



Arc Elite Agency Plus QM

This product is for borrowers qualifying with standard documentation per the DU findings. Designed for borrowers with conforming and non-conforming loan amounts who don't want private mortgage insurance.

LTV Matrix

Fixed Rate

Occupancy	Purpose	Loan Amount Maximum	Units	Credit Score Minimum	LTV/(H)CLTV ^{1,2}
Primary Residence	Purchase and Rate/Term	\$3,000,000	1	680	80%
		\$3,000,000		640	75%
		\$2,000,000		700	89.99% ²
		\$1,500,000	2-4	680	89.99% ²
		\$3,000,000		680	80%
		\$3,000,000		640	75%
	Cash-Out ³	\$2,000,000	1	700	85% ²
		\$3,000,000		720	80%
		\$3,000,000		700	75%
		\$3,000,000		680	70%
		\$3,000,000	2-4	640	65%
		\$2,000,000		680	80%
		\$3,000,000		700	75%
		\$3,000,000		680	70%
Second Home	Purchase and Rate/Term	\$3,000,000	1	680	80%
		\$3,000,000		640	75%
		\$2,000,000		700	89.99% ²
	Cash-Out ³	\$3,000,000	1	720	80%
		\$3,000,000		700	75%
		\$3,000,000		680	70%
		\$3,000,000		640	65%
		\$2,000,000	2-4	680	75%
		\$3,000,000		680	70%
		\$3,000,000		640	65%

1. **Rural properties:** Max 80% LTV/CLTV for Purchase and Rate/Term. Max 75% LTV/CLTV for Cash-Out
2. Max 80% LTV/(H)CLTV when DTI > 45% or Forbearance seasoned <=12 months
3. **Cash-out Transactions:** \$1MM maximum cash-in-hand.

Product Specific Requirements

Amortization Type	30 Year Fixed Rate
Appraisal Requirement	<ul style="list-style-type: none"> One appraisal is required for loan amounts ≤ \$2,000,000. Two appraisals are required for loan amounts > \$2,000,000. Follow the Arc Selling Guide for Collateral Review requirements. Appraisal Waivers (PIW) are not permitted, regardless of DU feedback
Asset Documentation	<ul style="list-style-type: none"> Assets used for down payment, closing costs and reserves must be documented for greater of DU requirements or 60 days. Refer Fannie Mae eligibility and documentation requirements.
Borrower Contribution	Gift funds are permitted for down payment and closing costs. Refer to the Arc Selling Guide.
Borrower Eligibility	Eligible: <ul style="list-style-type: none"> US Citizens



	<ul style="list-style-type: none"> • Permanent Resident Aliens • Non-Permanent Resident Aliens • First Time Homebuyers • Non-Occupant Co-Borrowers <p>Ineligible:</p> <ul style="list-style-type: none"> • Foreign Nationals
Credit/Payment History Requirements	<ul style="list-style-type: none"> • Borrowers with Derogatory credit must meet Fannie Mae Guidelines. • Forbearance permitted only due to Cares Act/COVID-19. • Minimum of two FICO scores for each Borrower • All applicant(s) and co-borrowers must meet the credit score requirements individually. • Non-traditional credit report is not permitted. • Payment history requirements: 0x30x12 mortgage/rental history on the subject property and all financed REOs under the borrower's name.
Geographic Restrictions	Hawaii and Missouri are eligible for Delegated Correspondents only.
Impound/Escrow Accounts	Escrow funds/impound accounts may be waived for taxes and hazard insurance in accordance with the Arc Selling Guide.
Income Requirements	Follow Fannie Mae DU requirements.
Lien Position	First
Minimum Loan Amount	\$125,000
Number of Financed Properties	<ul style="list-style-type: none"> • A single borrower can have no more than 10 financed properties including subject property. All properties in which the borrower is personally obligated must be included in the financed property maximum. • For Arc Elite, Arc Access, Conventional Investment Property and FNMA/FHLMC Second Home-Investment Property Products, each borrower may not exceed either an aggregate unpaid principal balance amount of \$5MM or 10 loans (including the subject property) financed with Arc Home Loans.
Occupancy	<ul style="list-style-type: none"> • Primary Residence • Second Home
Prepayment Penalty	Not allowed.
Property Types	<p>Eligible:</p> <ul style="list-style-type: none"> • 1-4 unit (Detached, Semi Detached, Attached) • PUD (Detached, Attached) • Warrantable Condominium (Detached, Attached) <p>Ineligible:</p> <ul style="list-style-type: none"> • Non-Warrantable Condominiums • Refer to the Arc Selling Guide for ineligible property types.
QM Requirement	Loan must meet QM Safe harbor or Rebuttable Presumption requirements.
Ratios	DTI as determined by DU
Reserve Requirements	<p>Greater of DU requirements or the below requirements:</p> <ul style="list-style-type: none"> • Loan Amount ≤ \$750K: 3 months • Loan Amount > \$750K - \$1.5MM: <ul style="list-style-type: none"> ○ LTV ≤ 85%: 6 months ○ LTV > 85%: 12-months • Loan Amount > \$1.5MM-\$2.5MM: 9 months • Loan Amount > \$2.5MM: 12 months • Cash out proceeds may be used to satisfy reserve requirements up to a 70% LTV/ CLTV.
Secondary Financing	Allowed



Tax Transcripts	Wage Earners: A signed 4506-C is required. Transcripts are not required. All income requiring tax returns: A signed 4506-C and IRS Tax Transcripts must be obtained during the loan process.
Transaction Types	Eligible: <ul style="list-style-type: none">• Purchase• Rate Term Refinance• Delayed Financing as a cash out transaction• Cash Out Refinance• Texas 50(a)(6) Rate Term and Cash Out refinances
Underwriting	Loans must score "Approve" on Fannie Mae Desktop Underwriter (DU). Loans may score "Ineligible" only for loan amount, mortgage insurance and LTV. A Caution, Incomplete, invalid or out of Scope are not allowed. Refer to the Arc Selling Guide for complete program requirements.

Product Codes

30 YR FIXED ELITE AGENCY PLUS