



## FHA Refinance Standard and High Balance Fixed Rate and ARM Credit Qualifying & Non-Credit Qualifying Streamline With FICO

LTV Matrix Fixed Rate and ARM						
Occupancy	Purpose	Maximum Loan Amount	Units	Maximum LTV/(H)CLTV	Minimum FICO	Maximum DTI
Primary, Second Home, Investment	Streamline	High Balance	1-4	97.75%/97.75%	600 <sup>1</sup>	55%
	Streamline	Standard	1-4	97.75%/200%		

### LTV Matrix Footnotes

1. A minimum 600 credit score is required even on a non-credit qualifying loan.

### Product Details

<b>Appraisal Requirements</b>	Not required								
<b>ARM Parameters</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">Index</td> <td>The weekly average yield on the 1-Year Constant Maturity Treasury Index</td> </tr> <tr> <td>Margin</td> <td>2.00%</td> </tr> <tr> <td>Caps</td> <td>3/1: 1/1/5 5/1: 1/1/5</td> </tr> <tr> <td>Interest Rate Adjustment</td> <td>The interest rate is fixed for the initial period and adjusts on an annual basis thereafter using the Index value effective 30 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.</td> </tr> </table>	Index	The weekly average yield on the 1-Year Constant Maturity Treasury Index	Margin	2.00%	Caps	3/1: 1/1/5 5/1: 1/1/5	Interest Rate Adjustment	The interest rate is fixed for the initial period and adjusts on an annual basis thereafter using the Index value effective 30 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.
Index	The weekly average yield on the 1-Year Constant Maturity Treasury Index								
Margin	2.00%								
Caps	3/1: 1/1/5 5/1: 1/1/5								
Interest Rate Adjustment	The interest rate is fixed for the initial period and adjusts on an annual basis thereafter using the Index value effective 30 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.								
<b>Assets</b>	<ul style="list-style-type: none"> <li>Verify borrower(s) funds to close, in excess of the total Mortgage Payment of the new Mortgage refer to source of funds guideline in HUD 4000.1 Handbook</li> <li>Principal Reduction is permitted to a maximum of 1% of the loan amount if a lender credit exceeds actual closing costs and/or prepaids as a result of lender paid closing costs. If the excess is greater than 1%, the interest rate must be reduced to lower the lender contribution.</li> <li>Cash reserves:               <ul style="list-style-type: none"> <li>Non-Credit Qualifying - No cash reserve requirements</li> <li>Credit Qualifying                   <ul style="list-style-type: none"> <li>1-2 unit properties: 1 months PITI</li> <li>3-4 unit properties: 3 months PITI</li> </ul> </li> </ul> </li> </ul>								
<b>Assumptions</b>	N/A								
<b>Borrower Eligibility</b>	<ul style="list-style-type: none"> <li>Borrower must be natural person &amp; meet minimum state age requirements</li> <li>At least one Borrower from the existing Mortgage must remain as a Borrower on the new Mortgage</li> <li>Non-occupying co-borrowers that were on the original loan may remain.</li> <li>Adding a non-occupying co-borrower is NOT allowed.</li> </ul>								
<b>Community Property States</b>	<ul style="list-style-type: none"> <li>California</li> <li>Louisiana</li> <li>New Mexico</li> <li>Texas</li> <li>Washington</li> <li>Wisconsin</li> </ul>								
<b>Credit</b>	<p>As documented by a tri-merged "soft pull" credit report:</p> <ul style="list-style-type: none"> <li>Minimum FICO requirements per the LTV Matrix apply on credit qualifying and non credit qualifying transactions.</li> </ul>								



## FHA Refinance Standard and High Balance Fixed Rate and ARM Credit Qualifying & Non-Credit Qualifying Streamline With FICO

	<ul style="list-style-type: none"> <li>The Borrower must have made all Mortgage Payments on the subject property within the month due for the six months prior to case number assignment and have no more than one 30-Day late payment for the previous six months for all Mortgages. The Borrower must have made the payments for all Mortgages secured by the subject Property Within the month due for the month prior to mortgage disbursement.</li> <li>Borrowers currently in a forbearance plan, or pending acceptance of a forbearance plan, are ineligible for a new transaction. This would include any refinance of the loan in forbearance, regardless of payment history, any refinance of other loans not in forbearance, and new purchase transactions. Borrowers will need to resolve the current or pending forbearance prior to completing a new transaction. This guidance is applicable to any borrower in any type of forbearance plan on a residential mortgage, regardless if the borrower has been making their payment during the forbearance. Any loan that enters forbearance or for which forbearance has been requested after closing but prior to delivery to Arc Home, is not eligible for purchase by Arc Home.</li> </ul>		
Escrow Holdbacks	<ul style="list-style-type: none"> <li>In Wholesale, approval is required for all repair escrows and eligibility is subject to Arc Home discretion.</li> <li>In Correspondent, escrow holdbacks must be closed prior to purchase.</li> </ul>		
Escrow Waivers	Taxes and Homeowners Insurance must be escrowed		
HPML/HPCT	<ul style="list-style-type: none"> <li>HPML loans are eligible.</li> <li>Loans must be originated to meet definition of a Safe Harbor or Rebuttable Presumption Mortgage Loan under the Qualified Mortgage Rule.</li> </ul>		
HUD Section of ACT and ADP Codes	Section	Description	ADP Code
	203(b)	Basic Home Mortgage Insurance	703
	203(b)	Condominium	734
Income	<ul style="list-style-type: none"> <li>Per HUD Guidelines               <ul style="list-style-type: none"> <li>Non-Credit Qualifying Refi: Employment and income do not need to be disclosed</li> <li>Credit Qualifying Refi: Standard income documentation required</li> </ul> </li> <li>Verbal Verification of Employment is required for all borrowers using salaried income to qualify and must be completed within 10 business days prior to the note date. Verbal Verification of Employment is required for all borrowers using self-employed income to qualify and must be completed within 120 calendar days prior to the note date.</li> <li>Federal law restricts marijuana related activities and therefore the income and assets from these sources are not allowed for qualifying. Related activities include:               <ul style="list-style-type: none"> <li>Possession of cannabis or cannabis seeds</li> <li>Processing</li> <li>Growing</li> <li>Harvesting/Cultivation</li> <li>Testing</li> <li>Packaging/Delivery</li> <li>Wholesale or Retail Sales</li> </ul> </li> </ul>		
Limitations on Other R.E Owned	Per HUD Guidelines. Borrower may own no more than one FHA-insured primary residence.		
Maximum Loan Amount	<ul style="list-style-type: none"> <li>Minimum loan amount: \$50,000</li> <li>FHA Standard Balance: Maximum loan limits vary by county. Base loan amounts cannot exceed the lesser of HUD's <a href="#">FHA Mortgage Limit</a> for the area or the <a href="#">FHFA baseline conforming limit</a>.</li> <li>FHA High Balance: High Balance loan amounts exceed the FHFA baseline conforming limit by at least \$1. The base loan amount cannot exceed HUD's <a href="#">FHA Mortgage Limit</a> for the area.</li> </ul>		



**FHA Refinance Standard and High Balance Fixed Rate and ARM  
Credit Qualifying & Non-Credit Qualifying Streamline With FICO**

<b>Mortgage Insurance Premium</b>	Upfront MIP and Annual Mortgage Insurance Premium for Streamline Refinance of FHA-endorsed Mortgage After May 31, 2009			
	Upfront Mortgage Insurance Premium : 175 Basis Points (bps) (1.75%) of the Base Loan Amount			
	<b>Mortgage Term of More Than 15 Years</b>			
	<b>Base Loan Amount</b>	<b>LTV</b>	<b>Annual MIP (bps)</b>	<b>Duration</b>
	Less than or equal to \$726,200	≤ 90.00%	50	11 years
		> 90.00% < 95.00%	50	Mortgage term
		>95%	55	Mortgage term
	Greater than \$726,200	≤ 90.00%	70	11 years
		> 90.00% < 95.00%	70	Mortgage term
		>95%	75	Mortgage term
	<b>Mortgage Term of Less Than or Equal to 15 Years</b>			
	<b>Base Loan Amount</b>	<b>LTV</b>	<b>Annual MIP (bps)</b>	<b>Duration</b>
	Less than or equal to \$726,200	≤ 90.00%	15	11 years
		>90.00%	40	Mortgage term
	Greater than \$726,200	≤ 78.00%	15	11 years
		> 78.00% but ≤ 90.00	40	11 years
		>90.00%	65	Mortgage term
<b>For Refinance of Previous Mortgage Endorsed on or Before May 31, 2009</b>				
<b>UFMIP: 1 (bps) (0.01%)</b>				
<b>All Mortgage Terms</b>				
<b>Base Loan Amount</b>	<b>LTV</b>	<b>Annual MIP (bps)</b>	<b>Duration</b>	
All	<90%	55	11 years	
	>90%	55	Mortgage terms	
For Mortgages where FHA does not require an appraisal, the value from the previous Mortgage is used to calculate the LTV.				
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Principal Residences</li> <li>• HUD – approved Second Residences</li> <li>• Investment Properties</li>   <li>• <b>Note:</b> Investment Properties and HUD-approved Second Residences are only eligible for Streamline Refinancing into a Fixed Rate Mortgage.</li> </ul>			
<b>Prepayment Penalty</b>	Not allowed			



## FHA Refinance Standard and High Balance Fixed Rate and ARM Credit Qualifying & Non-Credit Qualifying Streamline With FICO

Property Types	<p><b>Eligible Property Types</b></p> <ul style="list-style-type: none"> <li>• Single Family Residence</li> <li>• 2-4 Units</li> <li>• PUDs</li> <li>• HUD Approved Condominium</li> <li>• Manufactured Homes</li> </ul> <p><b>Ineligible Property Types</b></p> <ul style="list-style-type: none"> <li>• Mobile Homes</li> <li>• Co-op's</li> <li>• Condo Hotels</li> <li>• Timeshares</li> <li>• Working Farms and Ranches</li> <li>• Properties in C5 or C6 condition</li> <li>• Community Land Trust</li> </ul>								
Qualifying Rate	Qualify at Note Rate								
Ratios	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0056b3; color: white;"> <th colspan="2" style="text-align: center;">Parameters for Credit Qualifying loans</th> </tr> <tr style="background-color: #cccccc;"> <th style="text-align: center;">Maximum Qualifying Ratios (%)</th> <th style="text-align: center;">Acceptable Compensating Factors</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">31/43</td> <td>No compensating factors required. Energy Efficient Homes may have stretch ratios of 33/45.</td> </tr> <tr> <td style="text-align: center;">37/47</td> <td>One of the following: <ul style="list-style-type: none"> <li>• verified and documented cash reserves;</li> <li>• minimal increase in housing payment; or</li> <li>• residual income.</li> </ul> </td> </tr> </tbody> </table>	Parameters for Credit Qualifying loans		Maximum Qualifying Ratios (%)	Acceptable Compensating Factors	31/43	No compensating factors required. Energy Efficient Homes may have stretch ratios of 33/45.	37/47	One of the following: <ul style="list-style-type: none"> <li>• verified and documented cash reserves;</li> <li>• minimal increase in housing payment; or</li> <li>• residual income.</li> </ul>
Parameters for Credit Qualifying loans									
Maximum Qualifying Ratios (%)	Acceptable Compensating Factors								
31/43	No compensating factors required. Energy Efficient Homes may have stretch ratios of 33/45.								
37/47	One of the following: <ul style="list-style-type: none"> <li>• verified and documented cash reserves;</li> <li>• minimal increase in housing payment; or</li> <li>• residual income.</li> </ul>								
Reserves	As determined by AUS and HUD Guidelines.								
Seasoning Requirements for Existing Lien	<p>In addition to the requirements above, loans are eligible for refinance if and only if:</p> <ul style="list-style-type: none"> <li>• The Borrower has made at least six consecutive monthly payments on the loan being refinanced, beginning with the payment made on the first payment due date</li> </ul> <p><b>AND</b></p> <ul style="list-style-type: none"> <li>• The first payment due date of the new loan will occur no earlier than 210 days after the first payment due date of the loan being refinanced</li> </ul>								
Secondary Financing	<ul style="list-style-type: none"> <li>• Existing subordinate financing, in place at the time of case number assignment, must be resubordinated to the Streamline Refinance.</li> <li>• New subordinate financing is permitted only where the proceeds of the subordinate financing are used to: Reduce the principal amount of the existing FHA-insured Mortgage, or finance the origination fees, other closing costs, or discount points associated with the refinance</li> </ul>								
Special Requirements/Restriction	<p>Proof of Occupancy Required</p> <ul style="list-style-type: none"> <li>• If a borrower is re-occupying a property that was previously an investment property, Streamline Refinances are not allowed (unless the borrower has re-occupied the residence 12 months or more prior to the loan application date.)</li> <li>• Occupancy is determined by the current use of the subject property, not the use at origination of the existing loan.</li> <li>• The Mortgagee must review the borrower's employment documentation or obtain utility bills to evidence that the borrower currently occupies the property as their principal residence.</li> <li>• The Mortgagee must obtain evidence that the second residence has been approved by the Jurisdictional HOC.</li> </ul>								



## FHA Refinance Standard and High Balance Fixed Rate and ARM Credit Qualifying & Non-Credit Qualifying Streamline With FICO

	<ul style="list-style-type: none"> <li>The mortgagee must process the streamline refinance as an investment property if the mortgagee cannot obtain evidence that the borrower occupies the property either as a principal or second residence.</li> </ul> <p>Borrower must meet Net Tangible Benefit criteria as outlined in HUD 4000.1 Handbook.</p> <p>Review of Limited Denial Participation and SAM Exclusion Lists is required.</p> <p>Cash back to borrower(s) not to exceed \$500.</p>																												
<b>Tax Transcripts</b>	<ul style="list-style-type: none"> <li>A fully executed 4506-C is required on all loans.</li> <li>IRS Tax or W-2 Transcripts are required prior to closing:             <ul style="list-style-type: none"> <li>When there is a relationship between the employer and borrower; and</li> <li>At the underwriter's discretion if needed to address red flags and</li> <li>When the most recent tax returns have not been filed.</li> </ul> </li> <li>Refer to Arc Home's Tax Transcript Policy.</li> </ul>																												
<b>Temporary Buydowns</b>	Not allowed																												
<b>Transaction Types</b>	Streamline Refinance																												
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>FHA's Streamline Refinance Credit Qualifying or Non-Credit Qualifying program with a FICO score</li> <li>All Streamline refinances must be manually underwritten and meet FHA HUD 4000.1 Handbook standards</li> </ul>																												
<b>Product Description and Terms</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0056b3; color: white;"> <th style="text-align: center;">Product Name</th> <th style="text-align: center;">Amortization Terms</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">15 Year Fixed Rate FHA Streamline Refinance, Non-Credit Qualifying - With FICO</td> <td style="text-align: center;">10-15 Years, increments of 12 months</td> </tr> <tr> <td style="text-align: center;">30 Year Fixed Rate FHA Streamline Refinance, Non-Credit Qualifying - With FICO</td> <td style="text-align: center;">16-30 Years, increments of 12 months</td> </tr> <tr> <td style="text-align: center;">15 Year Fixed Rate FHA High Balance Streamline Refinance, Non-Credit Qualifying - With FICO</td> <td style="text-align: center;">10-15 Years, increments of 12 months</td> </tr> <tr> <td style="text-align: center;">30 Year Fixed Rate FHA High Balance Streamline Refinance, Non-Credit Qualifying - With FICO</td> <td style="text-align: center;">16-30 Years, increments of 12 months</td> </tr> <tr> <td style="text-align: center;">3/1 Treasury ARM FHA Streamline Refinance, Non-Credit Qualifying - With FICO</td> <td style="text-align: center;">30 Years</td> </tr> <tr> <td style="text-align: center;">5/1 Treasury ARM FHA Streamline Refinance, Non-Credit Qualifying - With FICO</td> <td style="text-align: center;">30 Years</td> </tr> <tr> <td style="text-align: center;">3/1 Treasury ARM FHA High Bal Streamline Refi, Non-Credit Qualifying - With FICO</td> <td style="text-align: center;">30 Years</td> </tr> <tr> <td style="text-align: center;">5/1 Treasury ARM FHA High Bal Streamline Refi, Non-Credit Qualifying - With FICO</td> <td style="text-align: center;">30 Years</td> </tr> <tr> <td style="text-align: center;">15 Year Fixed Rate FHA Streamline Refinance - Credit Qualifying</td> <td style="text-align: center;">10-15 Years, increments of 12 months</td> </tr> <tr> <td style="text-align: center;">30 Year Fixed Rate FHA Streamline Refinance - Credit Qualifying</td> <td style="text-align: center;">16-30 Years, increments of 12 months</td> </tr> <tr> <td style="text-align: center;">15 Year Fixed Rate FHA High Balance Streamline Refinance - Credit Qualifying</td> <td style="text-align: center;">10-15 Years, increments of 12 months</td> </tr> <tr> <td style="text-align: center;">30 Year Fixed Rate FHA High Balance Streamline Refinance - Credit Qualifying</td> <td style="text-align: center;">16-30 Years, increments of 12 months</td> </tr> <tr> <td style="text-align: center;">3/1 Treasury ARM FHA Streamline Refinance, Credit Qualifying</td> <td style="text-align: center;">30 Years</td> </tr> </tbody> </table>	Product Name	Amortization Terms	15 Year Fixed Rate FHA Streamline Refinance, Non-Credit Qualifying - With FICO	10-15 Years, increments of 12 months	30 Year Fixed Rate FHA Streamline Refinance, Non-Credit Qualifying - With FICO	16-30 Years, increments of 12 months	15 Year Fixed Rate FHA High Balance Streamline Refinance, Non-Credit Qualifying - With FICO	10-15 Years, increments of 12 months	30 Year Fixed Rate FHA High Balance Streamline Refinance, Non-Credit Qualifying - With FICO	16-30 Years, increments of 12 months	3/1 Treasury ARM FHA Streamline Refinance, Non-Credit Qualifying - With FICO	30 Years	5/1 Treasury ARM FHA Streamline Refinance, Non-Credit Qualifying - With FICO	30 Years	3/1 Treasury ARM FHA High Bal Streamline Refi, Non-Credit Qualifying - With FICO	30 Years	5/1 Treasury ARM FHA High Bal Streamline Refi, Non-Credit Qualifying - With FICO	30 Years	15 Year Fixed Rate FHA Streamline Refinance - Credit Qualifying	10-15 Years, increments of 12 months	30 Year Fixed Rate FHA Streamline Refinance - Credit Qualifying	16-30 Years, increments of 12 months	15 Year Fixed Rate FHA High Balance Streamline Refinance - Credit Qualifying	10-15 Years, increments of 12 months	30 Year Fixed Rate FHA High Balance Streamline Refinance - Credit Qualifying	16-30 Years, increments of 12 months	3/1 Treasury ARM FHA Streamline Refinance, Credit Qualifying	30 Years
Product Name	Amortization Terms																												
15 Year Fixed Rate FHA Streamline Refinance, Non-Credit Qualifying - With FICO	10-15 Years, increments of 12 months																												
30 Year Fixed Rate FHA Streamline Refinance, Non-Credit Qualifying - With FICO	16-30 Years, increments of 12 months																												
15 Year Fixed Rate FHA High Balance Streamline Refinance, Non-Credit Qualifying - With FICO	10-15 Years, increments of 12 months																												
30 Year Fixed Rate FHA High Balance Streamline Refinance, Non-Credit Qualifying - With FICO	16-30 Years, increments of 12 months																												
3/1 Treasury ARM FHA Streamline Refinance, Non-Credit Qualifying - With FICO	30 Years																												
5/1 Treasury ARM FHA Streamline Refinance, Non-Credit Qualifying - With FICO	30 Years																												
3/1 Treasury ARM FHA High Bal Streamline Refi, Non-Credit Qualifying - With FICO	30 Years																												
5/1 Treasury ARM FHA High Bal Streamline Refi, Non-Credit Qualifying - With FICO	30 Years																												
15 Year Fixed Rate FHA Streamline Refinance - Credit Qualifying	10-15 Years, increments of 12 months																												
30 Year Fixed Rate FHA Streamline Refinance - Credit Qualifying	16-30 Years, increments of 12 months																												
15 Year Fixed Rate FHA High Balance Streamline Refinance - Credit Qualifying	10-15 Years, increments of 12 months																												
30 Year Fixed Rate FHA High Balance Streamline Refinance - Credit Qualifying	16-30 Years, increments of 12 months																												
3/1 Treasury ARM FHA Streamline Refinance, Credit Qualifying	30 Years																												



**FHA Refinance Standard and High Balance Fixed Rate and ARM  
Credit Qualifying & Non-Credit Qualifying Streamline With FICO**

	5/1 Treasury ARM FHA Streamline Refinance, Credit Qualifying	30 Years
	3/1 Treasury ARM FHA High Bal Streamline Refi, Credit Qualifying	30 Years
	5/1 Treasury ARM FHA High Bal Streamline Refi, Credit Qualifying	30 Years
<b>Internet Links</b>	<a href="http://www.archomellc.com">www.archomellc.com</a>	