



FNMA/FHLMC Primary, Second Home & Investment Property Products

LTV Matrix Fixed Rate and ARM						
Occupancy	Purpose	Maximum Loan Amount	Units	Maximum LTV/(H)CLTV	Minimum FICO	Maximum DTI
Primary Residence	Cash-Out	Per DU/LPA	1 Unit	80%	680	Per DU/LPA
			2-4 Units	75%		
Second Home	Purchase and Rate/Term		1 Unit	80%	Per DU/LPA	
	Cash-Out Refinance ¹		1 Unit	75%		
Investment	Purchase		1 Unit	80%		
	Purchase and Rate/Term		1-4 Units	75%		
	Cash-Out Refinance ¹		1 Unit	75%		
			2-4 Units	70%		

LTV Matrix Footnotes

1. \$1MM maximum cash-in-hand

Product Details

Appraisal/Valuation Requirements	<ul style="list-style-type: none"> As determined by DU or LPA Appraisals must be UAD Compliant Transferred appraisals are allowed. Refer to Arc Home's Transferred Appraisal Policy. Property Inspection Waiver (PIW) & Automated Collateral Evaluation (ACE) are permitted with an AVM, refer to Appraisal Valuation Requirements.
Appraiser Requirements	<ul style="list-style-type: none"> Valid state license Cannot be on any GSE Agency Exclusionary list.
Assets	<ul style="list-style-type: none"> As determined by DU or LPA Any cash-in-hand proceeds, to the Borrower, from any cash-out refinance transaction must be wired to a U.S. bank account. 1031 Reverse exchanges are not allowed.
Borrower Eligibility	<ul style="list-style-type: none"> All Borrowers must meet Fannie Mae/Freddie Mac eligibility requirements. For Arc Elite, Arc Access, Conventional Investment Property and FNMA/FHLMC Primary Residence-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. Borrowers in Deportation or Asylum status, including but not limited to EAD status of CO8, CO9 and C18 are not permitted.
Conflicts of Interest	<p>Conflicts of interest are not permitted. Borrowers with one or more conflicts of interest are NOT permitted. A conflict of interest exists and is prohibited when the borrower has multiple roles in the transaction. These include, but are not limited to, situations where the borrower is also:</p> <ul style="list-style-type: none"> The builder;



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	<ul style="list-style-type: none"> • The loan officer on the transaction; • Borrower representing themselves as the agent in the real estate transaction: <ul style="list-style-type: none"> ○ The commission earned cannot be used for down payment or reserve requirements. • The listing and selling agent (borrower can be the listing agent but not both); • The owner/principal of a mortgage brokerage or correspondent lender may not originate their personal mortgage with their own company. • Employees of mortgage brokerages or correspondent lenders originating through their employer are acceptable borrowers only under the following circumstances: <ul style="list-style-type: none"> ○ They do not act as a processor, underwriter or in any capacity in originating their loan; And ○ The subject property is their primary residence or second home; investment properties are not permitted.
Credit	<ul style="list-style-type: none"> • A tri-merged in file credit report from all three repositories is required. The credit report must include trended credit data. • Acceptable credit determined by AUS. • Non-Traditional Credit not permitted.
Escrow Holdbacks	<ul style="list-style-type: none"> • Escrow Holdbacks are only permitted for Correspondent loans and must be completed by loan purchase/funding
Escrow Waivers	<ul style="list-style-type: none"> • Permitted
HPML/HPCT	<p>Loans must be originated to meet definition of a Safe Harbor or Rebuttable Presumption Mortgage Loan under the Qualified Mortgage Rule and may not have an APR-APOR spread of greater than 2.25 (or 3.5% in the case of loan balance below \$110,260 (as periodically adjusted)).</p>
Income	<ul style="list-style-type: none"> • As determined by AUS • Verbal Verification of Employment is required for all borrowers using salaried income to qualify and must be completed within 10 business days prior to the note date. • Verbal Verification of Employment is required for all borrowers using self-employed income to qualify and must be completed within 20 business days prior to the note date. • If a Borrower is being qualified with income from new employment or a pay increase, and the new income will not start prior to closing, the guidelines from Fannie Mae Selling Guide B3-3.1-09, Other Sources of Income; Employment Offers or Contracts; Option 2 or Freddie Mac Selling Guide Chapter 5303.2(e), Option 1 must be followed. • Federal law restricts marijuana related activities and therefore the income and assets from these sources are not allowed for qualifying. Related activities include: <ul style="list-style-type: none"> ○ Possession of cannabis or cannabis seeds ○ Processing ○ Growing ○ Harvesting/Cultivation ○ Testing ○ Packaging/Delivery ○ Wholesale or Retail sales
Limitations on Other R.E Owned	<p><u>For Second Homes and Investment Properties:</u></p> <ul style="list-style-type: none"> • Borrowers with more than 6 financed properties must have a minimum 720 FICO score and meet AUS reserve requirements. • Number of financed properties cannot exceed 10. • See Fannie Mae Selling Guide Chapter B2-2-03 or Freddie Mac Seller Guide Topics 4201.4, 4201.15 and 4201.16 for further details.



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Maximum / Minimum Loan Amount	<ul style="list-style-type: none"> • Minimum loan amount of \$100,000 • Maximum 65% LTV for Investment Property Loans < \$150,000 • Maximum loan limits vary by county. The base loan amount cannot exceed the FHFA county loan limit. 								
Occupancy	<ul style="list-style-type: none"> • Primary Residence • Second Home • Investment Property 								
Prepayment Penalty	<ul style="list-style-type: none"> • None 								
Property Types	<p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1-4 Unit Single Family Residences (SFR) • PUDs • Condominiums must meet requirements of Fannie Mae or Freddie Mac, depending on the AUS that is being utilized. • Properties with unpermitted additions must meet Fannie Mae guidelines or Freddie Mac guidelines, depending on AUS used, in order to be eligible <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Manufactured Homes • Co-op's • Non warrantable condos including Condotels • Timeshares • Properties in C5 or C6 condition 								
Underwriting	<ul style="list-style-type: none"> • Unless noted otherwise in this matrix and the Overlay document, loans must meet Fannie Mae/Freddie Mac guidelines. • Desktop Underwriter feedback with risk classification of Approve/Eligible or Loan Product Advisor with feedback of Accept/Eligible is required. • Manual Underwrites are not permitted 								
Product Description and Terms	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0056b3; color: white;"> <th style="text-align: center;">Product Name</th> <th style="text-align: center;">Amortization Terms</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">FNMA/FHLMC 30 Yr Fixed Primary</td> <td style="text-align: center;">30 Years</td> </tr> <tr> <td style="text-align: center;">FNMA/FHLMC 30 Yr Fixed Second Home</td> <td style="text-align: center;">30 Years</td> </tr> <tr> <td style="text-align: center;">FNMA/FHLMC 30 Yr Fixed Investment</td> <td style="text-align: center;">30 Years</td> </tr> </tbody> </table>	Product Name	Amortization Terms	FNMA/FHLMC 30 Yr Fixed Primary	30 Years	FNMA/FHLMC 30 Yr Fixed Second Home	30 Years	FNMA/FHLMC 30 Yr Fixed Investment	30 Years
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Internet Links	www.archomellc.com								