



Non-Delegated Correspondent Announcement

Reminder: Closing Doc Signature Requirements

When Vesting in an Entity

Arc Home signature requirements on closing documents for Non-Delegated Loans vesting in an entity:

- All Non-Delegated Loan closing document **signatures must follow** the Attorney Opinion Letter sent by the Account Manager prior to closing.
- Additional document(s), such as the **Corporate Resolution**, from the attorney **must** also be signed at closing.

Arc Home offers **two options** for vesting a property in an entity. Each option has **different** signature requirements for the Note, Security Instruments, Riders, Addenda, and other closing documents. Please refer to the requirements below

for details.

[Option 1: Co-mortgagors are an Entity and a Natural Person \(pg.26\)](#)

At least one Entity owner must complete the application (Form 1003) and, as applicable, may be subject to a full underwrite for credit, income, assets. The

Entity owner(s) completing the Form 1003 must, in the aggregate, directly and personally own at least 25% of the Entity and have authority to sign on behalf of the entity.

Signature Requirements for Co-mortgagors Option

- The **Note & Allonge** must be executed by all **borrowers and the Entity** (the borrower will sign on behalf of the Entity)
- The **Deed and Security Instrument** must be executed by the **Entity** (the borrower will sign as an authorized signor of the Entity).
- Separate agreement or personal guarantee document is **not** required.

Example where the co-mortgagors are both the Entity and 1 Natural Person: The Note must be executed by

The borrower **and** the Entity (the borrower will sign on behalf of the Entity).

Entity Name, LLC

By: _____ (seal)

Jane Borrower, Owner/Member

By: _____ (seal)

Jane Borrower

Example where the co-mortgagors are both the Entity and 2 Natural Persons: The Note must be executed by

the borrowers **and** the Entity (the borrowers will sign on behalf of the Entity).

Entity Business Name, LLC

_____ (seal) _____ (seal)

By: John C. Borrower

By: Bob A. Borrower

Its: Member/Manager

Its: Member/Manager

_____ (seal) _____ (seal)

John C. Borrower – Borrower

Bob A. Borrower – Borrower

[Option 2: Entity is the Sole Mortgagor \(pg. 27\)](#)

At least 1 borrower must own 25% of the entity. A 1003, credit report, creditworthiness & personal guarantee is required from all members on the application. Each Guarantor must have authority to execute loan documents on behalf of the entity.

Signature Requirements for Entity as Sole Mortgagor Option

- Signatures on the Note, Deed of Trust/Mortgage, all Riders, 1003, & disclosures must be signed on behalf of the **Entity by the authorized signatory of the entity.**
- The **Personal Guarantee(s)** should be executed at loan closing **as individual** and dated the **same date** as Note.
- If an entity member applicant/guarantor is married, and both spouses do not own the Entity, a **Spousal Consent** to Pledge is required for all loan amounts of \$1,000,000 or greater.
- A **Business Loan Rider** must be executed signed on behalf of the Entity by the authorized signatory of the entity.

Example where the Entity is the Sole Mortgagor: The Note, Deed of Trust/Mortgage, Allonge, and all Riders including a Business Loan Rider must be executed by an authorized signatory on behalf of the Entity. **Also, a Personal Guarantee** for each owner is required and must be executed the same day as the Note.

Entity Name, LLC

_____ (seal)

By: Mark A. Manager – Managing Member

We appreciate your business!



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