CHEP and Shared Equity Product Overview

About CHEP

The Coalition for Home Equity Partnership (CHEP) is a national non-profit association representing a collective of financial services companies that offer innovative, flexible ways to tap home equity, generally known as shared equity products (SEPs).

Our Mission

CHEP is dedicated to the protection and promotion of the shared equity product industry, with a focus on education, advocacy and marketplace innovation that improves homeowners' financial lives.

Our Primary Objective

We seek to advance a clear, consistent, and tailored regulatory framework for SEPs at the state and federal levels to provide strong consumer protections and bring these solutions into the financial mainstream.

Our Members

CHEP membership includes leading originators in the industry, as well as a broader group of industry participants and service providers, including capital partners, law firms, settlement companies, and supporting business partners. SEP originators include:

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The Shared Equity Product Market

- SEPs, also known as home equity investments, home equity agreements, home equity sharing agreements, or shared appreciation agreements, are a relatively new category of equity-based home financing that differs fundamentally from traditional debt-based products like first or second mortgages, home equity lines of credit, or reverse mortgages.
- SEPs are financial contracts under which a homeowner receives an upfront lump sum cash payment from an investor in exchange for a contractual share of the home's future value when the contract settles, which occurs when the home is sold, when the homeowner buys the investor out, or upon reaching the maturity date of the contract.
- Contract terms range between 10 and 30 years; many homeowners settle early and can do so with CHEP members with no prepayment penalty.
- SEPs serve as a flexible option for accessing equity among homeowners who may not qualify for traditional financing or would prefer to obtain funds without taking on more debt or added monthly payment obligations.
- While SEPs are used to address a variety of financial needs, the top two reasons include paying off existing debts and home repair or renovation.
- The median SEP homeowner age is 52, and the median investment size is $77,000. The average SEP user extracts 15% of their home value.
- The mechanics of a SEP are fully separate and distinct from the mechanics of a mortgage loan. SEPs have no principal balances, interest rates, amortization, monthly payments or recourse. Due to these structural differences, SEPs are incompatible with many existing residential mortgage loan regulations.
- CHEP fully supports a robust, purpose-built regulatory approach that aligns traditional mortgage loan laws with the unique structure of SEPs, which provides homeowner protections and creates regulatory clarity for market participants that boosts competition, lowers costs, and preserves access to these important home equity solutions.

Source: **Critical Insights into Shared Equity Products: A summary of key findings from 2026 Urban Institute research**