



## Arc Elite Agency Plus QM

This product is for borrowers qualifying with standard documentation per the DU findings. Designed for borrowers with conforming and non-conforming loan amounts who don't want private mortgage insurance.

### LTV Matrix Fixed Rate

Occupancy	Purpose	Loan Amount Maximum	Units	Credit Score Minimum	LTV/(H)CLTV <sup>1,2</sup>
Primary Residence	Purchase and Rate/Term	\$3,000,000	1	680	80%
		\$3,000,000		640	75%
		\$2,000,000		700	89.99% <sup>2</sup>
		\$1,500,000	2-4	680	89.99% <sup>2</sup>
		\$3,000,000		680	80%
		\$3,000,000		640	75%
	Cash-Out <sup>3</sup>	1	\$2,000,000	700	85% <sup>2</sup>
			\$3,000,000	720	80%
			\$3,000,000	700	75%
			\$3,000,000	680	70%
		2-4	\$3,000,000	640	65%
			\$2,000,000	680	75%
			\$3,000,000	700	75%
			\$3,000,000	680	70%
Second Home	Purchase and Rate/Term	\$3,000,000	1	680	80%
		\$3,000,000		640	75%
		\$2,000,000		700	89.99% <sup>2</sup>
	Cash-Out <sup>3</sup>	1	\$3,000,000	720	80%
			\$3,000,000	700	75%
			\$3,000,000	680	70%
			\$3,000,000	640	65%
		2-4	\$2,000,000	680	75%

1. **Rural properties:** Max 80% LTV/CLTV for Purchase and Rate/Term. Max 75% LTV/CLTV for Cash-Out
2. Max 80% LTV/(H)CLTV when DTI > 45% or Forbearance seasoned <=12 months
3. **Cash-out Transactions:** \$1MM maximum cash-in-hand.

### Product Specific Requirements

<b>Amortization Type</b>	30 Year Fixed Rate
<b>Appraisal Requirement</b>	<ul style="list-style-type: none"> <li>One appraisal is required for loan amounts ≤ \$2,000,000.</li> <li>Two appraisals are required for loan amounts &gt; \$2,000,000.</li> <li>Follow the Arc Underwriting Guide for Collateral Review requirements.</li> <li>Appraisal Waivers (PIW) are not permitted, regardless of DU feedback</li> </ul>
<b>Asset Documentation</b>	<ul style="list-style-type: none"> <li>Assets used for down payment, closing costs and reserves must be documented for greater of DU requirements or 60 days.</li> <li>Refer <a href="#">Fannie Mae eligibility and documentation</a> requirements.</li> </ul>
<b>Borrower Contribution</b>	Gift funds are permitted for down payment and closing costs. Refer to the Arc Underwriting Guide.
<b>Borrower Eligibility</b>	<b>Eligible:</b> <ul style="list-style-type: none"> <li>US Citizens</li> </ul>



	<ul style="list-style-type: none"> <li>• Permanent Resident Aliens</li> <li>• Non-Permanent Resident Aliens</li> <li>• First Time Homebuyers</li> <li>• Non-Occupant Co-Borrowers</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Foreign Nationals</li> </ul>
<b>Credit/Payment History Requirements</b>	<ul style="list-style-type: none"> <li>• Borrowers with Derogatory credit must meet <a href="#">Fannie Mae Guidelines</a>.</li> <li>• Forbearance permitted only due to Cares Act/COVID-19.</li> <li>• Minimum of two FICO scores for each Borrower</li> <li>• All applicant(s) and co-borrowers must meet the credit score requirements individually.</li> <li>• Non-traditional credit report is not permitted.</li> <li>• Payment history requirements: 0x30x12 mortgage/rental history on the subject property and all financed REOs under the borrower's name.</li> </ul>
<b>Geographic Restrictions</b>	Hawaii and <b>Missouri</b> are eligible for Delegated Correspondents only.
<b>Impound/Escrow Accounts</b>	Escrow funds/impound accounts may be waived for taxes and hazard insurance in accordance with the Arc Underwriting Guide.
<b>Income Requirements</b>	Follow Fannie Mae DU requirements.
<b>Lien Position</b>	First
<b>Minimum Loan Amount</b>	<b>\$125,000</b>
<b>Number of Financed Properties</b>	<ul style="list-style-type: none"> <li>• A single borrower can have no more than 10 financed properties including subject property. All properties in which the borrower is personally obligated must be included in the financed property maximum.</li> <li>• For Arc Elite, Arc Access, Conventional Investment Property and FNMA/FHLMC Second Home-Investment Property Products, each borrower may not exceed either an aggregate unpaid principal balance amount of \$5MM or 10 loans (including the subject property) financed with Arc Home Loans.</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Primary Residence</li> <li>• Second Home</li> </ul>
<b>Prepayment Penalty</b>	Not allowed.
<b>Property Types</b>	<p><b>Eligible:</b></p> <ul style="list-style-type: none"> <li>• 1-4 unit (Detached, Semi Detached, Attached)</li> <li>• PUD (Detached, Attached)</li> <li>• Warrantable Condominium (Detached, Attached)</li> </ul> <p><b>Ineligible:</b></p> <ul style="list-style-type: none"> <li>• Non-Warrantable Condominiums</li> <li>• Refer to the Arc Underwriting Guide for ineligible property types.</li> </ul>
<b>QM Requirement</b>	Loan must meet QM Safe harbor or Rebuttable Presumption requirements.
<b>Ratios</b>	DTI as determined by DU
<b>Reserve Requirements</b>	<p>Greater of DU requirements or the below requirements:</p> <ul style="list-style-type: none"> <li>• Loan Amount ≤ \$750K: 3 months</li> <li>• Loan Amount &gt; \$750K - \$1.5MM: <ul style="list-style-type: none"> <li>○ LTV ≤ 85%: 6 months</li> <li>○ LTV &gt; 85%: 12-months</li> </ul> </li> <li>• Loan Amount &gt; \$1.5MM-\$2.5MM: 9 months</li> <li>• Loan Amount &gt; \$2.5MM: 12 months</li> <li>• Cash out proceeds may be used to satisfy reserve requirements up to a 70% LTV/ CLTV.</li> </ul>
<b>Secondary Financing</b>	Allowed



<b>Tax Transcripts</b>	<b>Wage Earners: A signed 4506-C is required. Transcripts are not required.</b> All income requiring tax returns: A signed 4506-C and IRS Tax Transcripts must be obtained during the loan process.
<b>Transaction Types</b>	<b>Eligible:</b> <ul style="list-style-type: none"><li>• Purchase</li><li>• Rate Term Refinance</li><li>• Delayed Financing as a cash out transaction</li><li>• Cash Out Refinance</li><li>• Texas 50(a)(6) Rate Term and Cash Out refinances</li></ul>
<b>Underwriting</b>	Loans must score "Approve" on Fannie Mae Desktop Underwriter (DU). Loans may score "Ineligible" only for loan amount, mortgage insurance and LTV. A Caution, Incomplete, invalid or out of Scope are not allowed. Refer to the Arc Underwriting Guide for complete program requirements.

### Product Codes

30 YR FIXED ELITE AGENCY PLUS