



Originator Member Standards

These Standards establish ethical principles, consumer protection standards, and structural guidelines for CHEP Originator Members. They promote trust, transparency, fairness, and sustainability in all interactions with homeowners, investors, partners, and oversight bodies. By following these standards, Members commit to advancing home finance innovation that supports consumer empowerment and financial stability.

1. Act with integrity. In dealings with stakeholder groups, Members adhere to:

- Representing their products and services accurately and completely.
- Avoiding misleading language in marketing materials, sales scripts, and presentations.
- Providing honest, balanced representations of risks, benefits, and long-term implications of participating in SEPs.
- Providing accurate and transparent information related to product performance and consumer outcomes.

2. Support consumer understanding and informed decision making. Members are committed to consumer education and supporting informed decision making and honor this commitment through:

- Consumer Education. Provide homeowners with information on SEPs in a variety of formats (e.g., videos, text-based resources, interactive tools and calculators, conversations, and third-party counseling) to foster understanding of the product's material terms, costs, benefits and risks, and differences from mortgage loan products.
- Clear and Transparent Disclosures. Prior to closing, present homeowners with plain language disclosures that:
 - Disclose the costs under multiple settlement scenarios that demonstrate the effect of different future home values and time periods.
 - Provide itemized fees and closing costs, and timelines.
 - Explain valuation methods, settlement triggers, and homeowner obligations.

3. Accountability and treating homeowners fairly. Members hold themselves accountable to homeowners and ensure that homeowners are treated fairly throughout the product lifecycle by:

- Not engaging in high-pressure sales tactics, coercion, or exploitative marketing.
- Providing ample time and encouragement for homeowners to consult with their own independent legal and financial advisors, including a three day right of rescission or cooling off period.
- Using independent, third-party valuations at both origination and settlement to establish beginning and ending home value.
- Communicating with homeowners in a timely manner.
- Providing accessible channels for homeowner feedback and complaints.
- Maintaining policies and procedures for timely and meaningful resolution of consumer issues.
- Making loss mitigation programs available to certain homeowners experiencing significant financial difficulty or personal emergency at the end of the product term.



4. **Support good consumer outcomes through appropriate product design.** Structure products in a manner that supports good consumer outcomes by including, at a minimum, provisions that address the following:
 - Return Caps. Include a cap on investor returns.
 - Equity Protective Underwriting. Limit the maximum investment amount to ensure homeowners retain at least 10% unencumbered equity in their property at the time of origination after accounting for the potential ownership stake that a SEP provider may obtain at settlement.
 - No Early Settlement Penalties. Allow homeowners to exit the investment at the time of their choosing, subject to the maximum term length, without penalty for early settlement.
 - Unrestricted Use of Funds. After SEP funding and payoff of required existing consumer obligations required to qualify for the SEP, homeowners must be free to use funds received at their sole discretion, unless the SEP product is for an agreed upon specific use case.
 - Unrestricted Use of Property. Homeowners must be free to utilize their property as they see fit and in conformity with applicable laws, subject to pricing adjustments for certain occupancy changes and standard requirements for home maintenance and repair.
5. **Comply with law.** Industry Members strive to offer their products and services in compliance with applicable law and emerging best practices, including state and federal consumer protection laws governing unfair, deceptive or abusive acts and practices, privacy and data protection obligations, state specific requirements applicable to SEPs, and local property laws. Members actively monitor for regulatory changes and maintain systems for ongoing compliance.
6. **Industry Responsibility and Stewardship.** Industry Members are committed to developing the SEP industry and acting as stewards of responsible growth by:
 - Sharing and promoting industry best practices.
 - Maintaining open and transparent dialogue with regulatory stakeholders.
 - Advancing legislation and regulation that provides strong oversight and clear rules for SEPs.
 - Collaborating on establishing and maintaining ethical standards across the industry.
 - Supporting independent research on the opportunities and risks of shared equity products.
 - Promoting shared equity products that enhance stable homeowner and consumer choice.
 - Seeking to resolve disagreements professionally and avoiding disparagement of fellow members.

These Originator Member Standards were approved by the Board of Directors on Sept. 17, 2025.