



Wholesale Announcement

[Prepayment Penalties in New Jersey, Valuation Requirement Updates & Clarification for Log Cabins](#)

Prepayment Penalties in New Jersey

The following update is effective for **Wholesale** loans registered
on or after **August 12, 2026**

Arc Underwriting Guide		
Topic	Previous Guideline	New Guideline
<u>Prepayment Penalties in New Jersey</u> <u>Arc Underwriting Guide Section 2.3</u>	A prepayment penalty in New Jersey is only allowed on DSCR loans when closing in the name of a Corporation (C-Corp) or S-Corp, subject to applicable entity vesting requirements. A prepayment penalty is not allowed on an LLC in New Jersey.	A prepayment penalty in New Jersey is only allowed on DSCR loans when closing in the name of a Corporation (C-Corp), or S-Corp, or LLC , subject to applicable entity vesting requirements. A prepayment penalty is not allowed on an LLC in New Jersey.

Valuation Requirement Updates

The following update is effective for loans registered on or after **August 12, 2026**

Valuation Requirements		
Topic	Previous Guideline	New Guideline
<u>Transferred Appraisals</u> <u>Appraisal Valuation Requirements</u>	Transferred Appraisals: Arc Home Loan Collateral review is required when the SSR score > 2.5 or no score is returned, and LTV > 65%.	Transferred Appraisals: Arc Home Loan Collateral review is required when the SSR score > 2.5 3.5 or no score is returned, and LTV > 65%.
<u>Wholesale Important Notes</u> <u>Appraisal Valuation Requirements</u>	When only one valuation method is available and Collateral Underwriter (CU) / SSR score is greater than 2.5, a secondary valuation method like AVM, Field Review, or CDA is required. Please refer to loan type section for specific requirements, as applicable.	

Clarification for Log Cabins

The following update is effective for loans

Arc Underwriting Guide		
Topic	Previous Guideline	New Guideline
<u>Ineligible Property Types</u> <u>Arc Underwriting Guide Section 5.5</u>	<u>Ineligible Property Types:</u> True Log Homes	<u>Ineligible Property Types:</u> True Log Homes Log and log-façade homes

