



Freddie Mac Conforming & Super Conforming 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	Super Conforming	1	95%	Per LPA	Per LPA
			2	85%		
			3-4	80%		
	Cash-Out	Super Conforming	1	80%		
			2-4	75%		
			1	90%		
Second Home	Purchase and Rate/Term	Super Conforming	1	90%		
	Cash-Out	Super Conforming	1	75%		
Investment	Purchase and Rate/Term	Super Conforming	1	85%		
			2-4	75%		
	Cash-Out	Super Conforming	1	75%		
			2-4	70%		
Product Details						
Appraisal Requirements	<ul style="list-style-type: none"> As determined by LPA, including: Full Appraisal, Desktop Appraisal; Automated Collateral Evaluation (ACE) + PDR; Automated Collateral Evaluation Appraisals must be UAD Compliant For SSR and appraisal review requirements, refer to Arc Home's Appraisal Valuation Requirements. Transferred appraisals are allowed. Refer to Arc Home's Transferred Appraisal Policy. 					
Appraiser Requirements	<ul style="list-style-type: none"> Valid state license Cannot be on the Freddie Mac Exclusionary List 					



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ARM Parameters	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	5/6 mos - 2/1/5 7/6 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
Assets	<ul style="list-style-type: none"> As determined by 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. 	
Assumptions	<ul style="list-style-type: none"> NA 	
Borrower Eligibility	<ul style="list-style-type: none"> A Social Security number is required for all Borrowers. All non-permanent resident aliens must have an unexpired VISA and employment authorization. For all other requirements, refer to Freddie Mac Selling Guide Chapter 5100. 	
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. Min FICO as determined by LPA All borrowers must have a FICO Non-Traditional Credit not permitted Acceptable credit determined by LPA 	
Escrow Holdbacks	<ul style="list-style-type: none"> In Wholesale, approval is required for all repair escrows and eligibility is subject to Arc Home discretion. In Correspondent, escrow holdbacks must be closed prior to purchase. 	
Escrow Waivers	<ul style="list-style-type: none"> Not permitted on loans with LTV's over 80% In California, not permitted with LTV's over 90% 	
HPML/HPCT	<ul style="list-style-type: none"> HPML loans are eligible. Loans must be originated to meet definition of a Safe Harbor or Rebuttable Presumption Mortgage Loan under the Qualified Mortgage Rule. 	
Income	<ul style="list-style-type: none"> As determined by LPA 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. 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 Freddie Mac Selling Guide Chapter 5303.2(e), Option 1 must be utilized. 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 	



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Limitations on Other R.E Owned	<ul style="list-style-type: none"> • See Freddie Mac Selling Guide Chapter 4201.14, 4201.15 and 4201.16
Maximum Loan Amount	Maximum loan limits vary by county. The base loan amount cannot exceed the FHFA baseline county limit .
Mortgage Insurance	<ul style="list-style-type: none"> • Standard mortgage insurance coverage is required, follow Loan Product Advisor recommendation • In New York, for purposes of determining terms of mortgage insurance, Lenders are required to rely solely on the appraised value of the property. • Borrower Paid MI permitted • Lender Paid MI permitted • MI Providers – Refer to Arc Home website for approved providers
Occupancy	<ul style="list-style-type: none"> • Primary Residence • 2nd Home • Investment Property
Prepayment Penalty	Not allowed
Property Types	<p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1-4 Unit Single Family Residences (SFR) • PUDs • Freddie Mac warrantable condominiums <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Manufactured Homes • Co-op's • Condo Hotels • Timeshares • Community Land Trusts • Properties in C5 or C6 condition
Qualifying Rate	<ul style="list-style-type: none"> • Fixed Rate & 7/6 mos ARM - Qualify at Note Rate • 5/6 mos ARM – Greater of Note Rate + 2.00% or the fully indexed rate
Ratios	Max DTI as determined by LPA and MI Partner's overlay
Reserves	As determined by LPA
Tax Transcripts	<ul style="list-style-type: none"> • A fully executed 4506-C is required on all loans. • IRS Tax or W-2 Transcripts are required prior to closing: <ul style="list-style-type: none"> ○ When there is a relationship between the employer and borrower; and ○ At the underwriter's discretion if needed to address red flags and ○ When the most recent tax returns have not been filed. <p>Refer to Arc Home's Tax Transcript Policy</p>
Temporary Buydowns	Not allowed
Transaction Types	<ul style="list-style-type: none"> • Purchase Money • Rate and Term Refi • Cash Out Refi • NY Consolidation, Extension & Modification Agreement (CEMA) loans are permitted for Fully Delegated lenders and Wholesale originators only • Texas 50(a)6 loans are permitted under the following terms: <ul style="list-style-type: none"> ○ Permitted for SFD, PUD or warrantable condo ○ Maximum 80% LTV/CLTV ○ ANY cash-back to Borrower is considered a Cash-Out Refinance ○ All requirements in Texas 50(a)6 legislation will apply ○ See Freddie Mac Selling Guide Chapter 4301.7 for full requirements



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Underwriting	<ul style="list-style-type: none"> Loan Product Advisor with risk classification of Accept/Eligible is required Manual underwrites are not permitted 	
Product Description	Product Name	Amortization Terms
	30 Year Fixed Rate FHLMC Conventional	21-30 Years
	20 Year Fixed Rate FHLMC Conventional	16-20 Years
	15 Year Fixed Rate FHLMC Conventional	11-15 Years
	10 Year Fixed Rate FHLMC Conventional	10 Years
	30 Year Fixed Rate FHLMC Conventional Super Conforming	16-30 Years
	15 Year Fixed Rate FHLMC Conventional Super Conforming	10-15 Years
	5yr/6mos SOFR ARM FHLMC Conforming Conventional	30 Years
	7yr/6mos SOFR ARM FHLMC Conforming Conventional	30 Years
	5yr/6mos SOFR ARM FHLMC Super Conforming Conventional	30 Years
7yr/6mos SOFR ARM FHLMC Super Conforming Conventional	30 Years	
Internet Links	www.archomellc.com	