



Program Guide

May 2023



What we do

Owning a home is big investment. Unison helps you free up cash by tapping into your home's equity. And we do it without any of the downsides associated with traditional lenders.

Here's how

We offer a smart alternative to a traditional loan or line of credit by letting you convert existing equity in your home to cash. Unlike a loan, with a Unison home equity sharing agreement, there are no monthly payments or interest charges. We're able to do this by extending a cash payment to you today in exchange for an option to share in your home's change in value, up or down. You make no payments to us until you sell your home or 30 years pass.

At that time, we'll settle up based on the value of Unison's option, and you'll owe us an amount equal to the cash payment we gave you, plus or minus a percentage of your home's change in value.

Learn more

Curious about how our program works? Want to see the math? Keep reading and we'll walk you through the basics.

What is Unison?

We're a San Francisco-based real estate investment company that's been helping homeowners since 2004.

All of us are committed to common-sense alternatives to debt financing and our leadership team are all well-seasoned, highly respected real estate finance professionals.

Our work has earned us accolades from national publications, including:

Wall Street Journal, New York Times, and Forbes.

How it works

1

We give you a cash payment for up to 15% of your home's current market value.

2

You use the money however you want. You don't make any payment to us until you sell your home (or 30 years pass).

3

Ready to move? Great. When the sale goes through, you'll make a single payment to us from the sale's proceeds. Regardless of whether your home's value goes up, down, or stays the same, you will benefit. We'll show you how on page 13.

What's the catch?

The short answer: There isn't a catch. So, how do we survive if we're waiting upwards of 30 years for our investments to come back? Are we just really patient people? Actually, yes. Our investors are big institutions (think university endowment funds, pension funds, etc.) with patient capital focused on a long-term investment horizon. This is why we can offer our money for up to 30 years without monthly payments or interest charges.

Take a good close look

We want you to make the best decision for you and your family. And while we do our best to explain everything, we highly recommend you carefully review the Unison HomeOwner Agreement and other information about our program available online. It's a good idea to do this with family members, as well as with your legal and financial advisors. In fact, we advise you to do so. Your Program Specialist will be happy to provide you with all the necessary documents.

Your home equity is yours.

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NOTE: The examples we provide in this guide are only examples. The specific package we offer you may vary due to a few factors, including: a) your property's value b) your credit history c) your financial profile and d) the packages we're able to offer at that time. We will always let you know (in writing) exactly what you're being offered prior to final approval of your application.

The basics: Unison 101

When we begin working together, we give you a cash payment. This cash payment is referred to as the Initial Payment and in exchange, it allows us to invest in a percentage of your home's future value alongside you, up or down. Choosing to receive less money from us today means the percentage in which we share will be lower, and choosing to receive more money means that percentage will be higher (pages 8–9). We'll let you know what you qualify for — the amount you choose to unlock is for you to decide.

Once you receive your payment, you're free to do whatever you want:

fund a remodeling project, pay for tuition, start a business, etc. Until you sell (or 30 years pass), there won't be much interaction with us — unless you need us. All you need to do during that time is keep your home in good repair and stay current on your mortgage, real estate taxes, insurance, etc. You're still the owner of the home, so all the advantages of owning are completely yours, including any tax advantages.

When you sell your home (or 30 years pass) your agreement with Unison ends. This is when you'll send us a payment equal to our Initial Payment, plus (or minus, in some cases) our portion of the change in your home's value. Read on for some examples to see how this works.

Unison HomeOwner vs. Other options

You already know there are a lot of financing options out there. And you also probably know many of them aren't that great for homeowners. We noticed that, too, which is why we created HomeOwner. If you're wondering how we stack up against more traditional financing, here's a quick breakdown:

Us	Them
<p>Unison HomeOwner:</p> <p>With us, there are no interest rates or monthly payments. In addition, you control the length of the term by deciding when to sell your home. You can also buy out the Unison agreement at any time without a sale transaction (called a Special Termination, which is discussed more below). This gives you the flexibility to do what's best for your family.</p> <p>NOTE: There is a maximum term of 30 years.</p> <p>We only get a portion of the future change in value. All the home equity you build after we start working together remains yours; we just convert a portion of it to cash for you.</p>	<p>Home Equity Loans: (for example, home equity lines of credit)</p> <p>These provide access to cash, but require monthly payments, often over a short ten-year term.</p> <p>Another downside is that many of these have a variable interest rate, which can end up costing you a lot more than you budgeted. Not ideal (unless you're the bank).</p>
	<p>Reverse Mortgages:</p> <p>With reverse mortgages, your home's equity typically decreases over time. That means, over a period of time, a reverse mortgage can actually consume 100% of your home equity, leaving you with a big financial loss. On top of that, it's difficult to qualify due to age and debt restrictions — all situations that are not ideal.</p>

Is Unison HomeOwner right for me?

We know you're the only one who can ultimately determine which products and solutions are best for you and your finances. But as general guidelines, Unison might be right for you if:

1. You have lived in your home and built up equity,
2. You plan to stay in place for a while (we suggest at least five years, as the benefits of Unison kick in over time) and
3. You need access to cash without an additional monthly financial burden.
For example, you can use Unison to fund a remodeling project, consolidate debt or retire more comfortably.

Have questions? Reach out. We're always happy to discuss your unique situation and make sure it's the right fit for you.

How much money can I get?

The amount of Unison's Initial Payment to you depends primarily on your home's value (that's usually the appraised value) and the Investor Percentage (that's the percent of the change in value that goes to us). In practice, we typically arrive at an Initial Payment amount and Investor Percentage like this:

Breakdown	
A	Your home's value This is the first consideration when determining how much you're eligible to receive. Simply put, the more your home is worth, the more cash we're able to provide. The less it's worth, the less we can provide.
B	The percentage of your home's value + Initial Payment We can provide an Initial Payment to you for up to 15% of your home's value today.
+	
C	If your house is worth \$500,000 we can, for example, multiply that by 10% to arrive at an Initial Payment of \$50,000 if that's what you need. Which leads to...
D	Investor Percentage This is what determines how much of your home's change in value is paid to us later, and it is tied to how much money you receive. In a typical HomeOwner deal, the Investor Percentage is calculated by multiplying the percentage of your home's value you are receiving today by four. So, if you receive 10% of your home's value today, the Investor Percentage is likely going to be 40%. Choosing to receive less money from us will result in a lower Investor Percentage, and receiving more money from us will result in a higher Investor Percentage. Regardless, our minimum Investor Percentage is 20% and our maximum is 60%.

NOTE:

- The maximum Initial Payment amount you can receive from Unison is \$500,000 or 15% of your home's value — whichever is lower. Our minimum investment size is \$30,000.
- There is a 5.0% risk adjustment applied to the property value at origination to set the Original Agreed Value. This 5.0% adjustment to your home's appraised value helps account for the uncertainty inherent in the appraisal process. It also allows Unison to deliver your home equity sharing agreement faster and without the added costs of multiple appraisals. But we still provide you the Initial Payment based on your home's appraised value, without a risk adjustment applied
- There is a one-time transaction fee equaling 3.9% of the Initial Payment due to Unison at closing, which is deducted from the Initial Payment you receive.
- Additionally, you are responsible for third-party costs such as appraisal, inspection and settlement costs (includes title, state taxes and recording fees). Appraisal fees generally range from \$450 to \$1,250, inspection costs range from \$650 to \$1,050 and settlement costs range from \$700 to \$1,750, depending on the area. Your exact costs will be provided to you prior to closing and are deducted from the Initial Payment you receive.

Here you'll see how your home's value and the amount of money you receive affects the Investor Percentage. In these examples, we chose homes worth \$1,000,000 and \$500,000, respectively. Since the most you can receive is 15% of your home's value (with a max of \$500,000), we start with 15% and go down from there.

Your Initial Payment & the Investor Percentage

A	B	C	D
Home's value	Percentage of home value	Would provide you with	In exchange for an investor percentage of
\$1,000,000	12.5%	\$125,000	50%

Let's look at that again with some different numbers...

How much money we can provide largely depends on your home's value and the Investor Percentage. As you may recall, the Investor Percentage is the portion of your home's appreciated value due to us at the time of sale. Let's take a look at how the numbers break down in some additional possible situations:

A	B	C	D
Home's value	Percentage of home value	Would provide you with	In exchange for an investor percentage of
\$1,000,000	15%	\$150,000	60%
	7.5%	\$75,000	30%
	5%	\$50,000	20%

You can see that choosing the highest percent of your home's starting value gives you the most money, but it also requires a higher Investor Percentage.

A	B	C	D
Home's value	Percentage of home value	Would provide you with	In exchange for an investor percentage of
\$500,000	15%	\$75,000	60%
	12.5%	\$62,500	50%
	7.5%	\$37,500	30%
	5%	\$25,000	20%

NOTE: The numbers in the tables are for a client with average/above average credit, whose Unison HomeOwner Agreement is made on their primary residence, and whose home is typical of other homes in the neighborhood. In situations where a client has below-average credit or otherwise differs, the money offered may be lower and/or the Unison Investment Percentage higher. To focus on how the Initial Payment impacts the Investor Percentage, the above values do not take into account transaction fees, closing costs, or the Risk Adjustment. Please refer to page 8 for a detailed breakdown of the fees, and page 12 for a detailed explanation of the Risk Adjustment. Your Program Specialist will discuss your specific transaction terms with you.

What can I do with the money?

The short answer is “anything!” However, we highly recommend clients use it for something of long-term benefit. Most commonly, people use it for things like remodeling their home, paying for college, starting a business, making a down payment on a rental property, or funding retirement.

Another excellent idea is to use your Unison payment to diversify your investments. Since a house can tie up a large percentage of your portfolio, being able to take out some of that equity and invest in stocks and/or bonds can help prevent putting too many eggs in one basket.

In some cases, we may require that some of your payment from Unison go towards paying down debt, or making fixes to your home. We may not know whether this is required until after you have submitted your complete application for review.



How does Unison determine the home's change in value?

So far, we've discussed how your home's starting value determines how much money you can receive when you enter into an equity sharing agreement with Unison. We've also gone over how Unison's equity sharing agreement allows us to share in your home's change in value over time.

Two other important terms you should know are Original Agreed Value ("OAV") and Ending Agreed Value ("EAV"). The difference between these two values is the change in value in which Unison shares.



Let's explore what happens when your home's value goes up, down or stays the same. You'll notice that, depending on the amount of equity you choose to access in the beginning, how much your benefit changes in the end. This example assumes:

- The home's value at the start of the Agreement is \$500,000
- The Initial Payment provided to the client is \$50,000 and the amount of change in value in which Unison shares ("The Investor Percentage") is 40%.

Value at the start of the Agreement and the Risk Adjustment

Your home's Original Agreed Value is the value we agree on at the start of your Unison Agreement. It's determined by applying a small adjustment to the Original Appraised Property Value.

Original Agreed Value = Appraised Value – 5.0%

For example, if your home has an Original Appraised Property Value of \$500,000, your Original Agreed Value will equal \$475,000. This 5.0% adjustment to your the Original Appraised Property Value helps account for the uncertainty inherent in the appraisal process. It also allows Unison to deliver your home equity sharing agreement faster and without the added costs of multiple appraisals.

Value at the end of the Agreement

Ending Agreed Value is the value we agree on at the end of your Unison Agreement — generally, when you sell your home or 30 years pass — and it's determined by the sales price or the final appraised value.

Let's say you sell your home for \$575,000:

Home's change in value = \$575,000 (EAV) – \$475,000 (OAV) = \$100,000

This \$100,000 difference between the Ending Agreed Value and the Original Agreed Value is shared between you and Unison, in proportions that will vary with the size of the Initial Payment you selected at the beginning (our share is the "Investor Percentage"). Keep in mind as we go forward that what your home appraises for today (the Original Appraised Property Value) will receive a 5.0% risk adjustment for purposes of setting your Original Agreed Value.

Unison sample scenarios

Over the next few pages, you'll find a few examples of what a basic agreement with Unison looks like, start to finish. We hope these sample scenarios will help you get a better feel for how the program works and why it's beneficial.

Home's Original Appraised Value	Percentage of home value	To give you a payment of	In exchange for an Investor Percentage of	Original Agreed Value
\$500,000	10%	\$50,000	40%	\$475,000

Then let's say 10 years after we begin working together, you decide to sell your home.

If your home's value increases

We make a profit and so do you.

Sale price (EAV)	Change in value (From the OAV)	Unison 40% share	To Unison	To You
↑ \$575,000	\$100,000	+ \$40,000	\$90,000	\$485,000

Distribution of sale proceeds

Sale price – Unison payment = Proceeds to you

If your home's value decreases

We share in the loss, which reduces your loss. That means you lose less than you would have without Unison.

Sale price (EAV)	Change in value (From the OAV)	Unison 40% share	To Unison	To You
↓ \$375,000	\$100,000	– \$40,000	\$10,000	\$365,000

Distribution of sale proceeds

Sale price – Unison payment = Proceeds to you

If your home's value stays the same

Sale price (EAV)	Change in value (From the OAV)	Unison 40% share	To Unison	To You
→ \$500,000	\$25,000	+ \$10,000	\$60,000	\$440,000

Distribution of sale proceeds

Sale price – Unison payment = Proceeds to you

NOTE: The sample scenarios above do not include any transaction fees or settlement costs and do not take into account any Equity Appreciation Limit (see page 21).

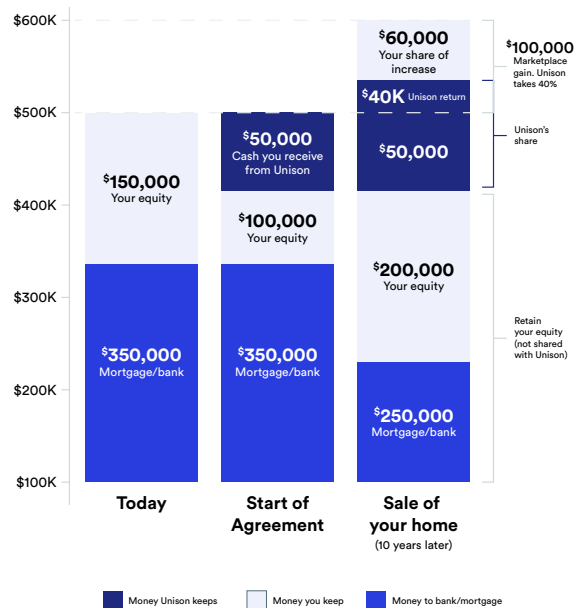
A more detailed breakdown

The following two scenarios show what happens with mortgage paydowns and remodeling over the course of your Unison Agreement.

It's good news for you on both fronts: you keep the equity you build through mortgage payments and remodeling work.

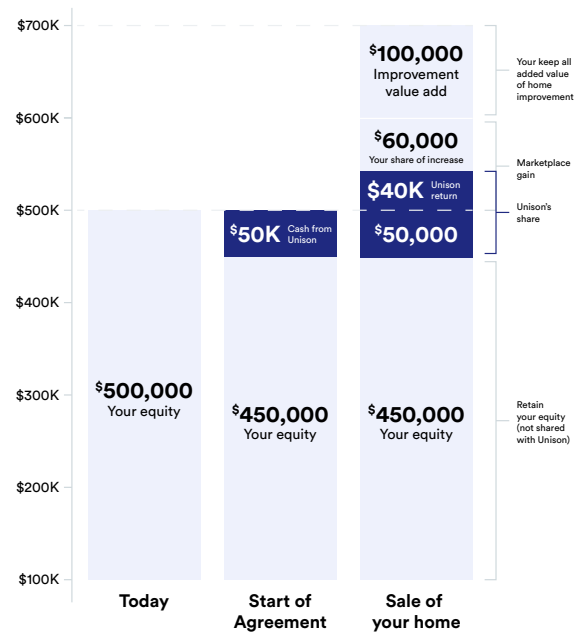
You keep the equity you build

This example focuses on mortgage payments. Here you'll see how the initial mortgage balance of \$350,000 decreases with time (as you make the monthly payments). Also note how the corresponding equity you gain from doing so only benefits you, not Unison.



You keep gains from remodeling work

This example focuses on what happens when you remodel your house while working with Unison. Here you'll also see that any documented change in your home's value due to remodeling is 100% yours after the third anniversary of your Unison Agreement.



NOTE: To focus on how Unison Agreement impacts the equity you build through mortgage payments and remodeling work, the above values do not take into account transaction fees, closing costs, or the Risk Adjustment. Please refer to page 8 for a detailed breakdown of the fees, and page 12 for a detailed explanation of the Risk Adjustment.

What's an Option Contract?

Our concept is simple: we invest in a person's home today in exchange for a percentage of its change in value later on. But how the underlying contract (called an Option Contract) works can seem a bit complicated.

First though, we want to take a moment here to recognize that the math we've presented in the sample scenarios so far is different than the math in the Option Contract mechanics. That said, we want to emphasize that the amount you receive at the beginning and the amount Unison receives at the end is the same under both.

When it comes to your home, Unison's Option Contract essentially states that we're willing to pay, say, 40% of your home's value today in exchange for getting 40% of its value in the future.

You've seen this 40% before — it's called the **Investor Percentage**, which is the percentage of your home's future change in value that Unison has the option to purchase, for a price we agree on today. What Unison pays you for its Investor Percentage is called the **Total Option Price**. Now here's where it gets tricky, so pay attention. The Total Option Price comes to you in two parts.

1

Initial Payment — this is the money we give you at the beginning of your Agreement.

2

Balance Payment — that is what we still owe you when our Agreement ends to *complete* the purchase of our 40% share.

The HomeOwner Agreement is an Option Contract that enables you to convert your home's equity into cash while avoiding additional debt.



For example, say we invest with you on a home with an Original Appraised Property Value of \$500,000, and an Original Agreed Value of \$475,000 after the Risk Adjustment. You'll grant us the option to purchase 40% of your home's Original Agreed Value and that option costs us \$190,000 (40% of the OAV). Part of that — a sum of \$50,000 — is given to you upfront as an Initial Payment.

Then we wait — for up to 30 years. You

get to live in your home and use the cash from your Unison Agreement however you like, with no interest or monthly payments due to Unison.

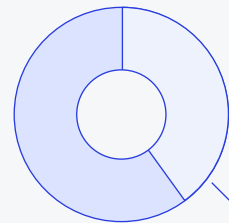
Hopefully, the home appreciates in that time so that we can both share in the gains.

Then, let's say you sell your home for \$600,000. Here's what happens:

Unison has an option to receive 40% of that sale price, which equals \$240,000 (40% of that sales price). But to get it, we have to complete our option purchase, by crediting you with the Balance Payment of \$140,000. So to settle up, we deduct the \$140,000 we owe you from the \$240,000 you owe us. The remaining \$100,000 is what Unison gets. The rest of the sales price goes to you (although you still have obligations like your remaining mortgage to pay off).

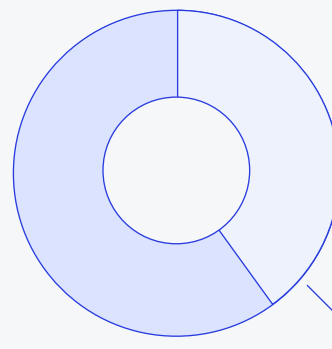
So that's how it all works. 40% of your home's Original Agreed Value now in exchange for getting 40% of its Ending Agreed Value when you sell or end the Agreement. We give you some of that 40% up front and the rest carries over until the Agreement ends. Then we settle up and share in the ups (or downs) together.

Value of home at Agreement is \$500,000



The initial payment for Unison's option for 40% of your home's value is \$50,000

Value of home when you sell is \$600,000



The balance payment for Unison's option for 40% of your home's value is \$140,000

Option to receive 40% of \$600,000 sale price equating to \$240,000

What ifs?

Answers about remodeling,
home maintenance, restrictions
and Equity Appreciation Limit
before the fifth year

Curious about a couple ‘what if’ scenarios
that might occur over your life as a
homeowner? We’ve got you covered.



The Remodeling Adjustment

Remodeling can turn an average home into a place that makes you want to throw a dinner party every Friday. And, of course, it doesn't hurt that it can increase your home's asking price when you decide to sell it. You'll probably be happy to know that with a Unison Agreement, any significant and documented increase in your home's value attributed to your remodeling work, like a new kitchen or master suite, is entirely yours — as it should be. We ensure this through a feature called the Remodeling Adjustment.

It works like this: before you begin any significant remodeling project, just let us know. We'll make sure you know how to document your project, so that you are credited with a Remodeling Adjustment when you decide to sell your home or end our agreement.

That includes preparing clear, detailed photos of your property in its original condition before the remodeling work — you'll need to submit these whenever you request an adjustment. These photos need to be varied (meaning detailed shots as well as wider-scope ones) so that an independent, third-party appraiser can visually compare the previous condition of the property with the current one. They will decide how much of the home's increase in value is attributable to remodeling.

**Remodeling isn't just a dream.
Make it a reality with Unison.**

We'll also make sure you have the other guidelines laid out in the Unison HomeOwner Agreement, such as using licensed contractors and applying for proper permits, to ensure your adjustment can be made.

Once the Remodeling Adjustment amount is determined by the appraiser at the end of the Agreement, that amount is deducted from the Ending Agreed Value before we calculate our share in the change in value.

Please note that while you can remodel or sell your home at any time, the Remodeling Adjustment only applies after the three-year anniversary of your Unison Agreement.

Refer back to the example titled “You keep the gains from remodeling work”

on page 14 to see this in action. This appraisal helps determine how the \$100,000 of added value to the home's sale price due to home improvement, is in turn adjusted from the return to Unison, and therefore remains yours.

NOTE: The cost of a remodeling project is not one and the same with how much your home's value increases. For example, if adding a new bedroom and bath costs you \$40,000, it's possible your home's value may only increase by \$30,000. Routine home up-keep and maintenance (e.g., replacing carpet or paint) will not qualify for a Remodeling Adjustment.

**Renovating a home can be
hard work, which is why all
the value you add goes to you.**

Deferred Maintenance Adjustment

During your Agreement with Unison, we trust that you will keep your property in good condition. While we obviously anticipate there will be some wear and tear (we know children, and some adults for that matter, aren't always gentle), but still, excessive damage and deterioration aren't expected. That's where something called a Deferred Maintenance Adjustment comes in.

Deferred Maintenance Adjustments are made in cases where a loss in property value is due to poor upkeep. In such instances, the property's loss in value is theoretically added to the sale price for the purposes of settling our agreement fairly. For example, if you sell your home for \$400,000 and an appraiser determines that this value was \$30,000 less than it should have been because of extensive termite damage, Unison would make a Deferred Maintenance Adjustment when figuring out your return to us. To figure out the fair change in value, we would add the \$30,000 loss of value due to termite damage to the selling price, bringing it to \$430,000, and then determine your return based on the same Initial Payment plus appreciation share like normal (see page 13). This essentially puts the loss of \$30,000 on you since your action (or inaction) caused the loss, rather than market forces.

NOTE: The amount of the Deferred Maintenance Adjustment is always decided by one or more third party appraisals, inspections, or repair estimates.

Restriction Period

Since your home is yours, you are always free to sell it at any time during your agreement with us. However, as we mentioned earlier, we recommend customers only sign a contract with us

if they plan to stay in their home for at least five years. That's how the Unison equity sharing agreement was designed to be used, as the major advantages of working with us kick in over time. Because we only encourage you to use Unison for long-term financing, we have built in a restriction period where some homeowner benefits will not be available.

- **Sharing in a decrease in your home's change in value if you sell.** In the case that you wish to move in the first five years, the transaction would proceed as usual except if the home's value has gone down. During the restriction period, Unison does not share in a decrease of value - meaning the Ending Agreed Value for your property will be at least equal to the Original Appraised Property Value, even if your property value has decreased since the start of your agreement. Thus, at a minimum, you'll have to pay the Initial Payment (together with any amounts attributed to the Risk Adjustment). Due to the Risk Adjustment, the amount due when a sale occurs during the restriction period can be greater than the initial investment you received from Unison by 20% or more.
- **Remodeling Adjustment.** As discussed at the start of Chapter 3, Unison will not share in the value attributed to home remodeling projects. However, you are eligible for a remodeling adjustment only after the third anniversary of the Unison Agreement.

NOTE: Some agreements are only subject to a three-year waiting period before Unison shares in a decrease in value. Check with your Unison representative to see which applies to you.

Deferred Maintenance Addendum

Prior to signing an agreement with Unison, we typically require a home inspection. While many inspections don't reveal anything new (maybe a lost sock?), they sometimes uncover defects or conditions that can affect the property value if not addressed.

For example, an inspection might reveal significant rot in the framing under the home's main living area. Issues like this may worsen over time, thus negatively impacting the property's future value and desirability.

If a significant issue(s) is found during the inspection, Unison may make note of it in a Deferred Maintenance Addendum. Ideally, the homeowner will arrange for the necessary repairs to be made. However, if the homeowner doesn't, Unison reserves the right to treat the issue as a Deferred Maintenance Adjustment scenario in the future.

NOTE: You will always be notified if this Addendum is part of your original agreement.



Equity Appreciation Limit

To balance the investment return while Unison does not share in a decrease in property value, Unison places a limit on the maximum return on Unison's equity investment if you end the agreement during the restriction period. This is called the Equity Appreciation Limit. During the first 12 months of the agreement, the limit is a fixed percentage. After the first 12 months of the agreement, the limit is compounded monthly (including partial months) on top of the fixed percentage. The Equity Appreciation Limit does not apply after the restriction period.

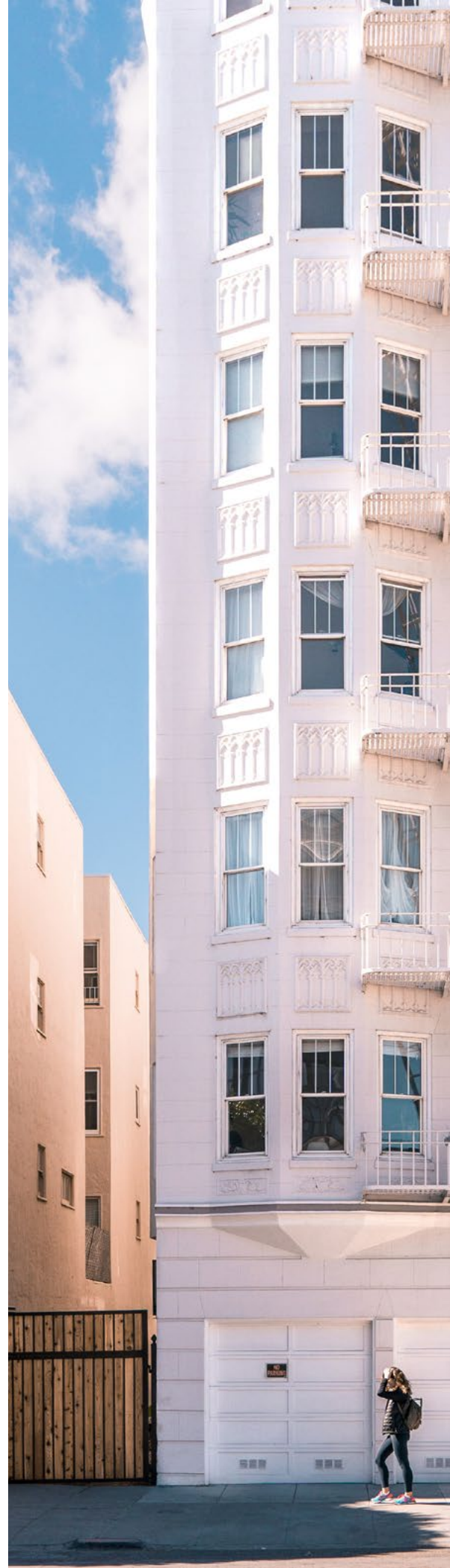
Here are a couple examples to show how it works:

Original Appraised Property Value	\$1,000,000
Original Agreed Value	\$950,000
Initial Payment	\$100,000
Investor Percentage	40.00%
Max Appreciation Factor	20.00%
Ending Agreed Value	\$1,200,000
Program Floor	36

	Scenario 1	Scenario 2
Months Since Origination, Rounded	7	15
Payment to Unison	\$120,000	\$125,596
Payment to Unison without Equity Appreciation Limit	\$200,000	\$200,000

Unison HomeOwner requirements

We do have some basic rules homeowners need to follow. These guidelines are meant to ultimately benefit both of us and are outlined on the next page.



1. Keep your home as your primary residence

While we won't be checking in on you, we do require that the home on your Unison contract is your primary address (i.e., no rental properties). That means you should:

1. Live/sleep in your home for a total of 180 days or more in every 365-day period, and
2. Never be absent for 60 or more consecutive days.

2. Keep your payments current

Be sure all payments related to your home are made on time. This includes but isn't limited to mortgage payments, property taxes, and insurance.

3. Maintain proper insurance

Just like most mortgage lenders, Unison requires you to maintain hazard insurance equal to the value of your home. If your home's value increases, you'll need to increase your coverage accordingly. In addition, your insurance policy must cover fire risk and other hazards that homeowners typically have in your area (flood insurance in areas that tend to flood, earthquake coverage in San Francisco, etc.). Your Program Specialist will inform you of any requirements prior to signing. Again, this is similar to what mortgage lenders usually require, so you would be doing this whether or not you were in a Unison HomeOwner Agreement.

4. Keep your home in good repair

It may seem obvious, but poorly maintained homes aren't worth as much as homes that receive proper care. Since a decreased home value affects us, too, we require you to keep your home in good condition.

Any serious defects and/or issues on the property should be fixed prior to sale. In instances where clients fail to maintain their property (or if a pre-existing defect is not addressed), a Deferred Maintenance Adjustment may be applied when the Unison Agreement ends.

5. Keep Unison informed of major changes

As partners in your home, we need to be in-the-know about important changes. You'll need to promptly notify us in the event that you:

- Decide to sell or transfer your home.
- If you receive a notice of condemnation concerning your home.
- File for bankruptcy or have an involuntary bankruptcy proceeding led against you.
- If a fire (or some other hazard) damages/destroys your home.
- Have a lien placed on your home.
- If a non-signatory to the Unison HomeOwner Agreement becomes an owner or a principal resident of your home.
- If other events occur that could significantly impact your home's value, like a remodel.

Stay below the Maximum Authorized Debt Limit

While working with Unison, it's possible you'll want a supplementary loan from another provider. This is okay with Unison as long as you don't exceed the Maximum Authorized Debt Limit. This limit is based on your mortgage amount and financial situation at the time of your Unison Agreement and does not adjust upwards as your home appreciates in value.

The Unison equity sharing agreement itself does not count towards the limit — remember, our program is not debt!

There are, however, some cases where we may not approve new debt, including certain types of loans, such as reverse mortgages, interest-only loans, shared appreciation loans, or any loan with a negative amortization feature that could result in all loans exceeding the Maximum Authorized Debt limits. Additionally, we're sometimes unable to approve new debt on a home whose value has declined over the course of our agreement.

Refinancing when you have a Unison home equity sharing agreement

If you have an existing mortgage or if you obtain a new one, your Unison agreement will be a form of subordinate financing. It's likely that some mortgage lenders will decline to provide new loans to you because you have subordinate financing from Unison. In particular, lenders that make loans conforming to Fannie Mae/Freddie Mac guidelines may decline your application, as these guidelines do not allow subordinate financing that shares in equity or home appreciation. If you are considering refinancing your mortgage in the near future, you may wish to do so before taking out a Unison home equity sharing agreement.

Addressing changes that affect title and/or ownership of your home

As you work with Unison, things in your life may change, which may in turn affect your home. We can help you manage some of these changes, including:

- Placing your home in a family trust
- Adding someone (such as a spouse) to the title of your home
- Removing someone from the title of your home

Dealing with unexpected circumstances

Nobody likes to think about unexpected problems and complications, but it's important to know what your options are if a difficult situation occurs. We understand that in some circumstances, otherwise responsible homeowners find themselves unable to keep up with mortgage payments or home repairs due to events beyond their control (e.g., job loss, serious illness). Whatever the situation, Unison is committed to working with you and assisting in any way we can.

What if I get behind on my mortgage?

If you find yourself behind on your mortgage and the lender starts the foreclosure process, Unison may be able to help by offering you something called an Orderly Sale. This process is designed to prevent your home from going into foreclosure. Besides preventing foreclosure, this is good because 1) it helps protect your credit and 2) it usually results in a better sale price since foreclosures often sell below market value. This feature is unique to Unison and an excellent protection for homeowners.

What if I get behind on my property taxes?

Another unique Unison feature is something we call a Protective Advance. A Protective Advance is money that Unison spends on your behalf if the value of your home is at risk due to non-payment of a bill(s). If, for example, you don't pay your property taxes, Unison can (after notifying you) use a Protective Advance to pay the bill for you.

In situations like this, the client is always responsible for repaying Unison. In addition, we also charge interest on the balance of any Protective Advance until it's repaid in full (NOTE: this is the only time we charge interest). If there are any Protective Advances still owed to us at the time the Unison Agreement ends, they must be repaid, either out of the house sale proceeds or directly by the client. As we realize it is not ideal, we will always try to help homeowners avoid this type of scenario.

**Unison is committed to working with you to
get through unforeseen circumstances.**



Ending your Unison HomeOwner Agreement

Here are some ways you can wrap up an agreement with us.



1. You sell your home

When you decide to sell, simply let Unison know. At that time, we typically require a home appraisal. This will always be done by an independent, approved third-party appraisal firm and will be paid for by you. This happens for a few reasons:

- To help determine the value of your Remodeling Adjustment (if applicable and selling after three years)
- To provide an unbiased measure of your home's value
- To decide if a property inspection is needed (in instances where a Deferred Maintenance Adjustment might be requested)

When your home sells, Unison will then calculate the payment owed to us based on your home's value. This is called the Ending Agreed Value and it is typically equal to the sale price (the exceptions are cases where adjustments are made due to remodeling considerations, poor maintenance, or where the sale occurs during the restriction period). Keep in mind that the Ending Agreed Value does not include deductions for closing costs, taxes, documentary fees, mortgage loans, other liens or secured loans, sales commissions, or appraisal expenses. These expenses are your responsibility.

2. You request a Special Termination

You have the right to end your Unison Agreement by requesting a Special Termination. You can do this for whatever reason you wish. However, if you choose to do this, Unison does not share in any decrease in the home's value. See page 29 for more details on the Special Termination Price.

If you do decide to request a Special Termination, you need to first notify us of your intent. Unison will then provide you with a written application for Special Termination, which you must complete and return. An appraisal will then take place, and in some cases, a property inspection will also be required. Based on the appraisal and inspection reports, Unison will calculate your Special Termination Price. You'll send the payment, and we will release to you all relevant documents (such as quitclaim deeds, lien releases, etc.) in order to fully terminate our investment in your home.

Note: A material and uncured default of your obligations under the Agreement may also result in the termination of the Agreement.

3. The Agreement reaches the end of the maximum 30 year term

If 30 years pass and you haven't otherwise ended your agreement with Unison, there are two options available to you:

- A. Pay us the value of our interest in your home at that time.
- B. Sell your home.

It's important you understand that if for some reason you choose not to end the Agreement by taking either of these steps, Unison has the right to exercise its option and purchase its interest in your property. In rare cases this may even involve Unison putting the house into foreclosure. Again, since our interests are aligned to increase the value of your home, we will always try to work with you and give you every opportunity to sell your home yourself, provided you give Unison appropriate notice.

4. The last signatory to the Unison HomeOwner Agreement passes away

While difficult to think about, it's crucial that clients understand how a Unison Agreement might affect their family and estate in the event of their death. Below we'll discuss what happens in this situation.

NOTE: This only applies if all signatories to the Unison Agreement pass away; as long as one or more of the signatories is alive, the Unison Agreement is still valid.

In the case that everyone has passed away, the client's heirs (or estate) will need to work with Unison to end the Agreement by either:

- 1. Pay us the value of our interest in your home at that time.
- 2. Sell your home.

While a six-month grace period will be provided to allow heirs (or the estate) to decide what they want to do, we strongly recommend you discuss your decision to enter into the Unison HomeOwner Agreement with your family and heirs before you sign your agreement.

Additionally, your agreement with Unison also has the potential to impact family members who live in your home but who are not co-owners of the property with you. Because the last signatory's death requires the house be sold or a payment made to Unison, this can affect their ability to remain living in the home in cases where it winds up being sold. To provide full transparency, Unison may ask you to verify (in writing) the names of any non-signatories living in your home, as well as confirmation that you notified them about your Unison contract.

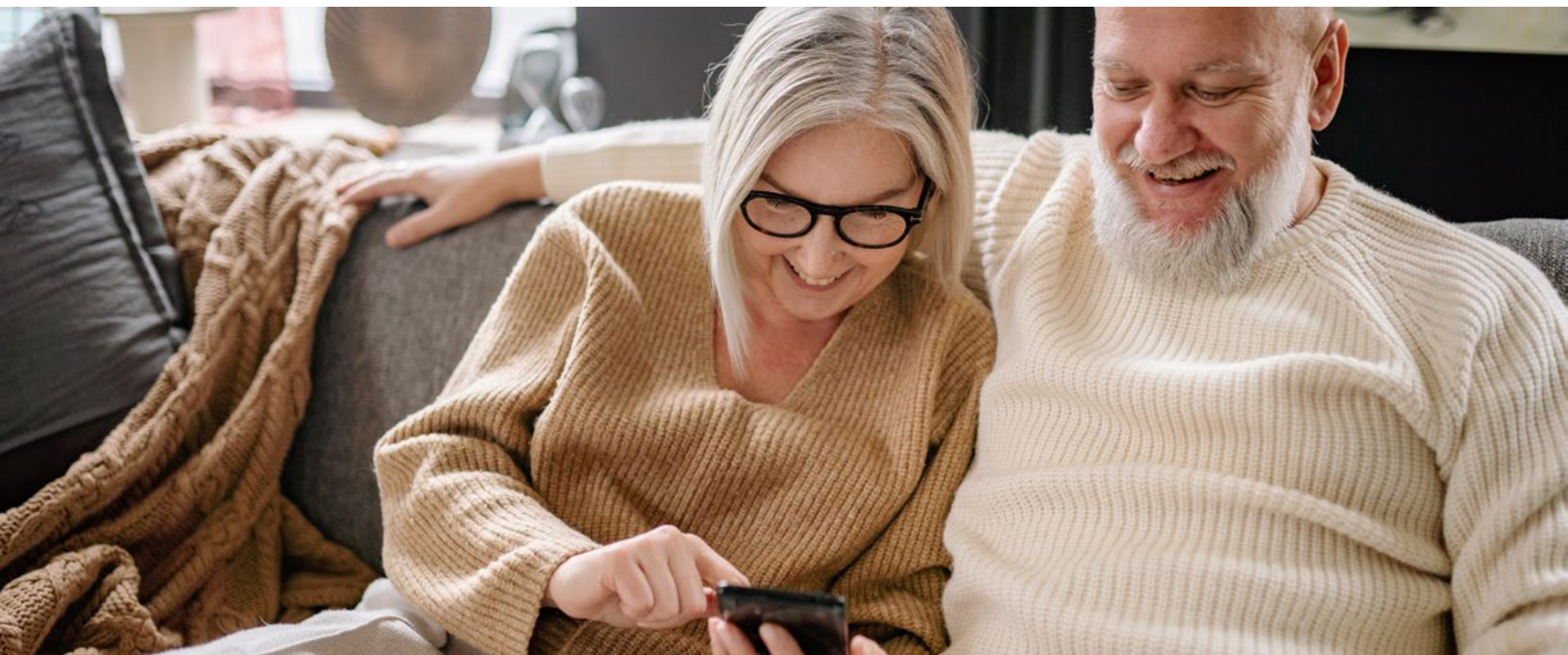
Special Termination

While a Unison equity sharing agreement is meant to be a long term investment, we fully support your right to buy us out at any time during the 30 years of the agreement. If you wish to end your agreement early, contact us and request a Special Termination. We will use a third-party appraisal to establish the Ending Agreed Value. In some cases, a property inspection will also be required.

The Special Termination process is similar to selling your home, except we will use the appraised value instead of a sale price - since you're not selling. The main difference with a Special Termination is that Unison does not share in any decrease of value – meaning the Ending Agreed Value for your property will at least equal the Original Appraised Property Value even if your property value has decreased since the start of your agreement. So at a minimum, you'll have to pay the original investment (together with any amounts attributed to the Risk Adjustment) even if your home appraises for less than it was worth at the start of the agreement.

Since Unison's funding is not intended to be short-term financing, Special Terminations have a different cost. Due to the Risk Adjustment, the amount due under a Special Termination can be greater than the initial investment you received from Unison by 20% or more.

Once you send the payment, we will release all relevant documents (such as quitclaim deeds, lien releases, etc.) in order to fully terminate our investment in your home.



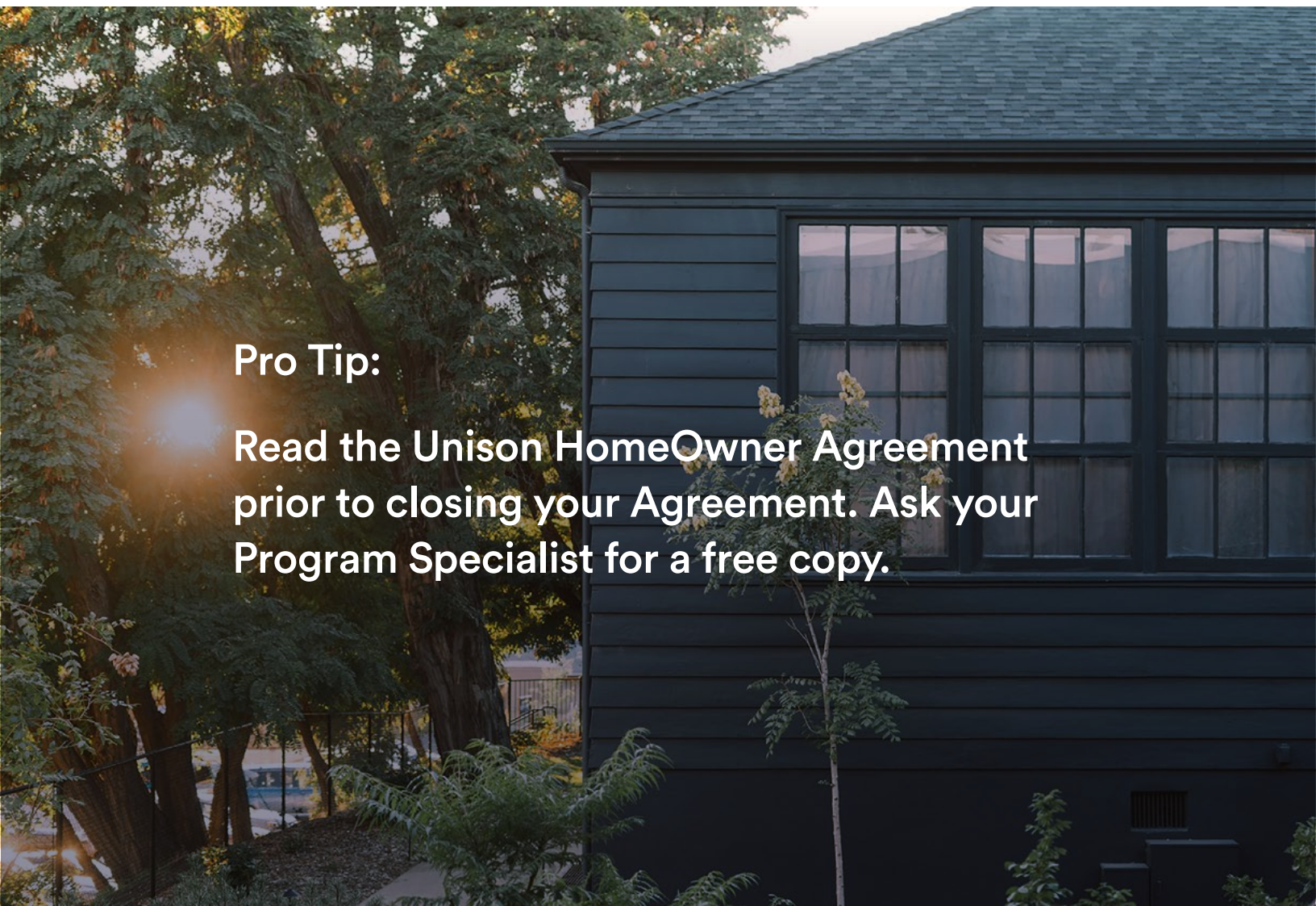
What if there's a disagreement?

Toward the end of your Unison Agreement, your home may be assessed by third party inspectors to determine your home's fair market value, your Remodeling Adjustment, and/or your Deferred Maintenance Adjustment. While we always use reliable, impartial inspectors, we are happy to work with you in cases where you feel an assessment is inaccurate. If there is any disagreement, you have a few options:

- Request a reconsideration. Either party may do this and it's the responsibility of the requesting party to pay the costs associated with the inspection. If both parties are requesting additional reports, the cost is shared.
- If there's still a disagreement following a second inspection, we'll use a professional arbitration service to work things out.

Pro Tip:

Read the Unison HomeOwner Agreement prior to closing your Agreement. Ask your Program Specialist for a free copy.



Legal documents

Unison recommends that you read the Unison HomeOwner Agreement. It holds a lot of important information you'll want to know. Here's an outline of the legal documents contained within the Unison HomeOwner Agreement.



Option Agreement

This contains the basic financial terms of the Unison HomeOwner Agreement and describes in further detail how this particular Option Contract works. The Option Contract structure means we have incentives to work with you through difficult circumstances (foreclosure by your lender, damage to the house, etc.). Because we want your home to be worth as much as possible (just like you do), we want to have the best possible circumstances when you're ready to sell. This makes the relationship set up by the option contract different, in a good way.

Covenant Agreement

This outlines your rights and responsibilities under the Unison HomeOwner Agreement, as well as the various ways the Agreement can come to an end. It also documents the legal protections available to both you and Unison.

Security Instrument

This document creates a secured lien on the home during the term with Unison and says the lien will be recorded in the jurisdiction where the property is located. It also discusses the fact that the Security Instrument is typically subordinated to any existing mortgage on your property.

Memorandum

This document highlights specific features of the Agreement for public notice and is also recorded on the property. Your Program Specialist will be happy to provide you with a copy of the Unison HomeOwner Agreement prior to closing.

**Think Unison HomeOwner is right
for you and your family?
Turn the page to get started.**

Next steps

If you're ready to begin the application process, here's a quick, step-by-step guide to help you out...



	Action items	Items to review
<p>Step 1</p> <p>Pre-qualify</p> 	<p>There are two easy ways to pre-qualify:</p> <ul style="list-style-type: none"> • prequalify.unison.com • 1.800.330.9400 	<p>Your dedicated program specialist will send you a copy of the Unison HomeOwner Application Package and the Unison HomeOwner Program Guide (that's what you're reading now)</p>
<p>Step 2</p> <p>Apply</p> 	<p>Complete an online application (a physical copy is also available upon request):</p> <p>apply.unison.com</p>	<p>We strongly recommend you read the Unison HomeOwner Program Guide, the Application Package, and all Legal Documents</p>
<p>Step 3</p> <p>Underwriting & approval</p> 	<ul style="list-style-type: none"> • Complete a quick knowledge review of the program • Once your application is approved, we'll work with you to set up an appraisal and property inspection • Upload documents (we will need tax returns or W2 to verify income) 	<ul style="list-style-type: none"> • Review reports to create the final terms and the closing conditions of your deal • We'll send you an offer letter to sign and return to us
<p>Step 4</p> <p>Finalizing the Agreement</p> 	<p>Unison sends out your closing package; you sign, and then we distribute the funds to you</p>	<ul style="list-style-type: none"> • Unison will deposit funds into escrow, then to you once everything is finalized • We'll take aerial photos of your property within a few weeks of closing to complete our documentation process

**Call a Program Specialist at 1-800-330-9400
or visit unison.com to get started!**

NOTE: There is a one-time transaction fee equaling 3.9% of the Unison Initial Payment proceeds due to Unison at closing, which is deducted from the proceeds you receive. You are also responsible for third-party costs such as appraisal, inspection and settlement costs (includes title, state taxes and recording fees). The exact third-party costs will be disclosed to you prior to closing and deducted from your proceeds



Questions? Concerns? Just want to talk to a real, live person?
Call **1-800-330-9400** to speak with a Program Specialist.

At Unison, we're committed to transparency and education in all aspects of our business. There's never any sales pressure or obligation to work with us. Really.

Learn about Unison Homeowner and see if it may be right for you. Call 1-800-330-9400 to speak with a Unison Program Specialist, email ps@unison.com, or visit unison.com to find interactive tools, calculators and video success stories.

Unison Home Ownership Investors
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Unison is a San Francisco-based real estate investment company that's been helping homeowners and home-buyers since 2006. All of us are committed to common-sense alternatives to debt financing, and our leadership team are well-seasoned, highly-respected real estate finance professionals. Our work has earned us accolades from national publications including: *Wall Street Journal*, *New York Times*, and *Forbes*.

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Information, policies and procedures described in this Program Guide are subject to change without notification.

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Contact Unison to ensure you have the latest information.

