

Arc Home
Wholesale Fannie Mae HomeReady Fixed Rate

Product Description	Product Name		Amortization Terms		
	30 Year Fixed Rate FNMA HomeReady		21-30 Years		
	20 Year Fixed Rate FNMA HomeReady		16-20 Years		
	15 Year Fixed Rate FNMA HomeReady		11-15 Years		
	10 Year Fixed Rate FNMA HomeReady		10 Years		
	30 Year Fixed Rate FNMA HomeReady High Balance		16-30 Years		
15 Year Fixed Rate FNMA HomeReady High Balance		11-15 Years			
Qualifying Rate & Ratios	<ul style="list-style-type: none"> • Qualify at the Note Rate • As determined by DU and MI Partner's overlay, not to exceed 45% 				
Types of Financing	<ul style="list-style-type: none"> • Purchase Money • Rate and Term Refi 				
Maximum Loan Amount	Maximum loan limits vary by county. The base loan amount cannot exceed the FHFA conforming limit .				
LTV Limitations	Primary Residence				
	LTV Limitations	# of Units	LTV/CLTV¹		
	Conforming Purchase/Limited Cash-out Refinance ²	1	97%/105%		
		2-4	95%/105%		
	High Balance Purchase/Limited Cash-out Refinance	1	95%/105%		
		2	85%/105%		
		3-4	75%/105%		
	¹ CLTV up to 105% with eligible Community Second (refer to Fannie Mae Lending Guide Section B5-6-01 and FNMA Eligibility Matrix for details) ² For Refinances above 95%, Fannie Mae must own the existing mortgage				
HPML/HPCT	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.				

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Property Types	<p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1-4Unit Single Family Residences (SFR) • PUDs • Fannie Mae warrantable condominiums <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Manufactured Homes • Co-op's • Condo Hotels • Timeshares • Properties in C-5 or C-6 condition
Occupancy	<ul style="list-style-type: none"> • Primary Residence Only
Geographic Locations	<ul style="list-style-type: none"> • Arc Home cannot lend in Hawaii and Missouri
Assumptions	<ul style="list-style-type: none"> • Not permitted
Escrow Waivers	<ul style="list-style-type: none"> • Not permitted on LTV's over 80% • In California, not permitted with LTV's over 90%
Prepayment Penalty	<ul style="list-style-type: none"> • None
Underwriting	<ul style="list-style-type: none"> • DU risk classification of Approve/Eligible is required. DU must confirm loan is beingscored as HomeReady. • Manual Underwrites are not permitted • For underwriting guidelines specific to HomeReady, refer to Fannie Mae Guide SectionB5-6-02, HomeReady Mortgage Underwriting Methods and Requirements
Borrower Eligibility	<ul style="list-style-type: none"> • Refer to Fannie Mae Guide section B5-6-01, HomeReady Mortgage Loan and BorrowerEligibility
Homeownership Education	<ul style="list-style-type: none"> • Homeownership education is required for Purchase Transactions; refer to Fannie Mae Guide Section B2-2-06 Homeownership Education and Housing Counseling
Credit	<ul style="list-style-type: none"> • Non-traditional credit is not permitted • All Borrowers must have a FICO score
Income/ Employment	<ul style="list-style-type: none"> • Borrower(s) must meet area median income(AMI) requirements on Fannie Mae's website and satisfy Desktop Underwriter requirements • 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 Fannie Mae Selling Guide B3-3.1-09, Other Sources of Income; Employment Offers or Contracts; Option 2 must be followed. Loan must be delivered with Special Feature Code 707.
Assets	<ul style="list-style-type: none"> • Sweat Equity and Cash on Hand are not permitted • Documentation requirements per Desktop Underwriter

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Mortgage Insurance	<ul style="list-style-type: none"> • Refer to Fannie Mae Section B5-6-06, Mortgage Insurance Coverage • MI Providers: <ul style="list-style-type: none"> ○ Essent ○ Enact ○ MGIC ○ National MI ○ Radian
Appraiser Requirements	<ul style="list-style-type: none"> • Valid state license • Cannot be on the Freddie Mac Exclusionary List
Appraisal Requirements	<ul style="list-style-type: none"> • UAD Compliant • As determined by Desktop Underwriter
Escrow Holdbacks	<ul style="list-style-type: none"> • Approval is required for all escrow repairs. See the Arc Home Escrow Holdback Policy on the Arc Home website for details
Special FeatureCodes	<p>Special Feature Code 900 must be delivered for all HomeReady mortgage loans. In addition, one or more of the following special feature codes may also be required for HomeReady mortgages:</p> <ul style="list-style-type: none"> • loans with a Community Seconds – 118, • loans with financed mortgage insurance – 281 and • loans where at least one Borrower completed pre-purchase housing counseling and homeownership education - 184
Internet Links	www.archomellc.com