

Arc Home
Correspondent Freddie Mac Conforming ARM

Product Description	Product Name		Amortization Terms																															
	5/6 mos SOFR ARM FHLMC Conventional		30 Years																															
	7/6 mos SOFR ARM FHLMC Conventional		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 RefiCash Out Refi<ul style="list-style-type: none">Arc Home will permit a maximum of three (3) delayed financing transactions per BorrowerTexas 50(a)6 loans are permitted per Freddie Mac Selling Guide, Chapter 4301.7NY Consolidation, Extension & Modification Agreement (CEMA) loans are permitted for fully delegated loans only																																	
Maximum Loan Amount	Maximum loan limits vary by county. The base loan amount cannot exceed the FHFA baseline conforming limit .																																	
LTV Limitations	<table><tr><th colspan="3">Primary Residence</th></tr><tr><th>LTV Limitations</th><th># of Units</th><th>LTV/CLTV/HCLTV</th></tr><tr><td rowspan="3">Purchase and Limited Cash Out Refinance</td><td>1</td><td>95%/95%/95%</td></tr><tr><td>2</td><td>85%/85%85%</td></tr><tr><td>3-4</td><td>80%/80%/80%</td></tr><tr><td rowspan="2">Cash Out Refinance</td><td>1</td><td>80%/80%/80%</td></tr><tr><td>2-4</td><td>75%/75%/75%</td></tr></table> <table><tr><th colspan="3">Second Home</th></tr><tr><th>LTV Limitations</th><th># of Units</th><th>LTV/CLTV/HCLTV</th></tr><tr><td>Purchase and Limited Cash Out Refinance</td><td>1</td><td>90%/90%/90%</td></tr><tr><td>Cash Out Refinance</td><td>1</td><td>75%/75%/75%</td></tr></table>				Primary Residence			LTV Limitations	# of Units	LTV/CLTV/HCLTV	Purchase and Limited Cash Out Refinance	1	95%/95%/95%	2	85%/85%85%	3-4	80%/80%/80%	Cash Out Refinance	1	80%/80%/80%	2-4	75%/75%/75%	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%
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	Investment Property		
	LTV Limitations	# of Units	LTV/CLTV/HCLTV
	Purchase and Limited Cash Out Refinance	1	85%/85%/85%
		2-4	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 <ul style="list-style-type: none"> • 1-4 Unit Single Family Residences (SFR) • PUDs • Freddie Mac warrantable condominiums Ineligible Property Types <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 • 2nd Home • Investment Property 		
Geographic Locations	<ul style="list-style-type: none"> • In Missouri, Arc Home may only fund fully delegated loans 		
Assumptions	<ul style="list-style-type: none"> • NA 		
Escrow Waivers	<ul style="list-style-type: none"> • Not permitted on loans with LTV's over 80% • In California, not permitted with LTV's over 90% 		
Prepayment Penalty	<ul style="list-style-type: none"> • None 		
Underwriting	<ul style="list-style-type: none"> • All loans must score Accept on Loan Product Advisor • Manual underwrites are not permitted 		
Borrower Eligibility	<ul style="list-style-type: none"> • See Freddie Mac Seller Guide Topic 5100 		
Income	<ul style="list-style-type: none"> • As determined by Loan Product Advisor 		
Credit	<ul style="list-style-type: none"> • Non-traditional credit is not permitted • All Borrowers must have a FICO score 		
Assets	<ul style="list-style-type: none"> • As determined Loan Product Advisor 		
Mortgage Insurance	<ul style="list-style-type: none"> ○ Standard mortgage insurance coverage is required, follow Loan Product Advisor recommendation 		

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	<ul style="list-style-type: none"> ○ 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	<ul style="list-style-type: none"> • See Freddie Mac Seller Guide Topic 4201.14, 4201.15 and 4201.16
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
Special Requirements / Restrictions	<ul style="list-style-type: none"> • Escrow Holdbacks must be completed by loan purchase
Internet Links	www.archomellc.com