



25-052

## Arc Home LLC Wholesale Lending Announcement

### DSCR & USDA Updates

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## DSCR &amp; USDA Updates

## DSCR Update

The below update is effective for DSCR loans closing on or after August 15, 2025

Arc Home Underwriting Guide		
Topic	Previous Guideline	New Guideline
<b>When Property is Vested in Name of Entity and a Natural Person</b>	<p>For Transactions where the co-mortgagors are both the Entity and a natural person(s) who has authority to sign on behalf of the entity:</p> <ul style="list-style-type: none"> <li>At least one Entity owner must complete the application (Form 1003) and, as applicable, may be subject to a full underwrite for credit, income, assets. The Entity owner(s) completing the Form 1003 must, in the aggregate, directly and personally own at least 25% of the Entity. Section labelled "Title will be held in what Name(s)" should be completed with only the Entity name.</li> <li>The Note must be executed by all borrowers and the Entity (the borrower will sign on behalf of the Entity).</li> <li>The Deed and Security Instrument must be executed by the Entity (the borrower will sign as an authorized signor of the Entity).</li> </ul>	<p>For Transactions where the co-mortgagors are both the Entity and a natural person(s) who has authority to sign on behalf of the entity:</p> <ul style="list-style-type: none"> <li>At least one Entity owner must complete the application (Form 1003) and, as applicable, may be subject to a full underwrite for credit, income, assets. The Entity owner(s) completing the Form 1003 must, in the aggregate, directly and personally own at least 25% of the Entity. Section labelled "Title will be held in what Name(s)" should be completed with only the Entity name.</li> <li>The Note must be executed by all borrowers and the Entity (the borrower will sign on behalf of the Entity).</li> <li>The Deed and Security Instrument must be executed by the Entity (the borrower will sign as an authorized signor of the Entity).</li> <li>Separate agreement or personal guarantee document is not required.</li> </ul>

## DSCR &amp; USDA Updates

## Arc Home Underwriting Guide

Topic	Previous Guideline	New Guideline
	<ul style="list-style-type: none"> <li>Separate agreement or personal guarantee document is not required.</li> </ul>	<ul style="list-style-type: none"> <li>For DSCR only, the entity will sign the Note and Security Instrument. A Personal Guarantee will be required from the Borrower(s).</li> </ul>

## USDA Update

The following updated is effective immediately for all USDA loans

USDA		
Topic	Previous Guideline	New Guideline
<b>Elderly Family Income Deduction</b>  <a href="#">USDA HB-1-3555, Chapter 9, Attachment 9-A</a>	Elderly Household Income Deduction for calculating adjusted annual income: <ul style="list-style-type: none"> <li>Applicants 62 years or older</li> <li>One \$400 deduction allowed per household</li> </ul>	Elderly Household Income Deduction for calculating adjusted annual income: <ul style="list-style-type: none"> <li>Applicants 62 years or older</li> <li>One <b>\$525</b> deduction allowed per household</li> </ul>