

Arc Home FNMA/FHLMC Second Home & Investment Property Product

Maximum 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 baseline conforming limit. 																																	
LTV Limitations	<table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr style="background-color: red; color: white;"> <th colspan="3" style="text-align: center;">Second Home</th> </tr> <tr style="background-color: red; color: white;"> <th style="text-align: center;">LTV Limitations</th> <th style="text-align: center;"># of Units</th> <th style="text-align: center;">LTV/CLTV/HCLTV</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Purchase and Limited Cash Out Refinance</td> <td style="text-align: center;">1</td> <td style="text-align: center;">80%/80%/80%</td> </tr> <tr> <td style="text-align: center;">Cash Out Refinance¹</td> <td style="text-align: center;">1</td> <td style="text-align: center;">75%/75%/75%</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: red; color: white;"> <th colspan="3" style="text-align: center;">Investment Property</th> </tr> <tr style="background-color: red; color: white;"> <th style="text-align: center;">LTV Limitations</th> <th style="text-align: center;"># of Units</th> <th style="text-align: center;">LTV/CLTV/HCLTV</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Purchase</td> <td style="text-align: center;">1</td> <td style="text-align: center;">80%/80%/80%</td> </tr> <tr> <td></td> <td style="text-align: center;">2-4</td> <td style="text-align: center;">75%/75%/75%</td> </tr> <tr> <td style="text-align: center;">Limited Cash-Out Refinance</td> <td style="text-align: center;">1-4</td> <td style="text-align: center;">75%/75%/75%</td> </tr> <tr> <td style="text-align: center;">Cash Out Refinance¹</td> <td style="text-align: center;">1</td> <td style="text-align: center;">75%/75%/75%</td> </tr> <tr> <td></td> <td style="text-align: center;">2-4</td> <td style="text-align: center;">70%/70%/70%</td> </tr> </tbody> </table> <p>¹\$1MM maximum cash-in-hand</p>	Second Home			LTV Limitations	# of Units	LTV/CLTV/HCLTV	Purchase and Limited Cash Out Refinance	1	80%/80%/80%	Cash Out Refinance ¹	1	75%/75%/75%	Investment Property			LTV Limitations	# of Units	LTV/CLTV/HCLTV	Purchase	1	80%/80%/80%		2-4	75%/75%/75%	Limited Cash-Out Refinance	1-4	75%/75%/75%	Cash Out Refinance ¹	1	75%/75%/75%		2-4	70%/70%/70%
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HPML/HPCT	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). In the case of Investment Properties under this program, Arc may consider whether the loan may be eligible for sale as an ATR Exempt loan as defined under applicable legal and agency requirements.																																	
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 Condo Hotels Timeshares Properties in C5 or C6 condition 																																	
Occupancy	<ul style="list-style-type: none"> Second Home Investment Property 																																	
Geographic Restrictions	<ul style="list-style-type: none"> In Missouri, Arc Home may only fund fully delegated Correspondent loans. 																																	
Assumptions	<ul style="list-style-type: none"> NA 																																	

Escrow Waivers	<ul style="list-style-type: none"> Permitted
Prepayment Penalty	<ul style="list-style-type: none"> None
Underwriting	<ul style="list-style-type: none"> Unless noted otherwise in this matrix and the Correspondent 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
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 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
Income	<ul style="list-style-type: none"> As determined by AUS
Credit	<ul style="list-style-type: none"> Non-Traditional Credit not permitted
Assets	<ul style="list-style-type: none"> As determined by AUS
Verbal Verification of Employment	<ul style="list-style-type: none"> 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.
Limitations on Other R.E Owned	<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.
Appraiser Requirements	<ul style="list-style-type: none"> Valid state license Cannot be on the Freddie Mac Exclusionary List
Appraisal / Valuation Requirements	<ul style="list-style-type: none"> Property Inspection Waiver (PIW) & Automated Collateral Evaluation (ACE) are permitted with an AVM, refer to Appraisal Valuation Requirements. If an appraisal is required, refer to Appraisal Valuation Requirements for when any additional collateral review is required.
Special Requirements / Restrictions	<ul style="list-style-type: none"> Escrow Holdbacks are only permitted for Correspondent loans and must be completed by loan purchase/funding
Internet Links	www.archomellc.com