



Elite Jumbo Prime

This product is for borrowers with non-conforming loan amounts who are qualifying with standard documentation per the DU findings.

Wherever this matrix is silent, refer to Fannie Mae guidelines.

LTV Matrix

Fixed Rate

Occupancy	Purpose	Units	Loan Amount Maximum	Credit Score Minimum	LTV/(H)CLTV ^{1,2}
Primary Residence	Purchase and Rate/Term	1	\$1,500,000	680	80%/80%
			\$2,000,000	680	75%/75%
			\$2,000,000	660	65%/65%
			\$2,500,000	720	70%/70%
		2	\$1,000,000	680	80%/80%
			\$1,500,000	660	65%/65%
	Cash-Out ²	1	\$2,000,000	660	60%/60%
			\$1,000,000	680	75%/75%
			\$1,500,000	680	70%/70%
			\$2,000,000	720	65%/65%
		2	\$2,000,000	660	55%/55%
			\$1,000,000	680	70%/70%
Second Home	Purchase and Rate/Term	1	\$1,000,000	680	80%/80%
			\$1,500,000	680	70%/70%
			\$2,000,000	700	65%/65%
			\$2,500,000	720	70%/70%
	Cash-Out ²	1	\$1,000,000	700	75%/75%
			\$1,500,000	700	65%/65%
			\$2,000,000	740	65%/65%

1. **Rural properties:** Max 70% LTV/CLTV for Purchase and Rate/Term. Max 55% LTV/CLTV for Cash-Out
2. **Cash-out Transactions:** Loan Amount ≤ \$1,500,000: Max \$350,000 cash in hand; Loan Amount > \$1,500,000: Max \$500,000 cash in hand

Product Specific Requirements

Amortization Type	30 Year Fixed Rate
Appraisal Requirements	<ul style="list-style-type: none"> PIW/ACE waiver based on AUS recommendation is not allowed. Follow Fannie Mae requirements for appropriate appraisal format (1004, 1073, etc) One appraisal is required for loan amounts ≤ \$1,500,000. Two appraisals are required for loan amounts > \$1,500,000. Transferred appraisals are not permitted Appraisals expire 120 days after the effective date. Appraisal updates are not allowed.
Appraisal Valuation Requirements	<p>All appraisals must include a successful Submission Summary Report (SSR).</p> <p>Note: The Fannie Mae Collateral Underwriter (CU) score is required even on Freddie Mac approved loans.</p> <ul style="list-style-type: none"> When two appraisals are required, if the lower appraised value returns an SSR score ≥ 3.5 OR no score is returned, an Arc Home Loan Collateral review is required. When one appraisal is required, the following applies: <ul style="list-style-type: none"> If the SSR score is ≤ 2.5, no additional appraisal review products are required unless otherwise specified or determined by the Arc Home Loan underwriter at the time of review.



- If the SSR score is **> 2.5 to ≤ 3.4**, order a CDA and follow the Collateral Waterfall.
- If the SSR score is **≥ 3.5 OR no score is returned**, an Arc Home Loan Collateral review is required, in addition, order a CDA and follow the below Collateral Waterfall.

Collateral Waterfall		
Appraisal Review	CDA from Clear Capital	
	CDA Value	
	≤ 10% below* Appraised Value	Appraised Value may be used.
	> 10% below* Appraised Value or Indeterminate	Field review is required. Follow section below.
	Field Review	
	Field Review Value	Action
≤ 10% below* Appraised Value	Appraised Value may be used.	
> 10% below* Appraised Value	<ul style="list-style-type: none"> • 2nd full appraisal is required • Lower of the two appraised values must be used 	

- * The > 10% variance rule applies when the CDA/Field Review variance is reflecting a lower value than the appraisal. If the CDA/Field Review variance reflects a higher value than the appraisal, the appraisal is fully supported, and an additional valuation is not required.

Asset Documentation

- Eligible Assets:
- Assets used for down payment, closing costs and reserves must be documented for greater of DU requirements or 60 days.
 - Refer [Fannie Mae eligibility and documentation](#) requirements.
- Ineligible Assets:
- Proceeds from a personal or unsecured loan.
 - A cash advance on a revolving charge account or unsecured line of credit.
 - Foreign assets.
 - Non-marketable securities.
 - Profit sharing plans.
 - Labor performed by the borrower, also referred to as “sweat equity”.
 - Gifts that must be re-paid.
 - Gifts of equity
 - Donated funds in any form, such as cash or bonds donated by the seller builder or selling agent outside of approved financing contributions.
 - Funds from a community second mortgage or down payment assistance program
 - Individual Development Accounts (IDAs)
 - Pooled Savings (Community Savings Funds).
 - Salary Advances.
 - Funds in a custodial or “in trust for” account.
 - Cryptocurrency (unless it meets the requirements for conversion to U.S dollars as noted in the Fannie Mae Selling Guide).
 - Trade equity.
 - Grants, except disaster-related grants.
 - Cash on hand.
 - Employer assistance assets except as noted in the “Employer Relocation” section.
 - Loans from non-institutional lenders.

Borrower Contribution

Gift funds are permitted for down payment and closing costs. Refer to the Arc Underwriting Guide.

Borrower Eligibility

- Eligible:
- US Citizens
 - Permanent Resident Aliens
 - Non-Permanent Resident Aliens: Borrower must have a current two-year history of working in the U.S. without any gaps in U.S. employment greater than 30 days and a history of visa renewal. Valid visa types:



	<ul style="list-style-type: none"> ○ E Series (E-1, E-2, E-3) ○ G Series (G-12, G-2, G-3, G-4, G-5) ○ H Series (H-1B, H-1C) ○ L Series (L-1, L-1A, L-1B, Spouse L-2 with EAD) ○ NATO Series (NATO 1-6) ○ O Series (O-1) ○ TN-1, Canadian NAFTA visa ○ TN-2, Mexican NAFTA visa ● Non-Occupant Co-Borrowers ● First Time Homebuyers: <ul style="list-style-type: none"> ○ Maximum loan amount \$1,500,000. ○ Borrower's living rent free must meet the following minimum tradeline requirements: <ul style="list-style-type: none"> - Minimum 3 tradelines, with at least 1 tradeline open for a minimum 24 months from the application date. - 1 tradeline must have had activity in the past 12 months from the application date. - The minimum of 3 tradelines must have had no significant adverse credit, such as charge offs or collections. - Authorized user accounts cannot be used in the determination of minimum tradelines. <p>Ineligible:</p> <ul style="list-style-type: none"> ● Foreign Nationals ● ITIN Borrowers ● LLC's, Corporations, Partnerships ● Borrowers who are party to a lawsuit ● The following trusts: <ul style="list-style-type: none"> ○ Irrevocable trusts ○ Land trusts ○ Bank trusts ○ Qualified Personal Residence trusts ○ Blind trusts ○ Real Estate trusts
<p>Credit/Payment History Requirements</p>	<ul style="list-style-type: none"> ● 7 year seasoning required on all derogatory events required (bankruptcy, foreclosure, short sale, deed-in-lieu, pre-foreclosure). ● Multiple Credit Events are not allowed. ● Credit events more than ten (10) years old from application date do not need to be evaluated or considered. ● Forbearance permitted only due to Cares Act/COVID-19. For a borrower that previously had a loan in forbearance, 6 months of satisfactory payments after the applicable loan is out of forbearance to be eligible for purchase ● Minimum of two FICO scores for each Borrower ● Credit reports with bureaus identified as "frozen" are required to be unfrozen and a current credit report with all bureaus unfrozen is required. ● All applicant(s) and co-borrowers must meet the credit score requirements individually. ● Self- reported or Non-traditional credit report is not permitted. ● Rapid re-scores are not allowed unless the re-score is the result of an error on the credit report. Errors must be confirmed by the creditor. ● Payment history requirements: Mortgage/rental history on the subject property and all financed REOs under the borrower's name. <ul style="list-style-type: none"> ○ Mortgage: 0x30x12, 0x60x24, 0x90x24 ○ Rent: 0x30x12 ○ Mortgage late payments or significant derogatory credit will require a satisfactory signed letter of explanation ○ Lack of housing payment history must be satisfactorily explained. Acceptable explanations include: <ul style="list-style-type: none"> - Borrower previously living with family member rent free. - Current primary residence owned free and clear.



	<ul style="list-style-type: none"> If the borrower does not have an outstanding mortgage loan, a verification of rent, or VOR, must be completed to verify the borrower's rental payment history. Landlord completed VOR form is acceptable only if the landlord is a professional management company. Private VORs must include: <ul style="list-style-type: none"> Canceled checks, front and back, reflecting rent payments. Bank statements reflecting rent payments and a signed lease agreement.
Declining Market	For properties located within a declining market, maximum LTV/CLTV will be reduced by 10%.
Geographic Restrictions	Missouri is eligible for Delegated Correspondents only.
Escrow Holdbacks	Not allowed
Escrow/Impound Accounts	Flood insurance must always be escrowed. Escrow funds/impound accounts may be waived for taxes and hazard insurance when the LTV \leq 80%.
Income Requirements	<ul style="list-style-type: none"> Follow Fannie Mae DU requirements. Wage earner: A standalone written VOE/VOI is not allowed except if used in the validation services process, or if obtained through The Work Number or similar employment verification service. Self-employment income: Signed and dated tax returns with all schedules, year-to-date Profit and Loss (P&L) statement and balance sheet are required, regardless if income was used to qualify. Documents must be updated through the most recent quarter. Transcripts are not acceptable in lieu of signed and dated tax returns 1099 borrowers are considered self-employed. Restricted Stock Units are not allowed. Verbal Verification of Employment: <ul style="list-style-type: none"> Wage earner: VVOE must be performed within 10 days prior to the Note date. Self-employed borrower: Verification of the existence of borrower's self-employment must be verified through a third-party source and no more than 30 calendar days prior to the Note date.
Lien Position	First
Minimum Loan Amount	FHFA conforming limit + \$1.
Number of Financed Properties	<ul style="list-style-type: none"> Per DU. 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. 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.
Occupancy	<ul style="list-style-type: none"> Primary Residence Second Home
Prepayment Penalty	Not allowed.
Property Types	<p>Eligible:</p> <ul style="list-style-type: none"> 1-2 unit attached/detached. 1-unit second homes. Low/mid/high-rise new and established Fannie Mae warrantable condominiums. Planned Unit Development (PUD). Maximum lot size 10 acres. <p>Ineligible:</p> <ul style="list-style-type: none"> Manufactured Homes Factory built housing Properties held as leasehold



	<ul style="list-style-type: none"> • Non-warrantable condos including condotels • Condos with HOAs in litigation • Cooperatives • Log homes • Mixed use properties • Timeshare units • Unique properties • Agriculturally zoned properties (agricultural/residential eligible) • Deed restricted and resale-restricted properties • Properties with unpermitted additions • Properties with an oil and gas lease • Working farms • Properties on Indian reservations • Island of Hawaii lava zones 1 and 2 • C5 and C6 condition ratings
QM Requirement	Loan must meet QM Safe harbor or Rebuttable Presumption requirements.
Ratios	The lesser of 45% or as determined by DU
Reserve Requirements	<p>Greater of DU requirements or the below requirements:</p> <ul style="list-style-type: none"> • Primary Residence: <ul style="list-style-type: none"> ○ Loan Amount ≤ \$1,000,000 – minimum 6 months PITIA reserves ○ Loan Amount > \$1,000,000 and ≤ \$2,000,000 – minimum 9 months PITIA reserves ○ Loan Amount > \$2,000,000 – minimum 12 months PITIA reserves ○ 2 units regardless of loan amount – minimum 12 months PITIA reserves • Second Home: <ul style="list-style-type: none"> ○ Loan Amount ≤ \$2,000,000 – minimum 9 months PITIA reserves ○ Loan Amount > \$2,000,000 – minimum 12 months PITIA reserves <p>Ineligible Assets for Reserves:</p> <ul style="list-style-type: none"> • Gift funds. • Business funds. • Cash proceeds from a cash out refinance transaction. • Proceeds from a home equity loan or line of credit, bridge loan or cash out from any other property. • Deferred compensation. • Funds that have not vested.
Secondary Financing	Allowed. Only institutional financing is permitted.
Tax Transcripts	<p>Transcripts are required for all borrowers whose income is used to qualify the loan and will be used to validate the income documentation. The transcripts and supporting income documentation must be consistent.</p> <ul style="list-style-type: none"> • Tax Transcripts: Tax transcripts for personal tax returns are required when tax returns are used to document borrower's income or any loss and must match the documentation in the loan file. Borrower obtained tax transcripts are not allowed. • W2 Transcripts: W2 transcripts are required to validate W2 wages if tax transcripts are not provided, and the borrower does not have any other income source or loss. • The following W2 type earnings require tax transcripts: <ul style="list-style-type: none"> ○ Borrowers employed by a family member ○ Borrower with 25% or greater ownership in company
Transaction Types	<p>Eligible:</p> <ul style="list-style-type: none"> • Purchase • Rate Term Refinance <ul style="list-style-type: none"> ○ Six months seasoning required if previous transaction was a cash out refinance.



	<ul style="list-style-type: none">○ Payoff of non-purchase money seconds, including HELOC's allowed with 12-month seasoning. For HELOC's, document no cumulative draws >\$2,000 in the last 12 months from application date.● Delayed Financing priced as a cash out transaction● Cash Out Refinance<ul style="list-style-type: none">○ Properties list for sale must be off the market for 6 months <p>Ineligible:</p> <ul style="list-style-type: none">● Texas 50(a)(6) Rate Term and Cash Out refinances
Underwriting	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 JUMBO PRIME