



**COALITION FOR
HOME EQUITY
PARTNERSHIP**

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Landmark Urban Institute Study Confirms the Role of Shared Equity Products in Expanding Home Equity Access and Consumer Choice

New independent research finds SEPs offer homeowners a meaningful alternative to traditional mortgage loans, with calls for a tailored and uniform regulatory framework

MANASSAS, Va. (Mar. 3, 2026) — The Coalition for Home Equity Partnership (CHEP), a national non-profit association dedicated to the protection and promotion of the shared equity product (SEP) industry, welcomed the release of a comprehensive independent study conducted by the Urban Institute examining the impact of SEPs in the home equity marketplace and analyzing the profile of the average consumer accessing these innovative products. Findings clearly indicate the value of SEPs for homeowners who prefer to tap into their home equity without the burden of additional debt or monthly payments.

“This study validates that shared equity products are providing real, meaningful financial benefits to a broad array of homeowners, including those who qualify for traditional forms of home finance like mortgage loans and HELOCs but are concerned about taking on another monthly payment obligation, and those who simply don’t qualify for a mortgage loan due to credit or income issues, such as seniors living on retirement income or families dealing with financial challenges,” said Cliff Andrews, President of CHEP. “The Urban Institute’s findings confirm CHEP’s belief that SEPs can provide a valuable solution for hundreds of thousands of American homeowners.”

Authored by Urban Institute Housing Finance Policy Center founder Laurie Goodman and research analyst Katie Visalli, the report analyzes data from approximately 54,000 agreements originated between 2015 and 2025 by CHEP’s three founding members — Hometap Equity Partners, LLC, Point Digital Finance, Inc. and Unlock Technologies, Inc. to comprehensively examine who uses shared equity products, why they use them, and how the products are structured. The report also highlights the unique features of these new products and how they differ from traditional mortgage loans, and it provides detailed suggestions for an appropriate regulatory framework.

Here are a few of the key findings highlighted in the study:

- ▶ **“SEPs can be useful for homeowners who cannot get a mortgage loan, or who choose not to make a monthly payment, but want to take advantage of the wealth stored in their homes.”**

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With 35% of all equity-extraction mortgage loan applications denied in 2024, SEPs are an essential alternative for homeowners who may have no other viable way to access their home equity. The study also points out that 49% of CHEP's customers had credit scores that were sufficient to qualify for a mortgage loan. Many of these customers chose a shared equity solution not because they had no other choice, but because they preferred the flexibility offered by the shared equity solution.

- ▶ **“The characteristics of these homeowners, including age, income, home price appreciation and the amount of equity extracted relative to property value, are very similar to those of homeowners who use mortgage loans for home equity extraction.”**

The results of the Urban study demonstrate that shared equity originators are marketing their products to the same broad-based set of homeowners that are marketed to by mortgage lenders. The study represents the second independent body of research (along with a University of Washington study commissioned by Washington state) that looked for and found no evidence of SEP providers targeting vulnerable populations or that SEPs adversely affect underserved communities. The Urban study also found that shared equity originators are not targeting properties located in markets where greater price appreciation is expected.

- ▶ **“The return to investors on SEPs (and thus the cost to the homeowner) is often significantly lower than the interest rate on credit card or personal loan debt.”**

Homeowners use SEPs to address a range of financial priorities, but the number one use is to pay down expensive debt, most typically credit cards and personal loans, with 63% of CHEP customers citing this as the primary use of proceeds. When homeowners settle their SEP at maturity, the cost will often range from 10% to 12%, and SEPs provided by CHEP members are subject to homeowner protection caps that limit cost to no more than 20% regardless of future home price appreciation. For homeowners who use a SEP to pay down higher-cost debt (as the majority do), the cost of the SEP is often far below interest rates on credit cards and personal loans, particularly over longer holding periods. Notably, homeowners also find real value in the fact that SEPs require no monthly payments while loan products do. That additional value is not captured in a numerical comparison but is very meaningful for many families.

- ▶ **“Existing mortgage loan regulations and SEP mechanics are incompatible. Consumer protections are necessary for these products but will work best for consumers, lenders, and investors when created with the unique characteristics of SEPs in mind, rather than simply applying the rules for mortgage loans.”**

CHEP could not agree more with Urban Institute's conclusion; CHEP advocates for a tailored regulatory framework that fits the unique structure of SEPs, including state licensing requirements, standardized disclosure forms, homeowner protection caps, prohibited practices, independent appraisal standards, and rescission periods.

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CHEP members have proposed a standardized industry disclosure form consistent with the Urban Institute's recommendations and have partnered with a HUD-approved national housing counseling provider to deliver SEP-specific counseling to homeowners. All CHP founding members currently employ voluntary homeowner protection caps, robust disclosure practices, and rescission periods.

“CHEP and its members are working diligently with state and federal regulators to develop a purpose-built regulatory framework that protects consumers while preserving access to a product that is expanding financial options for homeowners across the nation,” said Andrews. “By advocating for uniform standards that increase transparency, minimize uncertainty, and welcome competition among stakeholders, we can also lower the cost of these products, further expanding opportunities for households seeking flexible access to their home equity without the burden of monthly payments.”

For more information, read [the full study](#).

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ABOUT THE STUDY

The “How Shared Equity Products Work, Who Is Using Them, and Regulatory Recommendations” research report was released Feb. 26, 2026, by the Urban Institute. The Urban Institute’s Housing Finance Policy Center, founded by Laurie Goodman, is one of the nation’s leading sources of independent housing finance research. The study was funded by the Housing Finance Innovation Forum, an independent group supporting high-quality research to inform evidence-based policy development. As stated in the report, funders do not determine research findings or the insights and recommendations of Urban experts.

ABOUT THE URBAN INSTITUTE

The Urban Institute is a nonprofit research organization founded on one simple idea: To improve lives and strengthen communities, we need practices and policies that work. For more than 50 years, that has been our charge. By equipping changemakers with evidence and solutions, together we can create a future where every person and community has the opportunity and power to thrive.

ABOUT THE COALITION FOR HOME EQUITY PARTNERSHIP

The Coalition for Home Equity Partnership (CHEP) is a collective of financial services companies that offer flexible ways to tap home equity. The association 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. For more information, visit homeequitypartnership.org.