



## Fannie Mae Conforming & High Balance Fixed Rate and ARM

LTV Matrix Fixed Rate and ARM						
Occupancy	Purpose	Maximum Loan Amount	Units	Maximum LTV/(H)CLTV	Minimum FICO	Maximum DTI
Primary Residence	Purchase and Rate/Term	High Balance	1	95%	Per DU	Per DU
			2	85%		
			3-4	75%		
		Conforming	1	Fixed: 97% <sup>1</sup> ARM: 95%		
			2-4	95%		
			Cash-Out	1		
	2-4	75%				
	Second Home	Purchase and Rate/Term	High Balance	1		
Cash-Out		1		75%		
Investment	Purchase	High Balance	1	85%		
	Rate/Term		2-4	75%		
			1-4	75%		
	Cash-Out		1	75%		
			2-4	70%		

### LTV Matrix Footnotes

**1. LTV's above 95%:**

- Fixed rate, conforming loan amounts only
- For purchase transactions, at least one Borrower must meet Fannie Mae's definition of a 1<sup>st</sup> Time Home Buyer. When all borrowers are first-time homebuyers, at least one borrower must participate in a Homeownership Education program.
- For limited cash-out refinances, Fannie Mae must be the owner of the existing mortgage.

### Product Details

<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>As determined by DU, including: Full Appraisal; Desktop Appraisal; Value Acceptance + PDR and Value Acceptance</li> <li>Appraisals must be UAD Compliant</li> <li>For SSR and appraisal review requirements, refer to Arc Home's Appraisal Valuation Requirements.</li> <li>Transferred appraisals are allowed. Refer to Arc Home's Transferred Appraisal Policy.</li> </ul>	
<b>Appraiser Requirements</b>	<ul style="list-style-type: none"> <li>Valid state license</li> <li>Cannot be on the Freddie Mac Exclusionary List</li> </ul>	
<b>ARM Parameters</b>	Index	30-day average of the Secured Overnight Financing Rate (SOFR) Index as published by the Federal Reserve Bank of New York
	Margin	2.75%
	Caps	5 yr/6 mos - 2/1/5 7 yr/6 mos - 5/1/5
	Interest Rate Adjustment	The interest rate is fixed for the initial period and adjusts on a semi-annual basis thereafter using the Index value effective 45 calendar days before the rate adjustment date. The Interest Rate at time of adjustment is calculated as the aforementioned Index value plus the Margin, and is rounded to the nearest 1/8th of one percentage point.
	Assumability	May be assumable after the initial fixed rate period

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<b>Assets</b>	<ul style="list-style-type: none"> <li>As determined by DU</li> <li>Any cash-in-hand proceeds, to the Borrower, from any cash-out refinance transaction must be wired to a U.S. bank account.</li> <li>1031 Reverse exchanges are not allowed.</li> </ul>
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>A Social Security number is required for all Borrowers.</li> <li>All no- permanent resident aliens must have an unexpired VISA and employment authorization.</li> <li>For all other requirements, refer to <a href="#">Fannie Mae Selling Guide Chapter B2-2: Borrower Eligibility</a></li> </ul>
<b>Credit</b>	<ul style="list-style-type: none"> <li>A tri-merged in file credit report from all three repositories is required. The credit report must include trended credit data.</li> <li>Min FICO as determined by DU</li> <li>All borrowers must have a FICO</li> <li>Non-Traditional Credit not permitted</li> <li>Acceptable credit determined by DU</li> </ul>
<b>Escrow Holdbacks</b>	<ul style="list-style-type: none"> <li>In Wholesale, approval is required for all repair escrows and eligibility is subject to Arc Home discretion.</li> <li>In Correspondent, escrow holdbacks must be closed prior to purchase.</li> </ul>
<b>Escrow Waivers</b>	<ul style="list-style-type: none"> <li>Not permitted on loans with LTV's over 80%</li> <li>In California, not permitted with LTV's over 90%</li> </ul>
<b>HPML/HPCT</b>	<ul style="list-style-type: none"> <li>HPML loans are eligible.</li> <li>Loans must be originated to meet definition of a Safe Harbor or Rebuttable Presumption Mortgage Loan under the Qualified Mortgage Rule.</li> </ul>
<b>Income</b>	<ul style="list-style-type: none"> <li>As determined by DU</li> <li>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 <a href="#">Fannie Mae Selling Guide B3-3.1- 09, Other Sources of Income; Employment Offers or Contracts</a>; Option 2 must be followed.</li> <li>When the borrower is using a written VOE, that is not from a 3rd party, to verify income, the file must also provide proof of income received prior to the application that supports the income from the VOE.</li> <li>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"> <li>Possession of cannabis or cannabis seeds</li> <li>Processing</li> <li>Growing</li> <li>Harvesting/Cultivation</li> <li>Testing</li> <li>Packaging/Delivery</li> <li>Wholesale or Retail sales</li> </ul> </li> </ul>
<b>Limitations on Other R.E Owned</b>	<a href="#">Follow Fannie Mae Selling Guide Chapter B2-2-03</a>
<b>Maximum Loan Amount</b>	Maximum loan limits vary by county. The base loan amount cannot exceed the <a href="#">FHFA baseline county loan limit</a> .
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>Standard mortgage insurance coverage is required, follow Desktop Underwriter recommendation.</li> <li>In New York, for purposes of determining terms of mortgage insurance, Lenders are required to rely solely on the appraised value of the property.</li> <li>Borrower Paid MI permitted</li> <li>Lender Paid MI permitted</li> <li>MI Providers – Refer to Arc Home website for approved providers</li> <li>Minimum Mortgage Insurance with LLPAs (Reduced MI) is not allowed.</li> </ul>

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Occupancy	<ul style="list-style-type: none"> <li>• Primary Residence</li> <li>• Second Home</li> <li>• Investment Property</li> </ul>																
Prepayment Penalty	Not allowed																
Property Types	<p><b>Eligible Property Types</b></p> <ul style="list-style-type: none"> <li>• 1-4 Unit Single Family Residences (SFR)</li> <li>• PUDs</li> <li>• Fannie Mae warrantable condominiums</li> </ul> <p><b>Ineligible Property Types</b></p> <ul style="list-style-type: none"> <li>• Manufactured Homes</li> <li>• Co-op's</li> <li>• Condo Hotels</li> <li>• Timeshares</li> <li>• Community Land Trusts</li> <li>• Properties in C5 or C6 condition</li> </ul>																
Qualifying Rate	<ul style="list-style-type: none"> <li>• Fixed Rate &amp; 7/6 mos ARM - Qualify at Note Rate</li> <li>• 5/6 mos ARM - Greater of Note Rate + 2.00% or the fully indexed rate</li> </ul>																
Ratios	Max DTI as determined by DU and MI Partner's overlay																
Reserves	As determined by DU																
Tax Transcripts	<ul style="list-style-type: none"> <li>• A fully executed 4506-C is required on all loans.</li> <li>• IRS Tax or W-2 Transcripts are required prior to closing: <ul style="list-style-type: none"> <li>○ When there is a relationship between the employer and borrower; and</li> <li>○ At the underwriter's discretion if needed to address red flags and</li> <li>○ When the most recent tax returns have not been filed.</li> </ul> </li> <li>• Refer to Arc Home's Tax Transcript Policy</li> </ul>																
Temporary Buydowns	Not allowed																
Transaction Types	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Rate and Term Refi</li> <li>• Cash Out Refi</li> <li>• NY Consolidation, Extension &amp; Modification Agreement (CEMA) loans are permitted for Fully Delegated Lenders and Wholesale originators only</li> <li>• For Texas primary residences, cash-out refinances are permitted under the following terms: <ul style="list-style-type: none"> <li>○ Permitted for SFR, PUD or warrantable condo</li> <li>○ Maximum 80% LTV/CLTV</li> <li>○ ANY cash-back to Borrower is considered a Cash-Out Refinance</li> <li>○ All requirements in Texas 50(a)6 legislation will apply</li> <li>○ See Chapter <a href="#">B5-4.1 of Fannie Mae Selling Guide</a> for full requirements</li> </ul> </li> </ul>																
Underwriting	<ul style="list-style-type: none"> <li>• Desktop Underwriter (DU) with risk classification of Approve/Eligible is required.</li> <li>• Manual Underwrites are not permitted</li> </ul>																
Product Description and Terms	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #0056b3; color: white;">Product Name</th> <th style="background-color: #0056b3; color: white;">Amortization Terms</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">30 Year Fixed Rate FNMA Conventional</td> <td style="text-align: center;">21-30 Years</td> </tr> <tr> <td style="text-align: center;">20 Year Fixed Rate FNMA Conventional</td> <td style="text-align: center;">16-20 Years</td> </tr> <tr> <td style="text-align: center;">15 Year Fixed Rate FNMA Conventional</td> <td style="text-align: center;">11-15 Years</td> </tr> <tr> <td style="text-align: center;">10 Year Fixed Rate FNMA Conventional</td> <td style="text-align: center;">10 Years</td> </tr> <tr> <td style="text-align: center;">30 Year Fixed Rate FNMA Conventional High Balance</td> <td style="text-align: center;">16-30 Years</td> </tr> <tr> <td style="text-align: center;">15 Year Fixed Rate FNMA Conventional High Balance</td> <td style="text-align: center;">10-15 Years</td> </tr> <tr> <td style="text-align: center;">5yr/6mos SOFR ARM FNMA Conventional</td> <td style="text-align: center;">30 Years</td> </tr> </tbody> </table>	Product Name	Amortization Terms	30 Year Fixed Rate FNMA Conventional	21-30 Years	20 Year Fixed Rate FNMA Conventional	16-20 Years	15 Year Fixed Rate FNMA Conventional	11-15 Years	10 Year Fixed Rate FNMA Conventional	10 Years	30 Year Fixed Rate FNMA Conventional High Balance	16-30 Years	15 Year Fixed Rate FNMA Conventional High Balance	10-15 Years	5yr/6mos SOFR ARM FNMA Conventional	30 Years
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	7yr/6mos SOFR ARM FNMA Conventional	30 Years
	5yr/6mos SOFR ARM FNMA Conventional High Balance	30 Years
	7yr/6mos SOFR ARM FNMA Conventional High Balance	30 Years
Internet Links	<a href="http://www.archomellc.com">www.archomellc.com</a>	