



NatEquity Knowledge Base

NatEquity User Experience Design Process

NatEquity's goal was to design a product where the user has the best possible experience that accommodates their current needs and future expectations. User-centered product/program design is all about designing with the users' needs and expected behaviors in mind. Success requires both the methodology and tools to ensure the optimal outcomes.

Empathize with both senior homeowners and ultimate buyers of those homes

1. What coastal California senior homeowner wants:
 - a. Age in place, in comfort and safety.
 - b. Be comfortable financially but leave inheritance to children.
2. What new buyers of those homes want:
 - a. A home they can move into without the needs for expensive, financially out of reach immediate renovations
 - i. Adequate kitchen not in need of immediate modernizing.
 - ii. Modern bathrooms.

Product design to accommodate "customers"

3. Equity sharing option to buy $\frac{1}{2}$ of home at current price and own $\frac{1}{2}$ of future appreciated value when home is sold.
 - a. Senior homeowner gets monthly stream of cash flow
 - i. When needed, provide acceleration of larger payments to afford in-home healthcare toward end of life experience.
 - b. Provide homeowner monies for immediate needs
 - i. Roof replacement etc.
 - ii. Provide current monies to update kitchen and baths
 1. Senior enjoy improvements while living in home
 2. Adds safety and piece of mind
 - iii. Any small "catchup" monies to clear credit card debt, etc.
 1. Also adds piece of mind and sets standard
 - c. One half of homes future value protected for heirs
 - i. Modest reducing to sharing ratio to accommodate renovations and accelerate end of life care.
 1. This removes tremendous burden from family
4. Modernized kitchen and baths attract higher priced buyers at time of sale

- a. Younger home buyers in high-priced coastal California cannot afford to immediately improve kitchens and baths after purchase before equity buildup.
- b. Quicker sale and higher price
 - i. NatEquity takes that into consideration in adjusting 50/50 sharing ratio.
 - ii. Everyone wins:
 - 1. Homeowner enjoys benefits while living in the home
 - 2. New buyer pays more, but gets “livable” kitchen and bathrooms
 - 3. Funder enjoys higher sales price in shorter time on market
 - 4. NatEquity develops reputation for satisfied customers and repeat funders.

How NatEquity got to this Point

- 1. Several promising products designed, financially modeled and focus group tested:
 - a. Had to root out excess complexity
 - b. Ultimately product was designed by knowledgeable senior-center staff and feet on the street reverse mortgage originators.
 - c. Bankers evaluated ability to bundle and attract portfolio buyers
 - d. Ownership of IP to properly mortality price and value portfolios was a big help, not understood by market or “competitors”.

NatEquity created Home Improvement Program to Implement this Need

- 1. Program manager responsible for both initial home inspections at time of contract origination and overseeing design and implementation of renovations.
 - a. NatEquity trained inspectors examine each home to make sure it meets our Company’s standards. Inspector looks for malfunctions and/or imminent failures of roofs, gutters, water heaters, heating systems, refrigerators, stoves, etc.
 - i. Inspectors photograph everything for storage in client’s SharePoint.
 - ii. Inspectors discuss kitchen, bath renovation, and take extra photos.
 - 1. 3-D augmented reality (AR) quality photos are taken
 - 2. Candidates for renovation are referred to manager
 - b. Home Improvement Manager and staff evaluated photos and select several improvement items from library to match décor for AR insertion into photos:
 - i. Appliances, cabinet doors, counter tops, flooring, lighting, sinks
 - ii. Tubs, sinks, cabinets, flooring, lighting, toilets
 - c. Inspector and design person meet with homeowner to evaluate renovation choices and estimated costs.
 - i. Several grades of quality appliances are standard:
 - 1. Lower end high value – LG
 - 2. Higher end higher perceived quality – KitchenAid

- d. If decision to proceed
 - i. Contractors selected
 - 1. Managed and supervised by NatEquity
 - ii. Contracts drawn
 - iii. Work completed, signed off and limited warranty provided by NatEquity.
- e. Improvements are tracked as part of on-going servicing and annual on-site inspections.

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