

Arc Home
Wholesale Freddie Mac Home Possible ARM

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| Product Description | Product Name | | | Amortization Term |
| | 5/6 mos SOFR ARMFHLMC Home Possible | | | 30 Years |
| | 7/6 mos SOFR ARM FHLMC Home Possible | | | 30 Years |
| | 5/6 mos SOFR ARM FHLMC Home Possible Super Conforming | | | 30 Years |
| | 7/6 mos SOFR ARM FHLMC Home Possible Super Conforming | | | 30 Years |
| | 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 | | | |
| Qualifying Rate & Ratios | <ul style="list-style-type: none">5/6 mos - Greater of Note Rate + 2.00% or the Fully Index Rate7/6 mos – Greater of Note Rate or Fully Indexed RateDependent on Desktop Underwriter and MI Partner’s overlay | | | |
| Types of Financing | <ul style="list-style-type: none">Purchase MoneyRate 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/TLTV/HTLTV Standard Balance | LTV/TLTV/HTLTV Super Conforming |
| | Purchase and Limited Cash-Out Refinance | 1 | 95%/95%/95%* | 95%/ 95%/95% |
| | | 2 | 95%/95%/95%* | 85%/85%/85% |
| | | 3-4 | 75%/75%/75%* | 75%/75%/75% |
| *A TLTV up to 105% is permitted when secondary financing is an Affordable Second | | | | |

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| Property Types | <p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1-4 Unit Single Family Residences (SFR) • Freddie Mac Warrantable Condos • PUDs <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 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 on LTV's over 90% |
| Prepayment Penalty | <ul style="list-style-type: none"> • None |
| 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. |
| Underwriting | <ul style="list-style-type: none"> • LPA risk classification of Accept. LPA must confirm Home Possible eligibility. • Refer to Freddie Mac Seller Guide Section 4501.8 for underwriting requirements • Manual Underwriting is not permitted. |
| Borrower Eligibility | <ul style="list-style-type: none"> • Refer to Freddie Mac Seller Guide Section 4501.7 for Borrower Eligibility |
| Homeownership Education | <ul style="list-style-type: none"> • Homeownership education is required; refer to Freddie Mac Seller Guide Section 4501.12 |
| Income/ Employment | <ul style="list-style-type: none"> • Borrower must meet area median income requirements on Freddie Mac's website and satisfy Loan Product Advisor 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 Freddie Mac Seller/Service Guide Chapter 5303.2(e), Option 1 must be utilized. |
| Credit | <ul style="list-style-type: none"> • Credit acceptability is determined by Loan Product Advisor • Non-traditional credit is not permitted • All Borrowers must have a FICO score |
| Assets | <ul style="list-style-type: none"> • Determined by Loan Product Advisor • Refer to Chapter 4501.10 for Freddie Mac Selling Guide Borrower contribution requirements, reserves and sources of funds for Home Possible Mortgages • Sweat equity and cash on hand are not permitted |

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| Mortgage Insurance | <ul style="list-style-type: none"> • Per Chapter 4701.1 of Freddie Mac Single Family Seller Guide • 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 Loan Product Advisor |
| 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. |
| Delivery | <ul style="list-style-type: none"> • Refer to Freddie Mac Seller Guide Section 4501.13 |
| Internet Links | www.archomellc.com |