

Freddie Mac Home Possible Conforming Fixed Rate & ARM

LTV Matrix Fixed Rate and ARM						
Occupancy	Purpose	Maximum Loan Amount	Units	Maximum LTV/(H)CLTV	Minimum FICO	Maximum DTI
Primary Residence	Purchase and Rate/Term	Conforming	1	Fixed: 97%/105% ¹ ARM: 95%/105% ¹	Per LPA	Per LPA
			2	95%/105% ¹		
			3-4	Fixed: 95%/105% ¹ ARM: 75%/105% ¹		
LTV Matrix Footnotes						
1. HTLTV up to 105% is permitted when secondary financing is an Affordable Second						
Product Details						
Appraisal Requirements	<ul style="list-style-type: none"> As determined by LPA, including: Full Appraisal, Desktop Appraisal; Automated Collateral Evaluation (ACE) + PDR; Automated Collateral Evaluation Appraisals must be UAD Compliant For SSR and appraisal review requirements, refer to Arc Home's Appraisal Valuation Requirements. Transferred appraisals are allowed. Refer to Arc Home's Transferred Appraisal Policy. Refer to Freddie Mac Seller Guide Section 4501.6 					
Appraiser Requirements	<ul style="list-style-type: none"> Valid state license Cannot be on the Freddie Mac Exclusionary List 					
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	5yr/6mos - 2/1/5 7yr/6mos - 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				
Assets	<ul style="list-style-type: none"> As determined by LPA Any cash-in-hand proceeds, to the Borrower, from any cash-out refinance transaction must be wired to a U.S. bank account. 1031 Reverse exchanges are not allowed. Refer to Freddie Mac Selling Guide Chapter 4501.10 for Borrower contribution requirements, reserves and sources of funds for Home Possible Mortgages Sweat equity and cash on hand are not permitted 					
Borrower Eligibility	<ul style="list-style-type: none"> A Social Security number is required for all Borrowers A non-permanent resident aliens must have an unexpired VISA and employment authorization 					

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	<ul style="list-style-type: none"> Refer to Freddie Mac Selling Guide Chapter 4501.7 for Borrower Eligibility
Credit	<ul style="list-style-type: none"> A tri-merged in file credit report from all three repositories is required. The credit report must include trended credit data. Minimum FICO as determined by LPA All Borrowers must have a FICO Credit acceptability is determined by LPA Non-traditional credit is not permitted
Escrow Holdbacks	<ul style="list-style-type: none"> In Wholesale, approval is required for all repair escrows and eligibility is subject to Arc Home discretion. In Correspondent, escrow holdbacks must be closed prior to purchase.
Escrow Waivers	<ul style="list-style-type: none"> Not permitted on LTV's over 80% In California, not permitted on LTV's over 90%
Homeownership Education	<ul style="list-style-type: none"> Homeownership education is required; refer to Freddie Mac Selling Guide Chapter 4501.12
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.
Income/ Employment	<ul style="list-style-type: none"> As determined by LPA Refer to Freddie Mac Selling Guide Chapter 4501.9 When the borrower is using a written VOE, that is not from a 3rd party, to verify income, the file must also provide proof of income received prior to the application that supports the income from the VOE If a Borrower is being qualified with income from new employment or a pay increase, and the new income will not start prior to closing, the guidelines from Freddie Mac Selling Guide Chapter 5303.2(e), Option 1 must be utilized. 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"> Possession of cannabis or cannabis seeds Processing Growing Harvesting/Cultivation Testing Packaging/Delivery Wholesale or Retail sales
Maximum Loan Amount	<ul style="list-style-type: none"> Maximum loan limits vary by county. The base loan amount cannot exceed the FHFA county limit.
Mortgage Insurance	<ul style="list-style-type: none"> Standard mortgage insurance coverage is required. Follow LPA recommendation and Chapter 4701.1 of Freddie Mac Single Family Seller Guide 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 Arc Home website for approved providers

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Occupancy	<ul style="list-style-type: none"> Primary Residence Only 	
Prepayment Penalty	Not permitted	
Property Types	<p>Eligible Property Types</p> <ul style="list-style-type: none"> 1-4 Unit Single Family Residence (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 Community Land Trusts Properties in C5 or C6 condition 	
Qualifying Rate	<ul style="list-style-type: none"> Fixed Rate & 7/6 mos ARM - Qualify at Note Rate 5/6 mos ARM - Greater of Note Rate + 2.00% or the fully indexed rate 	
Ratios	Max DTI as determined by LPA and MI Partner's overlay	
Reserves	As determined by LPA	
Tax Transcripts	<ul style="list-style-type: none"> A fully executed 4506-C is required on all loans. IRS Tax or W-2 Transcripts are required prior to closing: <ul style="list-style-type: none"> When there is a relationship between the employer and borrower; and <ul style="list-style-type: none"> At the underwriter's discretion if needed to address red flags and When the most recent tax returns have not been filed. <p>Refer to Arc Home's Tax Transcript Policy</p>	
Temporary Buydowns	Not allowed	
Transaction Types	<ul style="list-style-type: none"> Purchase Money Rate and Term Refi NY Consolidation, Extension & Modification Agreement (CEMA) loans are permitted for Fully Delegated lenders and Wholesale originators only 	
Underwriting	<ul style="list-style-type: none"> LPA risk classification of Accept/Eligible. LPA must confirm Home Possible eligibility. Refer to Freddie Mac Seller Guide Section 4501.8 for underwriting requirements Manual Underwriting is not permitted. 	
Product Description and Terms	Product Name	Amortization Terms
	30 Year Fixed Rate FHLMC Home Possible	21-30 Years
	20 Year Fixed Rate FHLMC Home Possible	16-20 Years
	15 Year Fixed Rate FHLMC Home Possible	11-15 Years
	10 Year Fixed Rate FHLMC Home Possible	10 Years
	5yr/6mos SOFR ARM FHLMC Home Possible	30 Years
	7yr/6mos SOFR ARM FHLMC Home Possible	30 Years
Internet Links	www.archomellc.com	