



NatEquity, Inc. National Equity Access For Senior Homeowners

## NatEquity Knowledge Base

Environmental, Social and Governance (ESG) Principles are at the Core of NatEquity's Philosophy and Actions

Dr. Anthony Fauci, on January 20, 2021 summed up in one word what has changed since Inauguration Day: "Everything". At the Securities and Exchange Commission (SEC) those changes started shortly after the election. On December 3, 2020, the SEC issued Rule 2a-5, to clean up and enforce "Net Present Value" GAAP financial reporting. On January 21, 2021, Allison Herren Lee was named Acting Chairperson of the SEC. Chairperson Lee and new SEC Commissioner Gary Gensler are making it a point to emphasize Environmental, Social and Governance (ESG) standards as they reshape the SEC's role of ensuring investor receive public transparency and accurate financial reporting. NatEquity's management has always embodied these three principles as part of our core values in the way we act as a Company, how we relate to our community and the quality and types of services we provide to our senior homeowner customers. Below is how we adhere to these ESG principles:

### Environment:

1. From the vehicles we use , to the office space we rent, NatEquity strives to maintain a low carbon and emissions footprint.
2. NatEquity offers incentives and advances monies for our senior homeowner customers to replace old inefficient water heaters and home heating systems with modern energy efficient units.
3. NatEquity promotes and advances monies for senior homeowners to modernize kitchens and baths with energy and water use efficient appliances and fixtures.
4. NatEquity 'offers incentives and advances monies for our senior homeowner customers to modify thirsty landscaping with less water usage native plants irrigated by smart drip irrigation systems.

### Social Responsibility:

1. The core of NatEquity's management and employees are and will be a diverse group of seniors. The majority of NatEquity employees will be senior women returning to the workforce. Why? NatEquity's approach to home improvements centers around providing and maintaining the homes infrastructure. Our type of loan servicing means we are involved with our borrowers by reaching out to head off problems before they take place.

2. NatEquity believes in socially responsible lending that promotes senior homeowners receiving additional monthly income so they may age in place with dignity. Yes, we offer to eliminate HELOC debt that has reset into short-term high payment amortized debt, thereby reducing financial stress and eliminating a large monthly homeowner expense.
3. NatEquity's investors share in part of the appreciated future value of our borrower's homes. We proactively monitor and help homeowners maintain their homes in top condition as safe places to live.
4. NatEquity partners with local nonprofits like the Villages that provide services to senior homeowners living independently at home.
5. NatEquity hires homeowner retirees to perform knowledge-based functions interfacing with like-minded seniors. These customer facing employees can better empathize with prospective and current borrowers because they share many of the same life experiences.

#### Governance:

1. NatEquity goes beyond having internal controls that are GAAP and Sarbanes-Oxley compliant. NatEquity has a code of conduct for how we interact and relate to our borrowers, their families, and the larger community. NatEquity understands and accepts that in dealing with seniors we share responsibility to keep our borrowers safe and in a comfortable environment.
2. NatEquity's materials and documents are clearly written with plain phraseology to help prospective borrowers better understand the financial experience they are undertaking.
3. NatEquity embraces 1990s federal and California requirements for all materials distributed and online for seniors be in 12 point san-serif typeface for ease of reading.
4. From an investor and reporting standpoint, NatEquity uses a GAAP compliant Net Fair Value determination methodology based upon almost 300-year-old Bayesian Inference math embraced worldwide for its clarity and simplicity.

NatEquity Management  
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