

Arc Home
Correspondent Freddie Mac Home Possible ARM

Product Description	Product Name			Amortization Term
	5/6 mos SOFR ARM FHLMC Home Possible			30 Years
	7/6 mos SOFR ARM FHLMC Home Possible			30 Years
	5/6 mos SOFR ARM FHLMC Home Possible Super Conforming			30 Years
	7/6 mos SOFR ARM FHLMC Home Possible Super Conforming			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 Rate• 7/6 mos – Greater of Note Rate or Fully Indexed Rate• Dependent on Desktop Underwriter and MI Partner’s overlay			
Types of Financing	<ul style="list-style-type: none">• Purchase Money• Rate and Term Refi			
Loan Amount	Maximum loan limits vary by county. The base loan amount cannot exceed the FHFA conforming limit .			
LTV Limitations	Primary Residence			
	LTV Limitations	# of Units	LTV/TLTV/HTLTV Standard Balance	LTV/TLTV/HTLTV Super Conforming
	Purchase and Limited Cash-Out Refinance	1	95%/95%/95%*	95%/ 95%/95%
		2	95%/95%/95%*	85%/85%/85%
		3-4	75%/75%/75%*	75%/75%/75%
	*A HTLTV up to 105% is permitted when secondary financing is an Affordable Second			

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Property Types	<p>Eligible Property Types</p> <ul style="list-style-type: none"> • 1-4 Unit Single Family Residences (SFR) • Freddie Mac warrantable condos • PUDs <p>Ineligible Property Types</p> <ul style="list-style-type: none"> • Manufactured Homes • Co-op's • Condo Hotels • Timeshares • Properties in C5 or C6 condition
Occupancy	<ul style="list-style-type: none"> • Primary Residence Only
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"> • Not permitted
Escrow Waivers	<ul style="list-style-type: none"> • Not permitted on LTV's over 80% • In California, not permitted on LTV's over 90%
Prepayment Penalty	<ul style="list-style-type: none"> • None
HPML/HPCT	<ul style="list-style-type: none"> • 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.
Underwriting	<ul style="list-style-type: none"> • LPA risk classification of Accept. LPA must confirm Home Possible eligibility. • Refer to Freddie Mac Seller Guide Section 4501.8 for underwriting requirements • Manual Underwriting is not permitted.
Borrower Eligibility	<ul style="list-style-type: none"> • Refer to Freddie Mac Seller Guide Section 4501.7 for Borrower Eligibility
Homeownership Education	<ul style="list-style-type: none"> • Homeownership education is required; refer to Freddie Mac Seller Guide Section 4501.12
Income/ Employment	<ul style="list-style-type: none"> • Refer to Freddie Mac Seller Guide Section 4501.9
Credit	<ul style="list-style-type: none"> • Credit acceptability is determined by Loan Product Advisor • Non-traditional credit is not permitted • All Borrowers must have a FICO score
Assets	<ul style="list-style-type: none"> • Determined by Loan Product Advisor • Refer to Chapter 4501.10 for Freddie Mac Selling Guide Borrower contribution requirements, reserves and sources of funds for Home Possible Mortgages • Sweat equity and cash on hand are not permitted
Mortgage Insurance	<ul style="list-style-type: none"> • Per Chapter 4701.1 of Freddie Mac Single Family Seller Guide • MI Providers – Refer to Correspondent Seller's Guide for approved providers
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

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Delivery	<ul style="list-style-type: none">Refer to Freddie Mac Seller Guide Section 4501.13
Internet Links	www.archomellc.com