

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

KEICHA GREENIDGE AND RYAN P. BILLEY, H/W <i>on behalf of themselves and all others similarly situated,</i> Plaintiffs, v. HOMETAP EQUITY PARTNERS, LLC and HOMETAP INVESTMENT PARTNERS III SPV, Defendants.	Case 3:26-cv-01431 JURY TRIAL DEMANDED
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AMENDED COMPLAINT – CLASS ACTION

On behalf of themselves and all others similarly situated, Plaintiffs Keicha Greenidge and Ryan P. Billey, H/W, (“Plaintiffs”), by and through their attorneys, respectfully allege as follows:

INTRODUCTION

Every few years it seems that a new group of private-money interests finds a predatory and abusive mortgage loan product that they peddle to financially struggling homeowners, all the while believing that they have created something so original and unique that they can skirt traditional federal and state lending laws. The foreclosure crisis of 2008 displayed the danger of such products through the grotesque collapse of securitized debt obligations. Defendants’ (collectively, “Hometap’s”) loan is another iteration of such products.

Hometap breaks federal and state lending laws and attempts to avoid their protections by ensnaring homeowners with its complex, confusing, and high-risk loans which Hometap deceptively brands as “Option Purchase Agreements,” which falsely claim “THIS IS NOT A LOAN.” *See* Ex. A.

Broadly, Hometap’s product operates like any other loan. In exchange for a cash advance paid to the consumer, Hometap receives a home mortgage-secured right to a percentage of the property’s value which its contract describes as the “Hometap Share.” For example, after deducting fees and costs, a homeowner who receives \$100,000 in cash from Hometap sells a percentage of their home equity worth nearly twice as much today and more than twice that amount over the ten-year term. Hometap does not adequately disclose the ultimate cost of the loan to consumers like Plaintiffs, but its investor materials tout the product’s “downside protection, even during times of declining home values,” through a “cushion in each property investment to minimize potential losses.”¹

Over the course of the ten-year term, the amount owed on the contract increases. During this time, the homeowner pays for all upkeep, repairs, improvements, taxes, insurance, and other costs related to the property, but does not pay down the principal to Hometap. When the Hometap loan comes due, the homeowner is required to pay back significantly more than they received from Hometap in one lump sum. If consumers cannot make that required payment to Hometap, Hometap can foreclose or otherwise force a sale to collect it and thereby force consumers out of their homes

¹ Hometap is subject to an enforcement action by the State of Massachusetts raising similar claims as those raised herein. The quoted language appears in paragraph 75 the Massachusetts Complaint, which quotes Hometap’s representations obtained by the Massachusetts Attorney General. *See Comm. of Mass. v. Hometap Equity Partners, LLC*, Civil Action No. 2584-CV-469-BLS2 (Mass. Sup. Ct. Feb. 19, 2025), available at <https://www.mass.gov/doc/commonwealth-v-hometap-equity-partners-llc/download> (hereinafter “Massachusetts Enforcement Action”).

without any of the protections required of a lender before foreclosing on a traditional mortgage. Worse, because Hometap's transactions are underwritten without regard to homeowner's income, assets, or future ability to pay the loan—and because Hometap targets homeowners who cannot qualify for or afford a traditional mortgage—a significant subset of homeowners are at risk of being forced out of their homes by the Hometap loan when their ten-year contracts mature.

Hometap markets to individuals with low credit scores who are less likely than the general population to be able to refinance later. Further exacerbating their risk is the structure of the product with its single enormous lump sum payment due after a ten-year cliff (which can be extended to 20 years at Hometap's sole discretion). Moreover, at the time of sale, Hometap will take much of the sale proceeds while the homeowners will have to cover all of the sale costs, making transition to a new home more onerous—and in some cases, impossible.

To disguise that Hometap makes money as a lender and to avoid licensing and substantive controls on its lending, Hometap frames its product as an “option agreement” rather than a loan, that is, in exchange for an upfront payment, Hometap receives an “option” to acquire a percentage interest in the consumer's home, which vests after ten years. This “option” language is mere artifice. It hides Hometap's guaranteed repayment of the entirety of the loan's principal by the borrower plus a significant finance charge disguised as an equity share, all of which Hometap can recoup by forcing sale of the homeowner's home as collateral for its loan, through operation of the mortgage. Hometap's own investor materials make clear that exercising its “option” under the contract means Hometap will “either foreclose on the property or force a sale of the property if the homeowner cannot otherwise settle.” *See* Massachusetts Enforcement Action ¶ 144.

No matter how Hometap labels its loan product, the reality is that it provides homeowners with an advance of money for a secured mortgage interest in their home and then requires

repayment at substantial additional cost within 10 years or less. That is a mortgage loan. Plaintiffs bring this suit to protect their family and others similarly situated from financial harm and to vindicate their rights under state and federal law.

JURISDICTION AND VENUE

1. This Court has jurisdiction under 28 U.S.C. §§ 1331, 1332, and 1367.

2. Venue is proper in this Court under 28 U.S.C. § 1391(b)(2) because the acts and transactions that establish this Complaint occurred in this District, where Plaintiffs reside.

PARTIES

3. Plaintiffs Keicha Greenidge and Ryan P. Billey are a married couple who reside at 6 Cherise Court, Jackson Township, New Jersey 08527, with their daughters.

4. Defendant Hometap Equity Partners, LLC (“HEP”) is a Delaware Limited Liability Company headquartered in Boston, Massachusetts.

5. HEP is the primary operating entity, employs all natural persons employed by Hometap, and negotiates and facilitates Hometap’s real estate transactions.

6. HEP controls subsidiaries that are the contractual counterparties in transactions entered into by Hometap, such as Hometap Investment Partners III SPV, which entered into the instant contract with Plaintiffs.

7. Defendant Hometap Investment Partners III SPV (“HIP”) is a Delaware-registered, active special purpose vehicle associated with HEP. It is HEP’s third institutional fund.

8. Neither HIP nor HEP are licensed to make mortgage loans in New Jersey.

9. HEP and HIP have contributed assets to a common undertaking, that is, the transactions at issue.

10. HEP and HIP both expect profit from the undertaking, and both have a right to participate in the profit.

11. HEP and HIP are engaged in a joint venture, partnership, and/or civil conspiracy.

12. Alternatively, HEP is the principal of HIP and exercises control over and directs its actions.

13. HEP and HIP are thus jointly and severally liable for all conduct herein, or, in the alternative, HEP is liable for all acts of HIP.

14. HEP and HIP are collectively referred to as “Hometap” herein.

FACTUAL ALLEGATIONS

A. Hometap Contracts

15. Hometap’s contracts are lengthy, convoluted, and extremely difficult—if not impossible—for a lay person to understand.

16. The documents typically consist of a 33-page “Option Purchase Agreement,” a 14-page Mortgage and Security Agreement, and numerous other documents, without any index, and with the specific financial term sheet hidden in a schedule in the middle of the documents. Plaintiffs’ documents totaled 69 pages. *See* Exs. A, B.

17. The documents contain multiple cross-references, use dozens of proprietary defined terms without a glossary, and contain excessively lengthy and confusing sentences and clauses. *See id.*

18. All Hometap’s so-called “Option Purchase Agreements” (referred to herein as the Hometap contract or Hometap product) have the same four core features:

- a. Cash Advance: They provide upfront cash to homeowners without requiring documentation or underwriting of income, job, or assets other than the home itself. Hometap refers to this cash as the “Investment Amount” rather than what it is, the principal amount of a loan.

- b. Equity Devaluation: In exchange for the cash advance, Hometap acquires an interest in a percentage of the homeowner's home equity that well exceeds the percentage of the home value paid to the homeowner via the cash advance.
- c. Hometap Percentage/Hometap Cap: Hometap purports to cap its return at a 20% compound annual interest rate but, Hometap's "capped" return routinely exceeds 20% annual interest, because Hometap does not calculate the figure based on the full value of the Investment Amount. *See Massachusetts Enforcement Action ¶¶ 52(c), 63.*
- d. Ten-Year Balloon: The homeowner is not required to make any installment payments to Hometap during the loan term. Instead, at the end of the ten-year term, the homeowner must make a single, very large payment to Hometap, unless Hometap decides to extend the term up to twenty years. Most homeowners will have fund this payment by selling their homes.

19. Hometap's form contracts contain the header: "Option Purchase Agreement" and deceptively state "THIS IS NOT A LOAN."

20. Under the contract, Hometap purportedly "pays" (but in reality *loans*) a sum of money to the homeowner, called the "Investment Amount."

21. This amount is paid back through a supposed option to purchase a percentage of the home's value in the future, called the "Hometap Percentage."

22. A copy of Plaintiffs' Hometap contract and accompanying schedules and exhibits is attached hereto as Exhibit A.

23. Hometap deducts certain fees and costs from the Investment Amount before the consumer receives the Investment Amount.

24. Some of these fees and costs are purportedly paid to third parties for typical mortgage closing services, such as for appraisals, title charges, and recording fees.

25. Hometap does not disclose the identity of the entities that provide each of the services, nor the actual amount paid to that entity.

26. Hometap charges the homeowner more for closing services than the amount it pays to third parties for these services.

27. Upon information and belief, the excess of the amount charged for the so-called “third-party costs” are actually retained by Hometap.

28. In addition, Hometap retains a 3% “Investment Fee.”

29. Thus, for example, although Hometap offered a \$103,575 “Investment Amount” (or elsewhere in the documents “Loan Amount”) to Plaintiffs, Plaintiffs actually received \$98,193.35. *See* Ex. B at Borrower’s Closing Statement.

30. Under the terms of the contract, in exchange for the “Investment Amount,” Hometap will receive a payment from the homeowner equal to a percentage of the value of the home at the time of repayment (called the “Hometap Percentage”).

31. The actual payment of that amount by the homeowner, which will typically be paid through a voluntary or forced sale of the home, is called the “Hometap Share.”

32. Under the Hometap contract, repayment must occur within ten years, unless unilaterally extended by Hometap, or earlier upon transfer of title or certain other triggering contractual events (such as a default in payments on other mortgages, default on property taxes or insurance, sale or transfer of the home, or “any other action or event occurs within your reasonable control which has, or may reasonably be expected to have, a material adverse effect on the Property, the value of the Property, the Option, or the Hometap Share”). *See* Ex. A.

33. The Hometap Share is, functionally, repayment of the original Investment Amount plus a profit.

34. The profit to Hometap, its return on investment, is a disguised finance charge for the original amount loaned to the homeowner.

35. Despite what Hometap tells consumers, its products are single-payment mortgage loans with a high rate of effective interest and/or exorbitant finance charges.

B. Hometap’s Product Misleads Homeowners & Puts Vulnerable Homeowners at Risk.

36. Hometap advertises its product to cash strapped homeowners as a means to pay off unsecured debt like credit cards and eliminate bills to enable a homeowner to “get closer to financial freedom.” Hometap, <https://www.hometap.com/> (last visited May 13, 2026) (hereinafter “Hometap Homepage”).

37. Instead, the product places a homeowner in a financial trap, stripping their most valuable financial asset—their home equity—from them at an extremely high rate of return for Hometap.

38. Indeed, Hometap’s product restricts a homeowner’s “freedom” by not allowing the homeowner to rent the house, move, take on additional debts without Hometap’s approval, or otherwise make personal decisions about the home such as transferring it to a family member. Ex. A § 6.

39. Hometap presents itself as working for the joint interest of itself and the homeowner.

40. For instance, Hometap advertises that its product is: “Built for You. We put homeowners at the heart of everything we do. Our products are designed to help you meet your goals, and our team of real humans is here to support you every step of the way.” Hometap Homepage.

41. Hometap further touts “Our homeowner-first approach,” *id.*, and states that it “invest[s] alongside homeowners,” Hometap FAQs, <https://www.hometap.com/faqs> (last accessed May 12, 2026) (hereinafter “Hometap FAQs”).

42. In reality, Hometap’s goal is to maximize profit for investors.

43. Hometap also misleads homeowners by touting that they will not have to sell their homes to access their home equity, when in fact the contract requires just that. *See, e.g.*, Hometap Homepage (“Access your home equity without having to sell or stress.”); Hometap FAQs (asserting that it “provides homeowners with a fast, simple, and straightforward way to access the equity in their home without taking on monthly payments or having to sell.”).

44. Indeed, Hometap advertises specifically to homeowners who cannot afford monthly payments and asserts that their product will help them receive cash without selling. *See* IPE Webinar: Home Equity Investments: An Untapped Asset Class/Hometap, <https://www.youtube.com/watch?v=NabDHTVlp3Y&t=1s> (noting that the product appeals to people who “just can’t take on . . . more debt”; later explaining that increased homeowner cost-of-living and inability to take on additional traditional debt “translates into an opportunity for capital . . . to earn a really strong relative risk adjusted return”) (hereinafter “IPE Webinar”).

45. In reality, homeowners will not be able to refinance with a traditional loan at the end of the contract when the payoff has dramatically increased, because payments will be even more unaffordable. Instead, in direct contrast to Hometap’s promises, the homeowner will be forced to sell—at considerable gain to Hometap and its investors.

46. Hometap further indicates that the loans require “no monthly payments,” Hometap Homepage, without making clear that Hometap requires the homeowner to pay all costs associated with the home, including the first mortgage, taxes, insurance, homeowners’ association fees, and repair and maintenance costs. Ex. A § 6.

47. And while Hometap repeatedly characterizes the product as “financing” to homeowners and investors, its contract claims that the payment is “not a loan or any other form of financing transaction,” *Compare* Ex. A § 4.1(i) *with* Ex. B at Payoff Affidavit (stating that Hometap

was “grant[ing] financing” to Plaintiffs); Hometap Equity Partners, Home Equity Investments: The Tipping Point for Alternative Financing (2025) at cover, 3, 11, 15 (referring to the product as “financing”), available at <https://www.hometap.com/homeowner-resources/tipping-point-alternative-financing>.

48. Prior to entering a Hometap contract, Hometap does not determine whether or not a homeowner can repay the Hometap product based on documentation of income, assets, or employment. Hometap also makes no assessment of the homeowner’s ability to continue making payments of taxes, insurance, maintenance expenses, or existing mortgage payments, even though failure to make these payments triggers the homeowner’s repayment obligation.

49. Hometap’s only evaluation prior to entering a Hometap contract pertains to a homeowner’s ability to repay the Hometap contract through sale or refinancing of the home itself based on the amount of equity a homeowner has in the property.

50. If a homeowner is unable to pay the required percentage of their home’s value in cash to Hometap upon expiration of the ten-year term, then Hometap is entitled to “take joint ownership of the Property . . . and [thereafter] solicit[] a Transfer of the entire Property, including [the homeowner’s] interest, to one or more Third-Party Buyers” Ex. A at § 3.1(b).

51. Hometap does this after years of requiring and relying on homeowners to invest in their own homes and ensure that the value of the home increases, ensuring that Hometap makes a profit while homeowners end up without their home and stripped of their wealth.

52. Hometap is aware of the serious harms that its product can cause, including forcing people to sell their homes or sink even further into debt.

53. Hometap’s product further exploits homeowners through a number of unlawful provisions designed to limit the ability of homeowners to vindicate their rights in court, including:

- a. The contract includes a mandatory arbitration clause. Ex. A at 23-25 § 8.13. Yet federal law prohibits arbitration clauses in residential mortgages, precisely because it is so important that homeowners can get before a court to save their home. 15 U.S.C. § 1639c(e)(1).
- b. The contract also seeks to strip Plaintiffs of their right to their remedies, including actual, statutory, punitive, and consequential damages. Ex. A at 21 § 8.1. No matter how much harm the company causes Plaintiffs or how many laws it violates, the contract provides that “IN NO EVENT WILL [Hometap’s] AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE PROPERTY EXCEED THE INVESTMENT AMOUNT.” *Id.*
- c. The contract also seeks to immunize Hometap by allowing asserting that it is not responsible for the acts of its employees, contractors, agents, or others, except in limited circumstances. Ex. A at 22 § 8.8.
- d. The contract’s indemnification clause also purports to put Plaintiffs on the hook for Hometap’s legal expenses for a wide range of claims, independent of the outcome of the litigation. Ex. A at 21 § 8.1.

54. These provisions, though unenforceable, have the practical effect of deterring homeowners from realizing their rights and seeking to vindicate those rights—including seeking to protect themselves from Hometap’s predatory and unlawful attempts to take their homes and strip them of their home equity.

C. Hometap’s Product Is a Mortgage Loan.

55. Hometap falsely claims that it is entirely exempt from any federal and state lending laws and licensure requirements because (it claims) its product is not a mortgage loan.

56. Rather than providing appropriate disclosures to homeowners, including the true cost of the loan and the fact that Hometap has structure the transaction to ensure that it will be paid back at a profit, Hometap disguises the finance charge in its contract as a percentage return on investment in the home’s equity in scenarios where the home both appreciates or depreciates.

57. But no matter how Hometap labels its product, it is still a mortgage loan, because Hometap provides homeowners with an advance of money, receives security through a mortgage

on their home, and defers repayment until the end of the contract, to occur within 10 years. In other words, homeowners have the obligation to repay Hometap, by the very terms of the product. Those features create a mortgage loan.

58. Hometap ensures that, in practice, it will obtain repayment of its initial advance payment (plus a substantial finance charge) because all of the conditions for the conclusion of the contract require Plaintiffs to pay Hometap.

59. In this case, Hometap paid Plaintiffs roughly 13% of the value of their home, and Hometap will receive up to 21.523% of the home's value (capped at 20% annual compound interest). *See* Ex. A at Schedule A.

60. Thus, even without any home appreciation, Hometap is guaranteed a profit.

61. Upon information and belief, Hometap will not issue one of its products unless it anticipates significant appreciation of the home. As a result, not only does the percentage of the home's value that Hometap will be paid increase, but the real dollar figures (the denominator by which the payout is calculated) also increases.

62. In reality, Hometap anticipates that its products will reach the 20% APR cap almost all of the time. As a result, the product functions exactly like a traditional loan: the homeowner takes out a debt and then repays it, with 20% interest.

63. While Hometap shares in the home's appreciation, if the home loses value, the company does not actually share in a homeowner's losses. The large discrepancy between how much Hometap pays at the outset and how much it will receive means that Hometap will get paid even if the home drops dramatically in value. And that is without even accounting for the thousands of dollars in opaque fees that Hometap requires at the outset.

64. Hometap’s contract contains a number of features to further ensure that nothing will decrease the value of the home or jeopardize its future payment:

- a. Hometap requires homeowners to pay for all the taxes, insurance, and repairs on the home. Ex. A §§ 6.1(j), 6.2(e). Otherwise, Hometap can foreclose on the home to get its payment or make “Hometap cure payments,” which themselves accrue interest and have to be paid back. Ex. A § 7.2(b).
- b. Hometap limits the homeowner’s ability to rent out the home or leave the property. *See* Ex. A § 6.1(b); *see also* IPE Webinar at 30:02 (explaining that investors will see profit because the homeowner will pay for upkeep of the property and ensure that its value increases, unlike a renter).
- c. Hometap caps the amount of any additional home secured debt that the homeowner can take on. Ex. A § 6.1(i).
- d. Hometap also ensures that it will get sufficient money from the sale of the home by giving itself significant power over the sale. If Hometap determines that the sale price is too low, Hometap can “in its sole discretion” calculate the value of the “Hometap Share” based on appraisal instead of the sale price. Ex. A § 2.1(b). Hometap can also effectively delay the sale by requiring sworn documentation from both the owner and buyer.
- e. The contract’s 10-year maturity date ensures that it will not take a loss: Hometap CEO Jeffrey Glass has explained that there “only three time periods in American history where over a 10-year period the average home in America has had any level of realized decline” and that even then, the amount of decline has been minimal. IPE Webinar at 23:02.
- f. Hometap’s (but not the homeowner’s) option to extend the contract up to an additional 10 years also allows it to ensure that it will be paid back, with a profit. *See* Ex. A § 1.5.

65. Hometap’s statements to investors confirm it will be paid back at a profit. For instance:

- a. Hometap states that it has a “Proven track record” including “8+ years delivering strong, risk-adjusted returns,” and “in both rising and declining home value environments.” Hometap Investment Homepage, <https://invest.hometap.com/> (last accessed May 18, 2026); *see also id.* (touting that “investors reap the benefits of U.S. home price appreciation without the complexities that historically come with large-scale residential real estate investing,” and further explaining that a “combination of data science, technology, thorough underwriting creates high quality assets”—that is, a high

rate of return); IPE Webinar at 1:16 (explaining that Hometap has a “very big focus on technology and data science . . . for ensuring that we’re creating a really strong portfolio for capital”).

- b. Hometap explains that it “structure[s] these [products] in a way that we’re able to create meaningful downside protection for capital” and that it recognizes that “we have to deliver appropriate risk-adjusted returns for investors who care about downside protection and Sharpe ratios.” IPE Webinar at 12:40.
- c. Hometap further explains that despite the ten-year contractual period, Hometap knows that it will “always see a percentage of the portfolio turn each year and that provides the cash flow back to investors” because of refinances and sales. IPE Webinar at 37:18.

66. In addition, while the Hometap product *does* have the characteristics of a mortgage loan, its product does *not* have the characteristics of an option, including:

- a. Unlike with a typical option contract, the contract terms demonstrate that Hometap does not intend to own the real property on exercise of its so-called “option.” Instead, the transaction is structured so that Hometap is paid back financially, primarily either through forced or voluntary sale.
- b. As described above, the product shifts all risk and costs onto consumers and is designed to ensure that Hometap will always benefit from exercising the option, unlike a true option contract.
- c. The homeowner has a contractual right to “repurchase” Hometap’s purported “option” to acquire a percentage interest in the home, which is not a feature of a typical option contract and reflects Hometap’s true intention that consumers pay back Hometap at a profit. Ex. A § 2.4.
- d. A standard option creates a contractual right only, not a property right. Here, Hometap’s mortgage on the consumer’s home and various contractual terms creating obligations on the homeowner throughout the life of the contract gives it not just a “contractual right” to purchase home equity in the future, but an immediate interest in the property in the present.
- e. A typical option to purchase real estate involves both consideration for the option agreement, and consideration representing the purchase price if the option is exercised. Here, Hometap has structured its product so that, rather than paying for the property at the time of exercise and paying a small “option payment” as consideration for holding the offer open, Hometap pays the “purchase price” for the consumer’s home equity up front, and the “exercise payment” at the end of the ten-year term is, at most, a nominal 1% of the cash amount loaned to the consumer. Ex. A § 3.1(e).

- f. Hometap's statements to consumers about how to "settle" the contract demonstrate that it only contemplates being paid back and does not contemplate any scenario in which it will not exercise the option.

67. Hometap's documents also confirm that the product is a mortgage loan:

- a. Hometap has obtained and recorded a mortgage on Plaintiffs' home to secure its loan. Ex. A at Mortgage and Security Agreement.
- b. Hometap's documents refer to the product as a "loan." Ex. B at Borrower(s) Closing Statement (listing the "Loan Amount" as \$103,575.00); Ex. B at Limited Power of Attorney.
- c. Several of Hometap's documents for the transaction refer to Hometap as a "lender" and Plaintiffs as "borrowers." *See* Ex. B at Borrower(s) Closing Statement (listing Hometap Equity Partners, LLC as the "Lender" and Keicha Greenidge and Ryan P. Billey as "Borrower(s)," and setting forth the "Balance Due TO Borrower" of \$98,193.35).
- d. Hometap also refers to the product as "financing." *See* Ex. B at Payoff Affidavit (stating that Hometap was "grant[ing] financing" to Plaintiffs); Hometap Homepage (referencing "a fresh take on financing"); Hometap Equity Partners, Home Equity Investments: The Tipping Point for Alternative Financing (2025) at cover, 3, 11, 15 (referring to the product as "financing"), available at <https://www.hometap.com/homeowner-resources/tipping-point-alternative-financing>.

68. The product contains also various costs that are identical to those incurred with a loan.

69. In sum, Hometap has structured its product from top to bottom to ensure that as a practical matter it will receive repayment of its advance plus a profit—at a benefit to investors and a huge loss to homeowners.

70. As Hometap's own documents and statements recognize, its product is a mortgage loan.

D. Hometap's Predatory Business Practices Contribute to its Rapid Expansion

71. Hometap is a rapidly growing company, and it now boasts that it has over 14,000 customers across the U.S. Hometap, Home Equity Investments: The Tipping Point for Alternative

Financing at 16 (back cover) (2025), available at <https://www.hometap.com/homeowner-resources/tipping-point-alternative-financing>.

72. Getting homeowners to sign these mortgage loans is just the first step in Hometap's business model. The company then bundles and securitizes these residential mortgage contracts and sells them to investors.

73. In late 2025, Hometap entered its fifth substantial securitization, backed by \$300 million in Hometap contracts, "reinforcing both its position as a leader in the asset class and its ability to deliver consistent access to capital for investors." Hometap Closes \$300M Securitization of Hometap-originated Home Equity Investments, Citybiz (Sept. 8, 2025), <https://www.citybiz.co/article/741421/hometap-closes-300m-securitization-of-hometap-originated-home-equity-investments/>.

74. As of that date, Hometap's contracts equate to over \$2 billion and impact more than 20,000 homeowners. *Id.*

E. Federal and State Laws Protect Homeowners like Plaintiffs from Hometap's Loan.

75. Congress and the New Jersey legislature have both passed laws to protect homeowners like Plaintiffs from complex and confusing financial products that can cause people to lose their homes.

76. While the federal Truth in Lending Act, 15 U.S.C. §1602 *et seq.* ("TILA"), protects all borrowers, residential mortgages have special protections. Congress passed these protections to "assure that consumers are offered and receive residential mortgage loans on terms that reasonably reflect their ability to repay the loans and that are understandable and not unfair, deceptive or abusive." 15 U.S.C. § 1639b(a)(2).

77. For example, mortgage lenders must ensure that homeowners have the ability to repay the loan. *Id.* § 1639c(a)(1).

78. Companies originating mortgages must also be licensed under applicable federal and state laws. *Id.* § 1639b(b)(1)(A).

79. Congress also sought to ensure that homeowners can vindicate these and other rights in court by prohibiting mandatory arbitration clauses in any “residential mortgage loan.” *Id.* § 1639c(e)(1).

80. New Jersey requires disclosures and protections for mortgages generally, *see generally* N.J.S.A. § 17:11C-75, as well as other protections for consumer contracts, *see, e.g.*, N.J.S.A. § 56:12-1 *et seq.*

81. New Jersey also requires that only licensed mortgage lenders can offer these products. *See* N.J.S.A. § 17:11C-51 *et seq.*

F. Plaintiffs’ Experience Is Typical

82. In 2018, Plaintiffs Keicha Greenidge and Ryan Billey purchased a home for themselves and their two children at 6 Cherise Court, Jackson Township, New Jersey.

83. This was the first time Plaintiffs had ever owned their own home, and they valued the financial security that homeownership would provide for their family.

84. A few years later, Ms. Greenidge learned of Hometap’s product from her neighbor.

85. When Ms. Greenidge contacted Hometap to inquire about its product, Hometap assigned her an agent who assisted through the entire process.

86. Hometap’s agent directed Ms. Greenidge to its website to review additional information and apply for the product, and he walked her through the application process.

87. Hometap advised Ms. Greenidge that Plaintiffs were not required to have good credit, and that it would provide the funds simply based on the equity in her home.

88. Hometap's agent told Plaintiffs that this was a great new product, that it was beneficial because they did not have to make a monthly payment on top of their existing mortgage, that they had ten years to pay it back, and when the ten years were up, they could simply refinance—either with a different lender or come back to Hometap to get more money again.

89. Hometap's agent showed Ms. Greenidge a chart that demonstrated that her house was going to increase in equity over the ten years.

90. While Plaintiffs had been expecting to receive around \$20,000, Hometap suggested that they take out over \$100,000 from their home equity.

91. Although Ms. Greenidge requested a complete copy of the closing documents prior to closing, Hometap only provided Plaintiffs with a sample that contained none of the financial specifics of the Plaintiffs' product. Hometap advised Plaintiffs that they provided this sample contract with blanks to all of the homeowners they worked with.

92. Once Hometap said Plaintiffs were approved, it sent them documents to sign. These included a 33-page Hometap contract entitled "Option Purchase Agreement," a 14-page mortgage contract, and dozens of other documents. Exs. A, B.

93. Plaintiffs never met in person with anyone from Hometap. When they signed the contract on February 14, 2023, only an agent from the title company—not Hometap—was present.

94. Hometap required Plaintiffs to grant it a mortgage on their home, which secured their obligations under the contract on penalty of foreclosure (the "Mortgage"). Ex. A § 1.2(a)(iii), Ex. A at Mortgage and Security Instrument.

95. Plaintiffs did not have any opportunity to negotiate the terms of the contract.

96. Under Hometap's contract, the company claimed to provide her a "loan amount" of \$103,575. A copy of the Borrower Closing Statement is attached here as Exhibit B.

97. This loan amount was equivalent to 12.91% of the appraised value of the home. *See* Ex. A at Schedule A: Investment Term Sheet.

98. Plaintiffs only received \$98,193.35 of the loan amount due to the following deductions:

- a. An "origination charge" paid to Hometap of \$3,107.25;
- b. An appraisal fee paid to Hometap of \$299;
- c. Title fees to ClearEdge Title, Inc. of \$895;
- d. Mortgage recording fees of \$210; and
- e. \$870.40 to a creditor that Hometap required Plaintiffs to pay with the proceeds.

99. These fees exceed the amount of the actual cost for the services provided.

100. For instance, the actual recording fee for Plaintiffs' mortgage was \$160, as evidenced by the recorded copy of Plaintiffs' mortgage, while Plaintiffs were charged \$210.

101. While some documents classify the product as a loan, *see* Ex. B, the contract characterizes the advance payment not as a loan but as an "investment," *see* Ex. A.

102. At the end of the contract, Plaintiffs would be forced to pay Hometap 17.936% of their home's value at that time if the property value went down, or 21.523% of their home's value if the home's value increased. Ex. A at Schedule A.

103. The contract purports to subject this amount to a 20% annual percentage return (APR) cap. *Id.*

104. Pursuant to the contract's terms, the contract ends at the first of the following events:

- a. Plaintiffs sell their home in a sale on terms permitted by Hometap;
- b. Plaintiffs default on property taxes, insurance, or homeowner's association dues on the property, or otherwise default on the contract terms;
- c. The property is destroyed or condemned;
- d. Plaintiffs otherwise pay off the Hometap Share pursuant to the terms set by Hometap ("Owner Repurchase");
- e. Plaintiffs pass away; or
- f. Hometap Option Exercise is implemented by Hometap after the expiration of the 10-year term wherein Hometap sells the home to a third party and receives payment for its percentage interest.

105. As of June 30, 2025, just over two years into the contract, Hometap estimated that it would receive \$159,155 if Plaintiffs attempted to settle the contract that day. This amount was limited by the Hometap Cap of 20%.

106. By April 20, 2026, this amount had grown, and Hometap estimated that Plaintiffs would have to pay it \$181,336.

107. Additionally, Plaintiffs are required to cover 100% of the fees and costs associated with the end of the contract, including all costs related to any sale or refinancing of the home. Ex. A § 2.4(g), 2.6(d).

108. This can often be tens of thousands of dollars of closing costs, appraisal expenses, and inspection expenses.

109. Plaintiffs are also purportedly required to pay any fees or costs that Hometap has incurred during the course of the contract.

110. Plaintiffs cannot repay that amount of money without either selling their home or sinking deeper into debt that they cannot afford.

111. The contract's 10-year "Expiration Date" makes it especially dangerous. After 10 years or less, Plaintiffs must either buy out Hometap for hundreds of thousands of dollars that they don't have, or the company will force the sale of their home. Ex. A §§ 2.7, 3.1.

112. Plaintiffs did not understand that Hometap could force them to sell their home in 10 years. If they had understood the consequences, they never would have signed the contract.

113. Being forced out of their home would be a personal and financial disaster for Plaintiffs, who would be unlikely to be able to pay sales costs and fees and then qualify to purchase a new home after Hometap drained a huge portion of the equity from their home.

CLASS ACTION ALLEGATIONS

114. Plaintiffs bring this action pursuant to Fed. R. Civ. P. 23 on behalf of the proposed classes defined as follows:

TILA Nationwide Class: All persons who have entered into an Option Purchase Agreement with Hometap within the time period commencing three (3) years prior to the filing of this action and extending upon through the date of class certification.

New Jersey Class: All persons who have entered into an Option Purchase Agreement with Hometap secured by a property located in New Jersey, with any applicable statute of limitations.

115. Plaintiffs reserves the right to amend the definitions of the classes above based on discovery or legal developments.

116. **Numerosity. Fed. R. Civ. P. 23(a)(1).** The Class members are so numerous that joinder of all is impractical. Upon information and belief based upon publicly disclosed and available materials, Hometap has entered into hundreds if not thousands of Option Purchase Agreements in the State of New Jersey and Nationwide.

117. **Existence and Predominance of Common Questions of Law and Fact. Fed. R. Civ. P. 23(a)(2).** Common questions of law and fact exist as to all members of the Class

and predominate over the questions affecting only individual members. The common legal and factual questions include, among others:

- a. Whether Hometap's Option Purchase Agreements are mortgage loans;
- b. Whether Hometap's Option Purchase Agreements are subject to federal and state consumer lending laws;
- c. Whether Hometap's Option Purchase Agreements violate federal and state consumer protection laws such as TILA, RMLA, CFA and TCCWNA;
- d. Whether all consumers subject to Hometap's Option Purchase Agreements are entitled to rescission of their agreements, statutory damages, actual damages, and punitive damages;
- e. Whether all consumers subject to Hometap's Option Purchase Agreements are entitled to a declaratory judgment;
- f. Whether Hometap acted willfully, intentionally and/or recklessly in violating federal and state consumer lending laws.

118. **Typicality. Fed. R. Civ. P. 23(a)(3).** Plaintiffs' claims are typical of the claims of each class member. Plaintiffs entered into substantially similar form contracts with Hometap as each class member, and they have the same claims for statutory, actual and punitive damages that they seek for absent class members.

119. **Adequacy. Fed. R. Civ. P. 23(a)(4).** Plaintiffs are adequate representatives of the Class. Their interests are aligned with, and are not antagonistic to, the interests of the members of the Class they seek to represent, they have retained counsel competent and experienced in such litigation, and they intend to prosecute this action vigorously. *See McIntyre v. RealPage, Inc.*, 2023 WL 2643201, at *3 n.5 (E.D. Pa. Mar. 23, 2023) (noting Francis Mailman Soumilas' "particular skill and efficiency" in prosecuting consumer class actions, as well as "counsel's overwhelming experience in consumer litigation and class actions"); *Barel v. Bank of America*, 255 F.R.D. 393, 398-99 (E.D. Pa. 2009) (finding firm "competent, experienced and well-qualified to prosecute class actions" and noting that class counsel "have done an excellent job in representing the class

in the instant litigation.”); *Martinez v. Avantus, LLC*, 343 F.R.D. 254 2023 WL 112807, *9 (D. Conn. Jan. 5, 2023) (firm “has substantial experience in class action litigation[and] demonstrated proficiency at all stages of suit”); *Ramirez v. Trans Union, LLC*, 2022 WL 17722395 (N.D. Cal. Dec. 15, 2022) (“Courts have consistently recognized Francis Mailman Soumilas ‘for... the high caliber of its work for the classes it represents.’”); *Der Hacopian v. SentryLink, C.A.* 18-3001 (D. Md., Nov. 23, 2020) (firm “many, many times in the past has been found to be not just qualified or competent, but extremely well-qualified and competent to represent consumer classes in many, many other jurisdictions, not only this particular jurisdiction”); *Flores v. Express Services, Inc.*, C.A. No.14-3298, 2017 WL 1177098, at *3 (E.D. Pa. March 30, 2017) (firm “has extensive experience in consumer class action litigation”); *White v. Equifax Info. Solutions*, No. 05-01070, 2014 WL 1716154, at *13, 19, 22 (C.D. Cal. May 1, 2014), *aff’d sub nom. Radcliffe v. Equifax Info. Sol’ns., Inc.*, 818 F.3d 537, 548 (9th Cir. 2016) (appointing firm and its team as interim class counsel over objections from a competing national law firm (Boies Schiller) because firm’s team’s “credentials and experience [we]re significantly stronger in class action...”); *Patel v. Trans Union, LLC*, 308 F.R.D. 292, 307 (N.D. Cal. 2015) (FMS “have represented consumer classes in many cases in many districts . . . [and] have shown their proficiency in this case[.]”); *Kelly v. Business Information Group, C.A.* 15-6668, 2019 WL 414915 (E.D. Pa. 2019) (firm “qualified and experienced attorneys” . . . Francis & Mailman, P.C., of Philadelphia . . . who have substantial experience in class action . . . and who are qualified to conduct the litigation.”). Plaintiffs and their counsel will fairly and adequately protect the interests of members of the Class.

120. **Predominance and Superiority. Fed. R. Civ. P. 23(b)(3).** Questions of law and fact common to the Class members predominate over questions affecting only individual members, and a class action is superior to other available methods for fair and efficient

adjudication of the controversy. The statutory and punitive damages sought by each member are such that individual prosecution would prove burdensome and expensive given the complex and extensive litigation necessitated by Defendants' conduct. It would be virtually impossible for the members of the Class individually to redress effectively the wrongs done to them. Even if the members of the Class themselves could afford such individual litigation, it would be an unnecessary burden on the courts. Furthermore, individualized litigation presents a potential for inconsistent or contradictory judgments and increases the delay and expense to all parties and to the court system presented by the complex legal and factual issues raised by Defendants' conduct. By contrast, the class action device will result in substantial benefits to the litigants and the Court by allowing the Court to resolve numerous individual claims based upon a single set of proof in a unified proceeding.

CAUSES OF ACTION

COUNT 1

Truth-in Lending Act, 15 U.S.C. §1602 *et seq.*

(Class Claim – TILA Nationwide Class)

121. Plaintiffs incorporate by reference each allegation set forth above as if set forth at length herein.

122. The contracts at issue in this action from Hometap are an extension of consumer credit that is subject to the Truth in Lending Act, 15 U.S.C. § 1601 *et seq.* and Regulation Z, 12 C.F.R. Part 1026 (collectively, TILA).

123. The contracts at issue are “residential mortgage loans” as defined by 15 U.S.C. § 1602(dd)(5).

124. The contracts are for the extension of credit and require the payment of a finance charge, as those terms are defined in 15 U.S.C. §§ 1602(f) and 1605 and 12 C.F.R. § 1026.4;

specifically, the difference between the Investment Amount and the Hometap Share includes a finance charge.

125. The credit was offered to a consumer for personal, family, or household purposes.

126. The contracts are secured by Plaintiffs' dwellings.

127. Hometap is named as the payee on the face of the contract and regularly makes this type of contract pursuant to the requirements of TILA, rendering it a creditor subject to TILA.

128. Hometap violated TILA including but not limited to by:

- a. entering into the contracts with Plaintiffs while being unlicensed to originate mortgage loans in New Jersey, 15 U.S.C. §1639b(b)(1)(A);
- b. failing to make a reasonable and good faith determination that Plaintiffs had the ability to repay the loans, 15 U.S.C. § 1639c(a);
- c. failing to provide Plaintiffs with any of the disclosures required by TILA for residential mortgage loans, including those required by 15 U.S.C. §§ 1638(a), 1639(a); 12 C.F.R. §§ 1026.19, .23, .31, .37, and .38;
- d. including a mandatory arbitration clause in the contract, 15 U.S.C. § 1639c(e); and
- e. in the alternative, failing to comply with TILA's reverse mortgage protections, including failing to provide the required disclosures, despite that the loan (alternatively) is a reverse mortgage as defined by statute, 15 U.S.C. §§ 1602(cc), 1648, 12 C.F.R. § 1026.33.

129. Plaintiffs hereby rescind and request that the Court enforce the rescission of their transaction with Hometap, pursuant to 15 U.S.C. § 1635.

130. Plaintiffs suffered an ascertainable loss of money or property as the result of Defendants' conduct, including but not limited to fees, improper encumbrance of title, and diminution of value of Plaintiffs' interest in the property.

131. As a result of the violations of TILA, pursuant to 15 U.S.C. §§ 1635(i) and 1640, Plaintiffs, on behalf of themselves and the Nationwide TILA Class, seek: a declaration that

Plaintiffs and the Nationwide TILA Class have the right to rescind their loans, pursuant to 28 U.S.C. § 2201; rescission of the transactions, including a declaration that Plaintiffs and the Class are not liable for any finance charges or other charges imposed by Defendant; termination of any security interest in Plaintiffs' property created under the transaction; return of any money or property given by the Plaintiffs to anyone, including the Defendants, in connection with this transaction; actual damages; an amount equal to the sum of all finance charges and fees paid; an award of reasonable attorney's fees and costs; and all other appropriate relief to the class as permitted by statute or law.

COUNT 2

New Jersey Residential Mortgage Lending Act., N.J.S.A. § 17:11C-51 to -89 (Class Claim – New Jersey Class)

132. Plaintiffs incorporate by reference each allegation set forth above as if set forth at length herein.

133. Hometap makes “residential mortgage loans” as defined by the New Jersey Residential Mortgage Lending Act (“RMLA”). N.J.S.A. § 17:11C-53.

134. Hometap is a “residential mortgage lender” and/or “residential mortgage loan originator” as defined by the RMLA. *Id.*

135. Plaintiffs' loan is a “secondary mortgage loan” as defined by the RMLA. *Id.*

136. Hometap was not authorized or licensed to make a loan, impose a mortgage, or charge fees, finance charges, or interest to the Plaintiffs.

137. Hometap violated the RMLA by conduct including but not limited to:

- a. Making residential mortgage loans without qualifying for, obtaining, or maintaining a license to make mortgage loans in New Jersey, N.J.S.A. § 17:11C-54 to -70, -83;

- b. Generating mortgage loan applications, advertisements, and solicitations that fail to provide a unique identifier assigned through the Nationwide Mortgage Licensing System and Registry, N.J.S.A. § 17:11C-72;
- c. Failing to provide the required property insurance notice required by the RMLA, N.J.S.A. § 17:11C-73(d);
- d. Assessing fees purportedly for third-party services that were not bona fide or necessary to actually reimburse third parties, in violation of N.J.S.A. § 17:11C-74;
- e. Making or causing to be made false, misleading, or deceptive statements or representations, including those set forth throughout this complaint and specifically in paragraph 159 below, N.J.S.A. § 17:11C-75(d);
- f. Engaging in unfair or deceptive practices; or employing a scheme, device or artifice to defraud or mislead, including actions to misrepresent, circumvent, or conceal the nature of the transaction, including by those set forth throughout this complaint and specifically in paragraph 159 below, N.J.S.A. § 17:11C-75(e);
- g. Failing to make disclosures required under federal and state law in connection with the transaction, N.J.S.A. § 17:11C-75(h);
- a. Requiring Plaintiffs to pay fees despite it not being properly licensed, N.J.S.A. § 17:11C-75(i);
- b. Charging or exacting a fee not permitted by the applicable statute, including but not limited to the Hometap Share, N.J.S.A. § 17:11C-75(l);
- c. Failing to provide the required terms and disclosures for secondary mortgage loans, *see* N.J.S.A. § 17:11C-78;
- d. Including prohibited terms for secondary mortgage loans, including purporting to relieve Hometap from available liability, claims, or legal remedies; to provide Hometap with a power of attorney to sell the home, that is, effectively, to confess judgment; and purporting to allow Hometap to accelerate and call due the transaction if it deems itself insecure, N.J.S.A. § 17:11C-79; and
- e. Contracting for items of value that are not otherwise authorized by law, including but not limited to the Hometap Share and “discount points” as defined in excess of the amount permitted by statute, N.J.S.A. § 17:11C-80.

138. Hometap knowingly and willfully violated the RMLA.

139. Plaintiffs suffered an ascertainable loss of money or property as the result of Defendants' conduct, including but not limited to fees, improper encumbrance of title, and diminution of value of Plaintiffs' interest in the property.

140. Plaintiffs, on behalf of themselves and the New Jersey Class, seek an order of this court requiring Hometap to return and/or forfeit all fees, costs, and charges in excess of the "Net Investment Amount;" and requiring Hometap to forfeit to the borrower three times the amount of all such fees, costs, and charges collected. N.J.S.A. § 17:11C-81.

141. Hometap's violations of the RMLA constitute violations of the New Jersey Consumer Fraud Act, N.J.S.A. § 56:8-1 *et seq.* and the New Jersey Consumer Contract Warranty and Notice Act, N.J.S.A. § 56:12-15, and Plaintiffs seek all available relief under these statutes for Hometap's violations of the RMLA.

COUNT 3

New Jersey Consumer Contracts, N.J.S.A. §§ 56:12-1 *et seq.* (Class Claim – New Jersey Class)

142. Plaintiffs incorporate by reference each allegation set forth above as if set forth at length herein.

143. The contracts at issue are "consumer contracts" as defined in N.J.S.A. § 56:12-1.

144. The contracts are not written in a simple, clear, understandable and easily readable way, and thus violate New Jersey law. N.J.S.A. § 56:12-1, -10.

145. The contracts cause borrowers substantial confusion about the rights, obligations, or remedies of the contract.

146. The contracts are designed to create an unfair result as described herein.

147. Namely, the contracts are likely to cause financial detriment to consumers.

148. Plaintiffs suffered an ascertainable loss of money or property as the result of Defendants' conduct, including but not limited to fees, improper encumbrance of title, and diminution of value of Plaintiffs' interest in the property.

149. Plaintiffs seek actual damages, punitive damages, reasonable attorney's fees and costs, that the court reform or limit the application of the contracts to avoid the unfair result, and that the court enjoin Hometap from its unlawful conduct. N.J.S.A. § 56:12-3, -4, -4.1, -12.

150. Hometap's violations of these provisions constitute violations of the New Jersey Consumer Fraud Act, N.J.S.A. § 56:8-1 *et seq.* and the New Jersey Consumer Contract Warranty and Notice Act, N.J.S.A. § 56:12-15, and Plaintiffs also seek all available relief under these statutes for Hometap's violations.

COUNT 4

New Jersey Statutes on Points & Interest, N.J.S.A. § 46:10B-1 *et seq.* (Class Claim – New Jersey Class)

151. Plaintiffs incorporate by reference each allegation set forth above as if set forth at length herein.

152. Defendants charged money or other consideration for the making of a mortgage loan other than interest, that was not a reasonable expense or charge, in violation of § 46:10B-10.

153. Defendants improperly failed to include discount points in their disclosure of their interest rate cap in violation of § 46:10B-11.1.

154. Plaintiffs suffered an ascertainable loss of money or property as the result of Defendants' conduct, including but not limited to fees, improper encumbrance of title, and diminution of value of Plaintiffs' interest in the property.

155. Plaintiffs, on behalf of themselves and the New Jersey Class, seek return of the points and all interest plus a penalty of \$1,000 and costs, and all other appropriate relief. § 46:10B-11.

156. Hometap's violations of the provisions set forth herein constitute violations of the New Jersey Consumer Fraud Act, N.J.S.A. § 56:8-1 *et seq.* and the New Jersey Consumer Contract Warranty and Notice Act, N.J.S.A. § 56:12-15, and Plaintiffs seek all available relief under these statutes for Hometap's violations.

COUNT 5

**New Jersey Consumer Fraud Act, N.J.S.A. §§ 56:8-1 *et seq.*
(Class Claim – New Jersey Class)**

157. Plaintiffs incorporate by reference each allegation set forth above as if set forth at length herein.

158. The New Jersey Consumer Fraud Act, N.J.S.A. § 56:8-1 *et seq.*, ("CFA") prohibits unfair, unconscionable, abusive, and deceptive conduct, and provides remedies for violations of other statutes. N.J.S.A. § 56:8-2.

159. Hometap engaged in unfair, unconscionable, abusive, and/or deceptive practices, including but not limited to, as described with more particularity above: failing to adequately or properly disclose the true cost of the transaction; assessing improper and excessive fees, finance charges, and costs; marketing the loan as being able to be paid off in multiple forms, when Hometap knows that the loan will most likely have to be paid through sale of the home; falsely claiming that the product is not a loan, when it is a loan; falsely claiming that the homeowner has no monthly obligations when the contract imposes monthly obligations on the homeowner; claiming that the company prioritizes the "homeowner-first" when in fact it prioritizes investment gains; representing or implying by its conduct that it was authorized to engage in their transaction;

falsely claiming that it provides freedom to the homeowner while obscuring the fact that it restricts the homeowner's freedom to engage with their home as they wish; failing to underwrite the loan for ability to repay it without loss of the home; purporting to restrict the homeowner's rights; drafting the contract in an intentionally confusing manner that makes it nearly impossible to understand; and failing to comply with applicable statutes and regulations.

160. Hometap's violations of statutes as otherwise set forth herein also, separately constitute a violation of the CFA, including but not limited to:

- a. Violations of RMLA;
- b. Violations of TILA;
- c. Violations of New Jersey's statutes related to prepayments, interest, and points, N.J.S.A. §§ 46:10B-10 to -11.1;
- d. Violations of New Jersey's statutes related to consumer contracts, N.J.S.A. §§ 56:12-1 *et seq.*;
- e. Violations of the Senior Citizen Homeowner's Income Security Act, N.J.S.A. §§ 46:10B-16 to -21; and
- f. Violations of the New Jersey Homeownership Security Act of 2002, §46:10B-22 *et seq.*, including but not limited to attempting to avoid application of the act by mislabeling its product an "option" and "not a loan." N.J.S.A. § 46:10B-27(d)(2).

161. These violations caused Plaintiffs an ascertainable loss of money or property, including but not limited to fees, improper encumbrance of title, and diminution of value of Plaintiffs' interest in the property.

162. Plaintiffs seek damages, treble damages, costs, attorney fees, voiding or reformation of the contract, and such other relief as is equitable and just.

COUNT 6

**New Jersey Truth in Consumer Contract Warranty and Notice Act, N.J.S.A. § 56:12-15
(Class Claim – New Jersey Class)**

163. Plaintiffs incorporate by reference each allegation set forth above as if set forth at length herein.

164. The defendants violated the New Jersey Truth in Consumer Contract Warranty and Notice Act, by offering and entering into consumer contracts that violate state and federal law, including TILA, HOSA, RMLA, consumer contract requirements, and interest and points limitations, including as described above. N.J.S.A. § 56:12-15.

165. In addition to the violations described above, Defendants violated the Senior Citizen Homeowner's Income Security Act, N.J.S.A. §§ 46:10B-16 to -21, because Hometap's product is a "reverse direct mortgage" as defined by N.J.R.S. § 46:10B-17, and, *inter alia*, Hometap made reverse mortgages to Plaintiffs and members of the Class who are under the age of sixty. N.J.R.S. § 46:10B-18.

166. Plaintiffs are aggrieved consumers under N.J.S.A. § 56:12-17, in that they acted or forbore from acting or suffered damages due to the improper terms provided in the contract or notice provided by Defendants.

167. Plaintiffs suffered an ascertainable loss of money or property due to the improper terms provided in the contract or notice provided by defendants, including but not limited to fees, improper encumbrance of title, and diminution of value of Plaintiffs' interest in the property.

168. Plaintiffs seeks damages, civil penalties, costs, attorney fees, injunctive relief, termination or voiding of the contract, and such other relief as is equitable and just.

COUNT V
Declaratory Judgment, 28 U.S.C. § 2201
(Class Claim – New Jersey Class)

169. Plaintiffs incorporate by reference each allegation set forth above as if set forth at length herein.

170. Plaintiffs seek declaratory relief for the purposes of determining questions of actual controversy between the Class members and Defendants.

171. Defendants have acted in a uniform manner by a) inducing Plaintiffs and members of the class to enter into Option Purchase Agreements that violate federal and state laws as set forth above, and b) attempting to enforce and collect on those loan obligations, including through imposition of a mortgage and security instrument that encumbers title to the property, creates a secured debt, and places Plaintiffs and class members at risk of foreclosure or forced sale.

172. As set forth more particularly above, Plaintiffs and the class were deprived of the disclosures and substantive limitations set forth in state and federal law for consumer protection generally, consumer lending, and mortgage lending specifically.

173. As a result, Plaintiffs and the class are subjected to contracts that violate the law and are subject to ongoing harm absent a declaration regarding their rights and remedies.

174. Plaintiffs seeks declarations to determine their rights and the rights of the Class, in particular, that the Court find that Defendants and Plaintiffs and the Class did not enter into any legal contract, either express or implied-in-fact, for Plaintiffs and the Class to pay the amounts imposed by the Defendants and declare all such contracts void and declare all attempts to enforce the contracts be contrary to law.

175. Accordingly, Plaintiff and members of the Class respectfully ask the Court to issue a declaratory judgment that (a) Defendants' Option Purchase Agreements and as schedules thereto,

including the mortgage and security instrument, violate the law and are void and unenforceable; (b) that any attempts to enforce the Option Purchase Agreements, including the mortgage, violate the law; and (c) such other necessary and proper relief that may be appropriate following the determination of the declarations made.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request that the Court enter judgment against the Defendants as follows:

- A. An Order certifying the Classes above;
- B. An Order providing for any and all injunctive, equitable, or declaratory relief the Court deems appropriate, including but not limited to rescinding, terminating, or voiding the contracts;
- C. An Order awarding monetary damages, including but not limited to any statutory, actual, punitive, and treble damages, in an amount to be determined by the Court or jury;
- D. An Order awarding interest at the maximum allowable legal rate on the foregoing sums;
- E. An Order awarding Plaintiffs their reasonable costs and expenses of suit, including attorneys' fees;
- F. Such further relief as their Court may deem just and proper.

JURY DEMAND

Pursuant to Fed. R. Civ. P. 38(b), Plaintiffs hereby demands trial by jury as to all issues in the above matter.

By: /s/ James A. Francis
James A. Francis (NJ Bar #012601996)
FRANCIS MAILMAN SOUMILAS, P.C.

James A. Francis (#012601996)
John Soumilas (#020371999)
Lauren KW Brennan (#074202013)
1600 Market Street, Suite 2510
Philadelphia, PA 19103
Tel: (215) 735-8600
Fax: (215) 940-8000
Email: jfrancis@consumerlawfirm.com
jsoumilas@consumerlawfirm.com
lbrennan@consumerlawfirm.com

Robert P. Cocco*
ROBERT P. COCCO, P.C.
1500 Walnut Street, Suite 900
Philadelphia, PA 19102
bob.cocco@phillyconsumerlaw.com
Attorneys for Plaintiffs and the Class

Pro hac vice forthcoming