Arc Home
Correspondent Fannie Mae Conforming Fixed Rate

Product Description

Product Name	Amortization Terms
30 Year Fixed Rate FNMA Conventional	21-30 Years
20 Year Fixed Rate FNMA Conventional	16-20 Years
15 Year Fixed Rate FNMA Conventional	11-15 Years
10 Year Fixed Rate FNMA Conventional	10 Years

Qualifying Rate & Ratios

- Qualify at Note Rate
- Max DTI as determined by DU and MI Partner's overlay

Types of Financing

- Purchase Money
- Rate and Term Refi
- Cash Out Refi
  - Arc Home will permit a maximum of three (3) delayed financing transactions per Borrower
- For Texas primary residences, cash-out refinances are permitted under the following terms:
  - Permitted for SFD, PUD or warrantable condo
  - Maximum 80% LTV/CLTV
  - ANY cash-back to Borrower is considered a Cash-Out Refinance
  - All requirements in Texas 50(a)6 legislation will apply
  - See Chapter B5-4.1 of Fannie Mae Selling Guide for full requirements
- NY Consolidation and Extension Modification Agreement (CEMA) is permitted for fully delegated only

Maximum Loan Amount

Maximum loan limits vary by county. The base loan amount cannot exceed the FHFA baseline conforming limit.

LTV Limitations

Primary Residence		
LTV Limitations	**# of Units**	**LTV/CLTV/HCLTV**
Purchase and Limited Cash Out Refinance	1	97%/97%/97%[1]
	2	85%/85%85%
	3-4	75%/75%/75%
Cash Out Refinance	1	80%/80%/80%
	2-4	75%/75%/75%

[1] LTV's above 95%:

- For purchase transactions, at least one Borrower must meet Fannie Mae's definition of a 1st Time Home Buyer
- For limited cash-out refinances, Fannie Mae must be the owner of the existing mortgage

Second Home		
LTV Limitations	**# of Units**	**LTV/CLTV/HCLTV**
Purchase and Limited Cash Out Refinance	1	90/90%/90%
Cash Out Refinance	1	75%75%75%

Investment Property		
LTV Limitations	**# of Units**	**LTV/CLTV/HCLTV**
Purchase	1	85%/85%/85%
	2-4	75%/75%/75%
Limited Cash-Out Refinance	1-4	75%/75%/75%

	Cash Out Refinance	1	75%/75%75%
		2-4	70%70%70%
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.		
Property Types	**Eligible Property Types** • 1-4 Unit Single Family Residences (SFR) • PUDs • Fannie Mae warrantable condominiums **Ineligible Property Types** • Manufactured Homes • Co-op's • Condo Hotels • Timeshares • Properties in C5 or C6 condition		
Occupancy	• Primary Residence • Second Home • Investment Property		
Geographic Restrictions	• Loans not eligible in North Dakota • In Hawaii, Arc Home may only fund fully delegated loans.		
Assumptions	• NA		
Escrow Waivers	• Not permitted on loans with LTV's over 80% • In California, not permitted with LTV's over 90%		
Prepayment Penalty	• None		
Underwriting	• Desktop Underwriter with risk classification of Approve/Eligible is required • Manual Underwrites are not permitted		
Borrower Eligibility	• See Fannie Mae Selling Guide Chapter B2-2: Borrower Eligibility		
Income	• As determined by Desktop Underwriter		
Credit	• Non-Traditional Credit not permitted		
Assets	• As determined by Desktop Underwriter		
Mortgage Insurance	• Standard mortgage insurance coverage is required, follow Desktop Underwriter recommendation • In New York, for purposes of determining terms of mortgage insurance, Lenders are required to rely solely on the appraised value of the property. • Borrower Paid MI permitted • Lender Paid MI permitted • MI Providers – Refer to Correspondent Seller's Guide for approved providers		

Limitations on Other R.E Owned	• Follow Fannie Mae Selling Guide Chapter B2-2-03
Appraiser Requirements	• Valid state license • Cannot be on the Freddie Mac Exclusionary List
Appraisal Requirements	• UAD Compliant • As determined by Desktop Underwriter
Special Requirements / Restrictions	• Escrow Holdbacks must be completed by loan purchase
Internet Links	www.archomellc.com