

Arc Home
Wholesale FHA Fixed Rate Standard & High Balance

Product Description	Product Name		Allowable Amortization Terms	
	15 Year Fixed Rate FHA		10 to 15 years	
	30 Year Fixed Rate FHA		16 to 30 years	
	15 Year Fixed Rate FHA High Balance		10 to 15 years	
	30 Year Fixed Rate FHA High Balance		16 to 30 years	
HUD Section of ACT and ADP Codes	Section	Description	ADP Code	
	203(b)	Basic Home Mortgage Insurance	703	
	203(b)	Condominium	734	
Qualifying Rate & Ratios	<ul style="list-style-type: none"> • Qualify at Note Rate • Max DTI as determined by AUS, not to exceed 55%. • When all FHA borrowers are First-Time Home Buyers the following apply: <ul style="list-style-type: none"> ○ If the DTI >50 – 55%, minimum 660 FICO is required 			
Types of Financing	<ul style="list-style-type: none"> • Purchase Money • Rate and Term Refi • Cash Out Refi • Simple Refinance 			
Loan Limits	<ul style="list-style-type: none"> • Minimum loan amount: \$50,000 • FHA Standard Balance: Maximum loan limits vary by county. Base loan amounts cannot exceed the lesser of HUD's FHA Mortgage Limit for the area or the FHFA baseline conforming limit. • FHA High Balance: High Balance loan amounts exceed the FHFA baseline conforming limit by at least \$1. The base loan amount cannot exceed HUD's FHA Mortgage Limit for the area. 			
LTV Limitations	Primary Residence			
	LTV Limitations	# of Units	LTV/CLTV	Minimum Credit Score
	Purchase	1-4	96.50%*	580**
	Rate/Term Refinance	1-4	97.75%	
Cash Out Refinance	1-4	80.00%		
<p>*Note: No Max CLTV for DPA secondary financing loans provided by Government Entities, refer to HUD Handbook 4000.1</p> <p>** Loans with DTI > 50% require minimum 620 FICO</p>				
Seasoning Requirements for Cash-Out Refinance	<p>In addition to HUD's Cash-Out Refinance requirements, loans are eligible for Cash-out Refinance if:</p> <ul style="list-style-type: none"> • The Borrower has made at least six consecutive monthly payments on the loan being refinanced, beginning with the payment made on the first payment due date <p style="text-align: center;">AND</p>			

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	<ul style="list-style-type: none"> The first payment due date of the new loan will occur no earlier than 210 days after the first payment due date of the loan being refinanced 			
Mortgage Insurance Premium	Upfront MIP			
	Upfront MIP for ALL: 1.75%			
	Annual MIP for Loan Amount Less than or equal to \$726,200.			
	<u>Greater than 15 year terms</u>			
	<u>15 year or less terms</u>			
	LTV	Annual	LTV	Annual
	> 95.00%	0.55%	> 90.00%	0.40%
	≤ 95.00%	0.50%	≤ 90.00%	0.15%
	Annual MIP for loan amounts greater than \$726,200.			
	<u>Greater than 15 year terms</u>		<u>15 year or less terms</u>	
	LTV	Annual	LTV	Annual
	> 95.00%	0.75%	> 90.00%	0.65%
	≤ 95.00%	0.70%	78.01 - 90.00%	0.40%
			≤ 78.00%	0.15%
	<ul style="list-style-type: none"> For all mortgages regardless of their amortization terms, any mortgage involving an original principal obligation (excluding financed Up-Front MIP (UFMIP)) less than or equal to 90 percent LTV, the annual MIP will be assessed until the end of the mortgage term or for the first 11 years of the mortgage term, whichever occurs first. For any mortgage involving an original principal obligation (excluding financed UFMIP) with an LTV greater than 90 percent, FHA will assess the annual MIP until the end of the mortgage term or for the first 30 years of the term, whichever occurs first. 			
Annual MIP is determined by multiplying the base loan amount by the appropriate Annual Premium factor				
Since the Annual MIP is collected in monthly installments, divide the resulting number by 12 to obtain the monthly premium. This figure is included in the proposed monthly housing expense and qualifying ratios.				
For Simple Refinance of previous Mortgage endorsed on or before May 31, 2009				
UFMIP: 1(bps) (.01%) All Mortgages				
Annual MIP				
All Mortgage Terms				
Base Loan Amount	LTV	MIP (bps)	Duration	
All	≤ 90.00%	55	11 years	
	> 90.00%	55	Mortgage Term	
Property Types	Eligible Property Types <ul style="list-style-type: none"> Single Family Residence 1-4 Units 			



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	<ul style="list-style-type: none"> • PUDs • HUD Approved Condominium <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Mobile Homes • Manufactured Homes • Mixed-Use • Co-op's • Condo Hotels • Timeshares • Working Farms and Ranches • Properties in C5 or C6 condition • Community Land Trust
Occupancy	<ul style="list-style-type: none"> • Primary Residences (Owner occupied)
Geographic Locations	<ul style="list-style-type: none"> • Arc Home cannot lend in Missouri
Assumptions	<ul style="list-style-type: none"> • NA
Escrow Waivers	<ul style="list-style-type: none"> • Taxes and Homeowners Insurance must be escrowed
Prepayment Penalty	<ul style="list-style-type: none"> • None
Underwriting	<ul style="list-style-type: none"> • AUS – Accept/Eligible • Manual Underwriting is permitted, per HUD Guidelines • 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
Processing Styles	<ul style="list-style-type: none"> • Standard
Borrower Eligibility	<ul style="list-style-type: none"> • U.S. Citizens, Permanent and Non-Permanent Resident Aliens • Borrower must take title in individual names, no trusts, etc. allowed
Co-Borrower	<ul style="list-style-type: none"> • Non-occupying Co-Borrower is permitted per HUD Guidelines
Income	<ul style="list-style-type: none"> • Per HUD Guidelines • For loans where tax transcripts are required, transcript data should reflect the level of documentation used for qualifying • A fully executed 4506-C is required for all loans • Tax transcripts will be required when determined by the underwriter • Verbal Verification of Employment is required for all borrowers using salaried income to qualify and must be completed within 10 business days prior to the note date. Verbal Verification of Employment is required for all borrowers using self-employed income to qualify and must be completed within 120 calendar days (USDA requires 30 calendar days) prior to the note date.
Credit	<ul style="list-style-type: none"> • Tri Merged Credit Report with a minimum credit score as referenced in the above grid

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	<ul style="list-style-type: none"> Borrowers currently in a forbearance plan, or pending acceptance of a forbearance plan, are ineligible for a new transaction. This would include any refinance of the loan in forbearance, regardless of payment history, any refinance of other loans not in forbearance, and new purchase transactions. Borrowers will need to resolve the current or pending forbearance prior to completing a new transaction. This guidance is applicable to any borrower in any type of forbearance plan on a residential mortgage, regardless if the borrower has been making their payment during the forbearance. Any loan that enters forbearance or for which forbearance has been requested after closing but prior to delivery to Arc Home, is not eligible for purchase by Arc Home.
Assets	<ul style="list-style-type: none"> Per HUD Guidelines Any cash-in-hand proceeds, to the Borrower, from any cash-out refinance transaction must be wired to a U.S. bank account Principal Reductions are permitted to a maximum of 1% of the loan amount if a lender credit exceeds actual closing costs and/or prepaids as a result of lender paid closing costs. If the excess is greater than 1%, the interest rate must be reduced to lower the lender contribution. Lender contribution cannot be used for Borrower's minimum required investment.
Limitations on Other R.E Owned	<ul style="list-style-type: none"> Per HUD Guidelines
Appraiser Requirements	<ul style="list-style-type: none"> Must be a state-licensed and HUD approved appraiser
Appraisal Requirements	<ul style="list-style-type: none"> Full Residential FHA Appraisal Report required, property must meet HUD Minimum Property Requirements see HUD Handbook 4000.1 for required property documentation and guidelines
Escrow Holdbacks	<ul style="list-style-type: none"> Approval is required for all repair escrows. See the Arc Home Escrow Holdback Policy on the Arc Home website for details.
Internet Links	www.archomellc.com