



Arc Home's Proprietary Loan Programs





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About Arc Home





Arc Home & Angelo Gordon

Arc Home LLC has been a part of Angelo Gordon's Structured Credit Platform since 2016.

Richard Bradfield, CEO, Shea Pallante, Chief Production Officer, Suzy Lindblom, COO and Mark Schaefer EVP Capital Markets represent Arc Home LLC.

Arc Home LLC is Angelo Gordon's captive originator. Nicholas Smith is the Managing Director and Head of AG's Whole Loan Business. He serves as the Chief Investment Officer of MITT.

Together, Arc Home and Angelo Gordon provide the most innovative Prime and Non-Prime products to the mortgage industry.





Section I

Opportunity Overview





Key Strengths

- Arc Home is uniquely positioned to provide sellers a full suite of in-house services on a delegated and/or non-delegated basis
- Nationwide operational coverage and licensing within the continental US
- In addition to standard operations, we provide access to our expertly staffed Loan Scenario Desk and Exception Desk
- We prioritize your experience with a focus on clear and timely communication, aggressive pricing and speed-to-purchase
- We will purchase loans on a best-efforts, bulk or mini-bulk basis
- Angelo Gordon acquires Agency and Non-Agency whole loans through Arc Home's wholesale and correspondent channels
- The Angelo Gordon Residential and Consumer Debt team was formed in 2008 and currently oversees approximately \$4.9 billion of equity capital
- Product Innovation – Arc Home collaborates with you to design the products of the future, today



Opportunity Overview: Reliable Takeout

Strategic Partner

- A well-capitalized institution with a seasoned residential mortgage platform
- A leader in the creation of proprietary products
- Executive team comprised of industry leaders who value longevity, relationships and viability

Settlement Flexibility

- Correspondent loans may be purchased Best Efforts, Bulk, or Mini Bulk based on your approval criteria

Full Suite of Services

- Arc Home will provide pre and post purchase reviews based on delegation level
- Full access to Arc Home's Capital Markets team via phone and email



Opportunity Overview: Operational Efficiencies

AUS Credit Underwrite – Elite and Investment Property / Agency Eligible Products

- DU and LPA AUS findings create underwriting efficiencies and clarity, increasing productivity and reducing risk

Established Infrastructure

- Seamlessly leverage your internal POS, ARC Home's LOS, Optimal Blue, LoanNex and other technology/systems

Capture Fallout From Other Products

- Capture borrowers that fall out from current conforming and prime jumbo programs to keep them in-house
- Originate these loans in a delegated fashion versus the operational challenges of non-delegated underwriting or wholesale brokering
- For QM products, such as Elite and our Investment property / Agency Eligible products, warehousing constraints and fee increases are reduced



Opportunity Overview: Loan Products Designed to Capitalize on Regulatory & Market Changes

Arc Home appreciates the opportunity to introduce your organization to our proprietary product suite. We expect that the benefits will be immediately evident, and we look forward to a mutually beneficial relationship.

Arc Home Elite Program

- Arc Home's Elite product suite is designed in conjunction with the new QM definitions and provides lower cost solutions to underserved cohorts of prime and near-prime borrowers
- The Elite product allows the ease of using DU findings in conjunction with Alt Income Doc Types
- The Elite suite has the look and feel of an Agency or Traditional Jumbo with Alt Doc features and aggressive pricing

Recent Regulatory Changes

- Expiration of Temporary QM ("The Patch")
- Replacement of Appendix Q: Relieves the rigid formulation for determining a loan's eligibility to be considered a qualified mortgage (QM)

Potential Market Impact

- Increased flexibility when documenting a borrower's ability to repay
- Price-based vs rate-based adjustments allow a seamless integration with traditional pricing engines creating margin continuity or diversity based on your needs
- Loans that were deemed Non-QM will qualify as QM within our Elite product line, creating capital efficiencies for investors and increased liquidity

Market Opportunity

- Opportunity for your organization to capture a broader base of prime borrowers with alternate income or documentation requirements
- QM designation alleviates liquidity restraints, creating opportunities for additional pockets of private capital
- These operational and capital efficiencies for the investor can be passed-through to the consumer by way of lower interest rates and origination cost



Section II

Loan Program Overview





Opportunity Overview: Product Suite

Arc Home's comprehensive product suite provides QM and NQM alternatives for borrowers of all types via our wholesale, non-delegated and delegated correspondent channels.

Arc Elite	Arc Access	Non-Agency Investment Property and Agency-eligible Investment and 2 nd Homes
<p>Non-agency QM product set</p> <ul style="list-style-type: none">• Agency Plus – Full documentation• Alternative Income<ul style="list-style-type: none">• 24-month bank statement• Asset Utilization• One Year Full Doc• 2-Year 1099 <p>GSE AUS-based underwriting</p> <p>Improved pricing compared with traditional NQM products</p>	<p>Traditional NQM products</p> <ul style="list-style-type: none">• Alternative Income doc types• DSCR• Asset Utilization and Asset Qualifier• Credit challenged borrowers <p>Bank statement income calcs performed by concierge desk</p> <p>Broad array of guideline exceptions considered</p>	<p>GSE AUS-based underwriting</p> <p>Niche product for higher LTV non-agency jumbo investment properties</p> <p>Conforming product designed to provide an alternative to higher LLPA GSE alternatives</p> <p>No MI above 80 (Investment properties only)</p>



Opportunity Overview: Elite Product Comparison

The Arc Home Elite product suite provides attractive options for high quality borrowers who fall outside the parameters of a traditional jumbo product or require alternative income documentation options.

New Cohort of Prime Borrowers

- Recent regulatory changes resulted in new cohort of prime borrowers that can now qualify for QM loans with alternative income documentation

Product Expansion

- Arc Home has created Alternative Income and Expanded Eligibility products to meet the credit needs of these borrowers

	Jumbo Programs	Arc Elite Program	
	Jumbo Express	Agency Plus	Alternative Income
Credit Underwriting	DU Approve/Eligible or Approve/Ineligible (for loan amount and/or MI only)	DU Approve/Eligible or Approve/Ineligible (for loan amount and/or MI only)	DU Approve/Eligible or Approve/Ineligible (for loan amount and income only)
Income Documentation	Full Doc (2yrs)	Full Doc (2yrs)	One Year Full Doc 1099s (2yrs) Bank Statements (2yrs) Asset Utilization (over 10yrs)
Minimum FICO	660	640	680
Maximum LTV	80.00-89.99%	89.99%	80.00%
Maximum Loan Amount	\$2-3.0mm	\$3mm (Up to 80.00% LTV) \$2mm (Up to 89.99% LTV)	\$3mm
Maximum DTI	45%	50%	50%
Mortgage Insurance	Not Required	Not Required	Not Required
Credit Exceptions	Limited	None	None



Arc Elite Agency Plus: Full Documentation Program

- **Ease of AUS Credit Underwriting – DU Approve/Eligible or DU Approve/Ineligible (for loan amount and/or MI only) required**
- **Income must be fully documented per Fannie Mae guidelines (2 years)**
- **30-Year Fixed Rate** (Fully Amortized)
- **Primary Residence and Second Home**
- **Eligible Borrowers:** US Citizen, Permanent Resident Alien, Non-Permanent Resident Alien, First Time Home Buyer
- **Eligible Property Types:** SFR, 2-4 Unit, PUD, Condo (Fannie Mae Warrantable), Rural, Property with ≤ 20 acres, Mixed Use, Agriculturally zoned (Agricultural Residential)
- **Ineligible Property Types:** Condotel, Co-Op, Manufactured, Vacant Land, Working Farm, Assisted Living, Boarding House, or other unique property types

Reserve Requirements¹:

Loan Amount	Required Reserves
$\leq \$750K$	3 Months
$> \$750K$ to $\leq \$1.5mm$ & LTV $\leq 85\%$	6 Months
$> \$750K$ to $\leq \$1.5mm$ & LTV $> 85\%$	12 months
$> \$1.5mm$ to $\leq \$2.5mm$	9 Months
$> \$2.5mm$	12 Months

(1) Greater of Grid or DU Findings

Occupancy	Purpose	Units	Min FICO	LTV
Primary Residence	Purchase and Rate/Term	1	700	89.99%
		1-4	680	80%
			640	75%
	Cash-Out	1	720	80%
		1-4	700	75%
			680	70%
			640	65%
			Second Home	Purchase and Rate/Term
680	80%			
640	75%			
Cash-Out	1	720		80%
		700		75%
		680		70%
		640		65%
		Max Loan Amount* = \$3,000,000 (Up to 80.00% LTV) \$2,000,000 (Up to 89.99% LTV)		
Maximum DTI = 50%				

*Maximum loan amounts may vary based on occupancy, purpose, FICO, LTV, etc. Please refer to full eligibility matrix in the Appendix



Arc Elite Alternative Income

- **Ease of AUS Credit Underwriting – DU Approve/Eligible or DU Approve/Ineligible (for loan amount only) required**
- **Alternative income is documented outside of DU requirements**
- **Eligible Income Documentation includes:** One Year Full Doc, 2-Year 1099, Asset Utilization, 24-Month Bank Statements
- **Primary Residence and Second Home**
- **Eligible Borrowers:** US Citizen, Permanent Resident Alien, Non-Permanent Resident Alien, First Time Home Buyer
- **Eligible Property Types:** SFR, 2-4 Unit, PUD, Condo (Fannie Mae Warrantable), Rural, Property with ≤ 20 acres, Mixed Use, Agriculturally zoned (Agricultural Residential)
- **Ineligible Property Types:** Condotel, Co-Op, Manufactured, Vacant Land, Working Farm, Assisted Living, Boarding House, or other unique property types

Reserve Requirements¹:

Loan Amount	Required Reserves
$\leq \$750K$	3 Months
$> \$750K$ to $\leq \$1.5mm$	6 Months
$> \$1.5mm$ to $\leq \$2.5mm$	9 Months
$> \$2.5mm$	12 Months

(1) Greater of Grid or DU findings

Occupancy	Purpose	Units	Min FICO	LTV
Primary Residence	Purchase and Rate/Term	1	720	80%
		1-4	700	75%
			680	70%
	Cash-Out	1	740	80%
		1-4	720	75%
			700	70%
			680	65%
Second Home	Purchase and Rate/Term	1	720	80%
			700	75%
			680	70%
	Cash-Out	1	740	80%
			720	75%
			700	70%
			680	65%
Maximum Loan Amount* = \$3,000,000				
Maximum DTI = 50%				

* Please refer to full eligibility matrix in the Appendix



Arc Access Alternative Income

- **Traditional NQM product with more expansive guidelines than Arc Elite Alternative Income**
- **Eligible Income Documentation includes:** One Year Full Doc, 1- & 2-Year 1099, 12- & 24-Month Bank Statements, CPA-Prepared P&L
- **Eligible Borrowers:** US Citizen, Permanent Resident Alien, Non-Permanent Resident Alien, First Time Home Buyer, LLC and Corporation (per Arc Selling Guide Vesting Requirements)
- **Eligible Property Types:** SFR, 2-4 Unit, PUD, Condo (Fannie Mae Warrantable or Non-Warrantable, including Condotels), Rural, Property with ≤ 20 acres, Mixed Use, Agriculturally zoned (Agricultural Residential)
- **Ineligible Property Types:** Manufactured, Co-Op, Vacant Land, Working Farm, Assisted Living, Boarding House, or other unique property types

Reserve Requirements:

Loan Amount	Required Reserves
$\leq \$1.5\text{mm}$ & LTV $\leq 85\%$	6 Months
$\leq \$1.5\text{mm}$ & LTV $> 85\%$	12 Months
$> \$1.5\text{mm}$ to $\leq \$2.5\text{mm}$	9 Months
$> \$2.5\text{mm}$	12 Months

Occupancy	Purpose	Units	Min FICO	LTV
Primary Residence	Purchase and Rate/Term	1	700	90%
			680	85%
			660	75%
	Cash-Out	1	680	80%
			660	75%
			660	70%
Second Home	Purchase & R/T	1	680	80%
			660	75%
	Cash-Out	1	660	70%
Investment	Purchase & R/T	1-4	680	80%
	Cash-out	1-4	660	70%
Above scenarios for \$1,000,000 loan amt; please refer to full eligibility matrix				
Maximum DTI = 50%; Maximum Loan Amount* = \$3,000,000				

* Please refer to full eligibility matrix in the Appendix



Arc Access Agency Plus: Full Documentation

- **Ideal for near-miss agency prime / Elite Agency Plus borrowers**
- **Eligible Income Documentation includes:** Full / standard documentation for the most recent two (2) years
- **Eligible Borrowers:** US Citizen, Permanent Resident Alien, Non-Permanent Resident Alien, First Time Home Buyer, LLC and Corporation (per Arc Selling Guide Vesting Requirements)
- **Eligible Property Types:** SFR, 2-4 Unit, PUD, Condo (Fannie Mae Warrantable or Non-Warrantable, including Condotel), Rural, Property with ≤ 20 acres, Mixed Use, Agriculturally zoned (Agricultural Residential)
- **Ineligible Property Types:** Manufactured, Co-Op, Vacant Land, Working Farm, Assisted Living, Boarding House, or other unique property types

Reserve Requirements:

Loan Amount	Required Reserves
$\leq \$1.5\text{mm}$ & LTV $\leq 85\%$	6 Months
$\leq \$1.5\text{mm}$ & LTV $> 85\%$	12 Months
$> \$1.5\text{mm}$ to $\leq \$2.5\text{mm}$	9 Months
$> \$2.5\text{mm}$	12 Months

Occupancy	Purpose	Units	Min FICO	LTV
Primary Residence	Purchase and Rate/Term	1	660	90%
		2-4	720	85%
			700	80%
	Cash-Out	1	660	85%
		2-4	700	75%
			720	80%
Second Home	Purchase & R/T	1	660	80%
	Cash-Out	1	660	75%
Investment	Purchase & R/T	1	660	80%
		2-4	700	80%
	Cash-out	1	660	75%
		2-4	700	75%
Above scenarios for \$1,000,000 loan amt; please refer to full eligibility matrix				
Maximum DTI = 50%; Maximum Loan Amount* = \$3,500,000				

* Please refer to full eligibility matrix in the Appendix



Arc Access DSCR

- **Eligible Borrowers:** US Citizen, Permanent Resident Alien, Non-Permanent Resident Alien, LLCs and Corporations (per Arc Selling Guide Vesting Requirements), First Time Investors (below)
- **First Time Investors:** Purchase only, minimum 680 credit score
- **Eligible Property Types:** SFR, 2-4 Unit, PUD, Condo (Fannie Mae Warrantable or Non-Warrantable, including Condotels), Rural Property, Property with ≤ 2 acres
- **Ineligible Property Types:** Manufactured, Co-Op, Vacant Land, Working Farm, Assisted Living, Boarding House, or other unique property types
- **Short-Term Rental Income:** Allowable on purchase and refinance transactions

Reserve Requirements:

Loan Amount	Required Reserves
$\leq \$1.5\text{mm}$	6 Months
$> \$1.5\text{mm}$	9 Months

Purpose	Units	Minimum DSCR	Loan Amount Maximum	Min FICO	LTV
Purchase	1	1.00	\$1,000,000	680	80%
Purchase and Rate / Term	1-4	1.25	\$2,500,000	740	70%
		1.00	\$2,000,000	720	75%
				700	70%
			\$1,500,000	700	75%
			\$1,000,000	680	75%
		1.25	\$1,000,000	640	70% (1 unit) 65% (2-4 units)
		0.75	\$750,000	680	70%
Cash-Out	1-4	1.00	\$2,000,000	740	70%
			\$1,500,000	720	70%
			\$1,000,000	700	70%
			\$1,000,000	680	65%



Arc Access Asset Utilization

- **This product is for high net-worth borrowers who prefer to use their assets for qualification rather than using their income to qualify for the mortgage**
- **Asset Utilization attributes qualifying income to a borrower by utilizing the liquid assets of the borrower calculated over a 60-month period**
- **Eligible Qualifying Assets include:** Cash accounts (100%), Stocks, Bonds & Mutual Funds (70%), Retirement funds (70% if over 59 ½ and retired, 50% if under 59 ½)
- **Eligible Borrowers:** US Citizen, Permanent Resident Alien, Non-Permanent Resident Alien, LLCs and Corporations (per Arc Selling Guide Vesting Requirements)
- **Eligible Property Types:** SFR, 2-4 Unit, PUD, Condo (Fannie Mae Warrantable or Non-Warrantable, including Condotels), Rural, Property with ≤ 20 acres, Mixed Use, Agriculturally zoned (Agricultural Residential)
- **Ineligible Property Types:** Manufactured, Co-Op, Vacant Land, Working Farm, Assisted Living, Boarding House, or other unique property types

Reserve Requirements:

Loan Amount	Required Reserves
$\leq \$1.5\text{mm}$	6 Months
$> \$1.5\text{mm}$ to $\leq \$2.5\text{mm}$	9 Months
$> \$2.5\text{mm}$	12 Months

Occupancy	Purpose	Units	Min FICO	LTV
Primary Residence	Purchase and Rate/Term	1	740	80%
		1	660	75%
		2-4	700	75%
	Cash-Out	1	660	70%
		2-4	700	60%
Second Home	Purchase and Rate/Term	1	700	75%
	Cash-Out	1	700	60%
Investment	Purchase and Rate/Term	1	700	75%
	Cash-Out	1	700	60%
Above scenarios for \$1,000,000 loan amt; please refer to full eligibility matrix				
Maximum DTI = 43%; Maximum Loan Amount* = \$3,000,000				

* Please refer to full eligibility matrix in the Appendix



Agency Eligible 2nd Home and Investment Property / Non-Agency Investment Property Products

- **Second Home and Investment** property transactions
- **Up to 85% LTV** – no MI (Investment Properties)
- **30-Year Fixed Rate** (Fully Amortized)
- Loan amounts eligible from \$100,000 to **\$2mm**
- **AUS Underwriting** – DU Approve or LPA Accept
- **Eligible Borrowers:** US Citizen, Permanent Resident Alien, Non-Permanent Resident Alien
- **Eligible Property Types:** SFR, 2-4 Unit, PUD, Condo (Fannie Mae/Freddie Mac Warrantable)
- **Ineligible Property Types:** Condotel, Co-Op, Manufactured, Timeshare, or other unique property types

Reserve Requirements:

Loan Amount	Required Reserves
</= Conforming Loan Limit	Fannie Mae DU/Freddie Mac LPA Requirements
> Conforming Loan Limit	Greater of AUS (Fannie Mae DU/Freddie Mac LPA) or 6 Months

Loan Size	Occupancy	Purpose	Units	Min FICO	LTV
Up to Conforming Loan Limit, GSE Eligibility Parameters OR the following (whichever is more expansive)	Investment Property	Purchase and Rate/Term	1	740	85%
				700	80%
				680	75%
				660	70%
		Cash-Out	1	640	60%
				720	75%
				700	70%
				680	60%
> Conforming Loan Limit to \$2,000,000	Investment Property	Purchase and Rate/Term	1	740	80%
				700	75%
				680	70%
				660	65%
		Cash-Out	1	640	55%
				720	75%
				700	65%
				680	55%
Please refer to full eligibility matrix					
Maximum DTI = per Fannie Mae DU/Freddie Mac LPA					

* Please refer to full eligibility matrix in the Appendix



Section A-I

About Arc Home





About Arc Home

Our Vision

To delight our clients with an excellent mortgage experience every time without exception.

Our Mission

We are a respected industry leader whose knowledgeable, helpful and friendly team members deliver an exceptional customer experience to our clients with superior products, competitive pricing and a technology-driven mortgage process.

Our Story

In 2016, Arc Home was established with the objective of becoming a full-service, nationwide residential lender and servicer, operating in the wholesale, correspondent and retail origination channels. We felt there was demand for a lender that not only provided excellent customer service but also offered a complete array of loan products to satisfy the needs of the full spectrum of borrowers.

Today, we are a leader in offering non-agency products. Our proprietary Arc Elite and Arc Access product lines allow us to better serve our customers' specific needs in a responsible way, filling a void in the market where borrowers are unable to obtain traditional agency loans.

Our Team Members

Our Team Members are the essence of Arc Home. It is because of our talented and experienced team that we are able to deliver best in class service to our customers. Our top priority is delighting our customer and to fulfill that goal, we are dedicated to recruiting the best talent available while offering them a rewarding career opportunity.

Our leadership team brings breadth and depth to the table, allowing us to build and grow a company where employees are empowered, trusted AND have fun along the way.



Leadership

Richard Bradfield

Chief Executive Officer, joined Arc Home in November 2018. Mr. Bradfield has over 30 years of industry experience, having served in various leadership capacities. Prior to joining Arc Home, he most recently served as the Chief Financial Officer of Home Point Financial. Prior to that, Mr. Bradfield was with PHH Corporation where he served in multiple capacities including Senior Vice President overseeing all Originations Operations, Treasurer and Senior Vice President of Capital Markets. Mr. Bradfield received his bachelor's degree from Drexel University and his MBA from Temple University.

Massimo Monaco

Chief Financial Officer, joined Arc Home in December 2018. Mr. Monaco has over 16 years of industry experience, having served in various leadership capacities. He most recently served as the Chief Financial Officer of American Financial Resources, where he was responsible for all financial aspects of the company including accounting, financial reporting, tax, treasury, asset management, capital markets, and FP&A. Mr. Monaco received his bachelor's degree and MBA from LaSalle University.

Shea Pallante

Chief Production Officer, joined Arc Home in 2023. He brings over 20 years of experience in the mortgage and financial services industries to the role. Prior to joining Arc Home, he served as President and Chief Production Officer at a leading Non-QM lender. Throughout his career, Mr. Pallante has held various leadership positions and has been recognized for his success in building high-performing sales teams and substantially growing origination platforms. Mr. Pallante has successfully built 3 start-ups in the residential mortgage industry with a focus on sales, acquisitions/dispositions, asset management and strategic planning. Mr. Pallante holds a Bachelor's Degree in Labor Law from Pennsylvania State University.

Suzy Lindblom

Chief Operations Officer, joined Arc Home in August 2022. Prior to joining Arc Home, Lindblom served as Chief Operating Officer for First Guaranty Mortgage Corporation. Ms. Lindblom held the same role at Planet Home Lending, as well as a previous stint with Stearns Lending where she was the Managing Director of Operations. She is also highly recognized by the mortgage industry where she has won several awards including the prestigious HousingWire Vanguard Award in 2020. As COO Suzy is responsible to strategically grow the business by creating best-in-class client experience while creating process improvements to create speed, efficiency and communication during the mortgage loan transaction.

Mark Schaefer

Executive Vice President, Capital Markets, joined Arc Home in 2017, bringing with him over 20 years of experience in the residential mortgage industry. Prior to joining Arc Home, Mr. Schaefer was an executive at Ocwen Loan Servicing, LLC from 2013 to 2016 where he held the positions of Director, Agency Performance & Relations and Director, Capital Markets. Mr. Schaefer previously held positions of increased responsibility and breadth within GMAC Residential Capital's Capital Markets. Mr. Schaefer managed their \$3.5B whole loan portfolio, and his experience also includes managing the trading group responsible for hedging and disposition of fixed rate mortgages and the hedge analytics team managing the mortgage pipeline market risk exposure. Mr. Schaefer received a bachelor's degree in Economics from West Chester University and an MBA in Finance from LaSalle University.



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