

**Arc Home**  
**Correspondent 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"> <li>• Qualify at the Note Rate</li> <li>• As determined by DU and MI Provider's overlay, not to exceed 45%</li> </ul>		
Types of Financing	<ul style="list-style-type: none"> <li>• Purchase Money</li> <li>• Rate and Term Refi</li> </ul>		
Loan Amount	Maximum loan limits vary by county. The base loan amount cannot exceed the <a href="#">FHFA conforming limit</a> .		
LTV Limitations	Primary Residence		
	LTV Limitations	# of Units	LTV/CLTV <sup>1</sup>
	Conforming Purchase/Limited Cash-out Refinance <sup>2</sup>	1	97%/105%
		2-4	95%/105%
	High Balance Purchase/Limited Cash-Out Refinance	1	95%/105%
		2	85%/105%
		3-4	75%/105%
	<sup>1</sup> CLTV up to 105% with eligible Community Second (refer to <a href="#">Fannie Mae Lending Guide Section B5-6-01</a> and <a href="#">FNMA Eligibility Matrix</a> for details) <sup>2</sup> For Refinances above 95% LTV, Fannie Mae must own the existing mortgage		

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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	<b>Eligible Property Types</b> <ul style="list-style-type: none"> <li>• 1-4Unit Single Family Residences (SFR)</li> <li>• PUDs</li> <li>• Fannie Mae warrantable condominiums</li> </ul> <b>Ineligible Property Types</b> <ul style="list-style-type: none"> <li>• Manufactured Homes</li> <li>• Co-op's</li> <li>• Condo Hotels</li> <li>• Timeshares</li> <li>• Properties in C5 or C6 condition</li> </ul>
Occupancy	<ul style="list-style-type: none"> <li>• Primary Residence Only</li> </ul>
Geographic Locations	<ul style="list-style-type: none"> <li>• In Missouri, Arc Home may only fund fully delegated loans.</li> </ul>
Assumptions	<ul style="list-style-type: none"> <li>• Not permitted</li> </ul>
Escrow Waivers	<ul style="list-style-type: none"> <li>• Not permitted on LTV's over 80%</li> <li>• In California, not permitted with LTV's over 90%</li> </ul>
Prepayment Penalty	<ul style="list-style-type: none"> <li>• None</li> </ul>
Underwriting	<ul style="list-style-type: none"> <li>• DU risk classification of Approve/Eligible is required. DU must confirm loan is being scored as HomeReady.</li> <li>• Manual Underwrites are not permitted</li> </ul>
Borrower Eligibility	<ul style="list-style-type: none"> <li>• Refer to <a href="#">Fannie Mae Guide section B5-6-01, HomeReady Mortgage Loan and Borrower Eligibility</a></li> </ul>
Homeownership Education	<ul style="list-style-type: none"> <li>• Homeownership education is required for Purchase Transactions; refer to <a href="#">Fannie Mae Guide Section B2-2-06 Homeownership Education and Housing Counseling</a></li> </ul>
Credit	<ul style="list-style-type: none"> <li>• Non-traditional credit is not permitted</li> <li>• All Borrowers must have a FICO score</li> </ul>
Income/ Employment	<ul style="list-style-type: none"> <li>• Borrower(s) must meet <a href="#">area median income(AMI) requirements on Fannie Mae's website</a></li> <li>• Refer to Fannie Mae Guide Section B5-6-03, HomeReady Mortgage Underwriting Methods and Requirements</li> </ul>
Assets	<ul style="list-style-type: none"> <li>• Refer to <a href="#">Fannie Mae Section B5-6-02, HomeReady Mortgage Underwriting Methods and Requirements</a></li> <li>• Sweat Equity and Cash on Hand are not permitted</li> </ul>

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Mortgage Insurance	<ul style="list-style-type: none"> <li>Refer to <a href="#">Fannie Mae Section B5-6-06, Mortgage Insurance Coverage</a></li> <li>MI Providers - Refer to Correspondent Seller's Guide for approved providers</li> </ul>
Appraiser Requirements	<ul style="list-style-type: none"> <li>Valid state license</li> <li>Cannot be on the Freddie Mac Exclusionary List</li> </ul>
Appraisal Requirements	<ul style="list-style-type: none"> <li>UAD Compliant</li> <li>As determined by Desktop Underwriter</li> </ul>
Special Feature Codes	<p>Special Feature Code 900 must be delivered for all HomeReady mortgage loans.</p> <p>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"> <li>loans with a Community Seconds – 118,</li> <li>loans with financed mortgage insurance – 281 and</li> <li>loans where at least one Borrower completed pre-purchase housing counseling and homeownership education - 184</li> </ul>
Special Requirements/ Restrictions	<ul style="list-style-type: none"> <li>Escrow Holdbacks must be completed by loan purchase</li> </ul>
Internet Links	<a href="http://www.archomellc.com">www.archomellc.com</a>