home because there is no other way we could pay it off.
9. After we sell, I don't know what we're going to do. We likely won't have enough money for a down payment on a condo or a smaller home, and rents in my area have gone way up.
10. Sometimes I think it would be easier if we passed away before we had to deal with this.

Sworn under the pains and penalties of perjury.

Susan Ellis
Susan Ellis

Date: January 3, 2025

EXHIBIT E

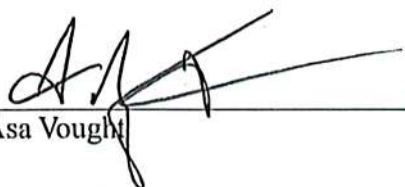
AFFIDAVIT OF ASA VOUGHT

I, Asa Vought, hereby depose and state as follows:

1. I live in Oak Bluffs on Martha's Vineyard.
2. I have personal knowledge of the facts set forth below.
3. In 2021, I was in a lot of credit card debt and wanted to find a way to get out of debt.
4. I tried to do a refinance, but I couldn't get approved because of my credit card debt.
5. I looked for some alternative options, and I decided to use Hometap.
6. My first impression of Hometap was that it was sketchy. They were giving you money. I felt like I didn't have much of a choice because I really needed to get out of debt.
7. It was during COVID and everyone was stressed out already. The Hometap representative I worked with also lived on Martha's Vineyard, so that put me at ease a little.
8. A lot of the details of my contract were not on paper until the very end. Hometap sent me some information and a couple texts/chats back and forth.
9. They did an appraisal of my home and when the number came back, I thought it was lower than it should have been.
10. I never met the Hometap representative who helped me get the loan. I say it's a loan because they gave me a certain amount of money for a certain percentage of the house to be paid back. They give you money and they get interest depending on if the value of your house goes up or down. I tried to refinance and Hometap came up as a second mortgage holder – to me, that's a loan.
11. The process was less than a month from beginning to end. Everything was done virtually. I don't remember ever interacting with a notary or attorney when I signed. My investment started in the summer of 2021.
12. I got less money from Hometap than I would have thought. I thought I was going to get 15% of the appraised value. I got about \$69,000, which was nowhere near 15% of the appraised value.
13. I paid somewhere between 3 and 5 thousand dollars in closing costs and fees. That was another surprise that got taken out of the total amount I was receiving. They didn't really explain it.
14. I would have liked to have had more knowledge about how Hometap worked before signing. No one ever really explained it to me or walked me through it.
15. If my home depreciates, I understand that I would only have to pay Hometap 12% of my house's value. However, I believe my house has increased in value since I got my Hometap investment, so I imagine I'll have to pay the higher percentage of 15% of my home equity.
16. Hometap makes money no matter what. I now understand that they will get at least 50% more than what they gave me.
17. I wish I didn't go with Hometap. But it was what I felt like I had to do to get out of my financial situation.

18. The investment is confusing. I still don't totally understand what I will need to pay back when I settle. I thought it was 15% of my home value when I signed up, but now I realize they get 15% of the value when I pay it back.
19. I plan to stay in my home for the rest of my life and certainly after the end of the 10-year term of the Hometap loan. I have another 5 or 6 years to settle. I do not know how much I will have to repay at the end of the 10-year term, and I do not have a plan to repay Hometap.

Sworn under the pains and penalties of perjury.


Asa Vought

Date: 1/13/25

EXHIBIT F

AFFIDAVIT OF ERIN ERLER

I, Erin Erler, hereby depose and state as follows:

1. I live in Haverhill, Massachusetts, and I am a single mother of three children. My children are all over the age of eighteen now, but they still live with me.
2. I have personal knowledge of the facts set forth below.
3. In 2022, I was looking for lending options to get through a financial situation. I couldn't refinance and couldn't qualify for a HELOC.
4. I tried to find something that I was qualified for. I found Hometap through an online search.
5. In August, 2022, I borrowed approximately \$100,000 from Hometap, although some of that was taken back through fees.
6. My understanding is that Hometap is a lender; they loan you money. With Hometap you take a loan, have no monthly payments, and then pay back a lump sum plus interest. It's not a fixed interest rate; the amount goes up the longer you wait. They put a lien on your house to make sure you pay them back.
7. At the time I borrowed from Hometap, my goal was to get my credit back up and then pay them back through a refinance. Hometap told me that most people pay it back through a refi. Since that time, I was diagnosed with cancer, and so I have been unable to do that.
8. I have lived in my home for 20 years and raised my kids here. I have no desire to sell my home, but I believe I will have to sell before the ten-year term of my Hometap loan because that's the only option I have to pay it back.
9. If I could go back, I might have done things differently, but at the time, Hometap made it sound like a good idea and very feasible. I do not take risks and jump into things. They made it seem like it was a very manageable situation and everything would be smooth.

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10. According to Hometap's online calculator, if I use Zillow's Zestimate of my home's value today, which is \$605,300, and I settle today, I would owe Hometap \$155,510, although the online calculator says it is subject to change.

Sworn under the pains and penalties of perjury.


Erin Erler

Date: 1/3/2025

EXHIBIT G

AFFIDAVIT OF JENNIFER CORBETT

I, Jennifer Corbett, hereby depose and state as follows:

1. I live in Attleboro, Massachusetts.
2. I have personal knowledge of the facts set forth below.
3. In approximately late 2020 or early 2021, my husband, James Corbett, found Hometap while looking for ways to access the equity in our home.
4. At the time, we had a second mortgage on our home that came due. We thought we had more time to pay it off, and we suddenly realized we needed to come up with the funds or we could lose our house. We had three of our children living at home with us at the time, and we were very worried about losing our home and having to move.
5. My husband and I looked into getting a home equity line of credit. However, we were not able to qualify for a conventional home equity loan because our credit was too low. Specifically, we had two kids in college at the time, and the Parent Plus loans we took out to pay for their education were showing up on our credit report as additional debt, resulting in a debt-to-income ratio that disqualified us.
6. We thought Hometap would solve our problem. We got a home equity investment for approximately \$80,000.
7. A person came to our house with the paperwork to sign. I think it was a third-party and not someone from Hometap. It was a stressful time, and I recall that the process was fast.
8. We used approximately \$50,000 of the funds to pay off the second mortgage on our home that had come due and used the remaining funds to pay down some other debt.
9. I have now come to realize that we will owe Hometap a large amount of money on top of the approximately \$80,000 we borrowed from them. I do not recall exactly when I came to this realization, but in subsequent conversations with my husband, I came to understand that Hometap owns a portion of our house and that the amount we have to pay back is very high. It is my understanding that based on my home's current value, we would owe Hometap as much as \$180,000 if we settled today.
10. I do not want to sell my home. I had always planned to be in this house well past the ten-year term of the contract with Hometap.

11. I do not know how we will pay off the amount that we owe Hometap. We do not have a plan.

12. I now feel that it was a mistake to do the home equity investment with Hometap. My husband and I panicked when we were denied a home equity loan, but I do not believe we fully explored other avenues. If we had held off and thought through things more, I believe we would have found another way to come up with the money to pay off the second mortgage. If I could go back, I definitely have regrets about Hometap's product.

Sworn under the pains and penalties of perjury.


Jennifer Corbett

Date: 