



# Arc Access Non-QM Agency Plus and Clean Slate

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# Arc Access Non-QM Solutions



- **Agency Plus**

- Expanded eligibility for borrowers outside the QM guidelines

- **Clean Slate**

- Eligibility options for borrowers with delinquent housing history OR major credit events seasoned 12-48 months





# Overview – Arc Access

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- Wholesale and Non-Delegated Correspondent Only
- Available Programs
  - 15- and 30-Year Fixed Rate
  - 5/6 and 7/6 SOFR ARM
  - Interest Only options available
- Minimum \$100,000 loan amount
- HI ineligible





## Arc Access – Agency Plus

- Up to **90%** LTV – no MI, up to \$2.0MM loan amount
- Down to **660** FICO
- Loan amount up to **\$3.5MM**
- DTI up to **50%**
- Available for Primary Residence, Second Home, Investment
- AUS not required





# Credit – Arc Access Agency Plus

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- **Credit Report:** Tri-merge credit report required; each borrower must have 2 credit scores
- **Mortgage/Rental History:** 0x30x12
- **Derogatory Credit Seasoning:** > 48 months (includes bankruptcy, foreclosure, short sale)

## Tradeline Requirements – Three Qualifying Options

1. **Three (3)** active and current trades reporting on credit report for at least **12 months**
  - Accounts may be open or closed with activity reflected in last 12 months
2. **Two (2)** tradelines showing at least **24 months** activity
  - May include closed accounts with activity reporting in last 24 months
3. **Eight (8)** tradelines reporting, one must be mortgage or rental history
  - At least one trade must be open and reporting for a minimum of 12 months
  - Credit report must reflect borrower has an established credit history for at least 10 years



# Full Doc – Arc Access Agency Plus

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- 2 years Full Documentation
- Wage Earner:
  - Most recent YTD paystub (covering minimum 30 days)
  - Prior 2 years W-2s
- Self-Employed:
  - Prior 2 years personal and business tax returns with all schedules
  - YTD P&L
- **Note:** Asset Utilization may *supplement* qualifying Full Doc income





# Reserve Requirements – Arc Access Agency Plus

	LTV	Minimum Reserves
<b>Primary Residence, Second Home, Investment</b>	> 80%	<ul style="list-style-type: none"><li>• 6 months PITIA reserves</li><li>• 3 months PITA reserves allowed for Rate/Term if all of the following are met:<ul style="list-style-type: none"><li>▪ 0x30x12 housing history; AND</li><li>▪ Refinance results in P&amp;I decrease of 10% or greater (for I/O loans, reduction is based on amortizing payment); AND</li><li>▪ DTI does not exceed 50%</li></ul></li></ul>
	> 65% to </= 80%	3 months PITIA reserves
	</= 65%	0 months PITIA reserves
<b>Additional Financed Properties Owned by Borrower(s)</b>	Any	Reserves required <b>in addition to</b> amount noted above: <ul style="list-style-type: none"><li>• Primary Residence and Second Home transactions: <b>One (1) month</b> subject PITIA/ITIA for each financed property owned</li><li>• Investment transactions: <b>Two (2) months</b> subject PITIA/ITIA for each financed property owned</li></ul>





## Arc Access – Clean Slate

- Up to **85%** LTV – no MI
- Down to **620** FICO, restrictions apply
- Loan amount up to **\$3MM**
- DTI up to **50%**
- Available for Primary Residence, Second Home, Investment
- Full and Alt Doc options
- AUS not required







# Credit – Arc Access Clean Slate

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- **Credit Report:** Tri-merge credit report required; each borrower must have 2 credit scores
- **Mortgage/Rental History:** 0x30x12
  - 1x30x12 allowed (must be 0x30 most recent 6 months), subject to eligibility restrictions
- **Derogatory Credit Seasoning:**  $\geq 12$  months (includes bankruptcy, foreclosure, short sale)

## Tradelines Requirements – Three Qualifying Options

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3. **Eight (8)** tradelines reporting, one must be mortgage or rental history
  - At least one trade must be open and reporting for a minimum of 12 months
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# Full Doc – Arc Access Clean Slate

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- 2 years Full Documentation
- Wage Earner:
  - Most recent YTD paystub (covering minimum 30 days)
  - Prior 2 years W-2s
- Self-Employed:
  - Prior 2 years personal and business tax returns with all schedules
  - YTD P&L
- **Note:** Asset Utilization may *supplement* qualifying Full Doc income





# One Year Full Doc – Arc Access Clean Slate

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- Wage Earner:
  - One year W-2
  - Two (2) most recent paystubs
- Self-Employed:
  - One year most recent filed tax returns
  - YTD P&L
  - Evidence business in existence at least two (2) years





# Asset Utilization – Arc Access Clean Slate

- Assets must be seasoned and documented at least **four (4)** months
- Eligible Qualified Assets:
  - **100%** of checking, savings, and money market accounts
  - **70%** of remaining value of stocks and bonds or mutual funds (including those held in retirement account if age > 59½; if employer administered account, borrower must be separated from service)
  - **50%** of retirement funds if age < 59½, OR > 59½ and using employer administered retirement account and borrower is not separated from service (Note: ability to liquidate must be documented, may not be limited to “hardship”)

## Calculation:

- Monthly Qualifying Income = Total Qualified Assets (less the total of down payment, closing costs, and required reserves) divided by **36**
- Send in your asset statements, and we will calculate for you!





# Bank Statements – Arc Access Clean Slate

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- Average **12- or 24-months** of checking/draft account deposits
- **Personal and business** account options available
- **Two years** self-employment required
- Fixed Expense Ratio and Third-Party Prepared Expense Statement options
- Business Narrative required
- Send in your bank statements, and we will calculate for you!



# Business Bank Statements – Qualifying Income

## Fixed Expense Ratio

Fixed Expense Ratio			
Number of FTE/Contractors	<u>0</u>	<u>1-10</u>	<u>10+</u>
Service Business	20%	40%	60%
Product Business	30%	50%	70%

### Service Business Examples:

Hospitality, Tourism, Finance, Fitness, Beauty and Wellness, Mechanical, Media and Entertainment, Design, Marketing and Sales, Education, Healthcare, Public Service

### Product Business Examples:

Building Materials, Fashion Industry, Furniture, Printing, Publishing, Toy Maker, Household Goods (Focus on production of goods through the manufacturing process, which includes but is not limited to moving raw materials, creating goods, storing finished products and shipping products to customer.)

## Third-Party Prepared Expense Statement

- Expense statement prepared and signed by third-party (CPA or licensed tax preparer) indicating business expenses as a percentage of the gross annual sales/revenue
- CPA or licensed tax preparer must be verifiable





# Reserve Requirements – Arc Access Clean Slate

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# Arc Access Pricing in SPARC

## Agency Plus & Clean Slate



**Loan Information**

Loan Purpose  Purchase  Refinance

First Time Home Buyer?  [explain](#)

Impound?  Yes

Doc Type **Full Document**

Appraised Value

Sales Price

Down Payment

1st Lien

2nd Financing?  No  Yes

Rate Lock Period

Rate Lock Expiration Date: 4/29/2022 (Assumes a 60-day lock.)

**Other Information**

Loan Originator is Paid By  Lender  Borrower

Expected AUS Response **None/Not Submitted**

Estimated Credit Score  Total Monthly Income

**Doc Type Dropdown Menu:**

- Full Document
- Full Document
- 12 Mo. Personal Bank Statements
- 24 Mo. Personal Bank Statements
- 12 Mo. Business Bank Statements
- 24 Mo. Business Bank Statements
- Other Bank Statements
- 1 Yr. Tax Returns
- VOE
- Asset Utilization
- Debt Service Coverage (DSCR)
- No Ratio

**Expected AUS Response Dropdown Menu:**

- None/Not Submitted
- None/Not Submitted
- DU Approvable

### • Doc Type

- Full Document
- 12 Mo. Personal Bank Statements
- 24 Mo. Personal Bank Statements
- 12 Mo. Business Bank Statements
- 24 Mo. Business Bank Statements
- Other Bank Statements
- 1 Yr. Tax Returns = One Year Full Doc
- Asset Utilization

### • Rate Lock Period

- Minimum 60 days at registration
- “Approved” status for > 15 to < 60 days
- “Clear to Close” for <= 15 days

### • Expected AUS Response

- None/Not Submitted



# Arc Access – Additional Pricing Fields



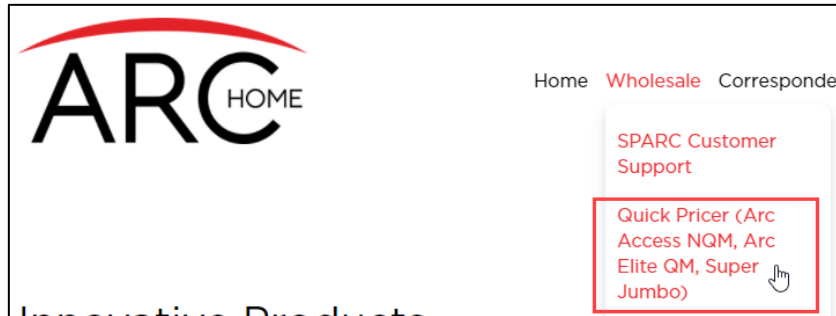
Prepayment Penalty Term	ANY	NO
Supplemental Asset Utilization	NO	No Selection
ITIN	NO	NO
Delivery Type	BEST EFFORTS	YES
Self-Employed (Jumbo Only)?	NO	No Selection
1099 Income	No 1099	No Selection
Forbearance Seasoning	N/A	N/A
HPML	Not HPML	Elite Program - Forbearance <=12
		Access Program - Forbearance <=18
		No Selection
		HPML
		Not HPML

- **Prepayment Penalty Term**
  - Available for Investment only, select term requested
- **Supplemental Asset Utilization**
  - LLPA adjustment applies
  - Select “Yes”, if applicable
- **Forbearance Seasoning**
  - LLPA adjustment applies if  $\leq 18$  months
  - Select “Access Program – Forbearance  $\leq 18$ ”, if applicable
- **HPML**
  - Select “HPML” or “Not HPML”, as applicable for transaction

# Arc Access Non-QM Quick Pricer



[business.archomellc.com](https://business.archomellc.com)



## Non-QM Quick Pricer

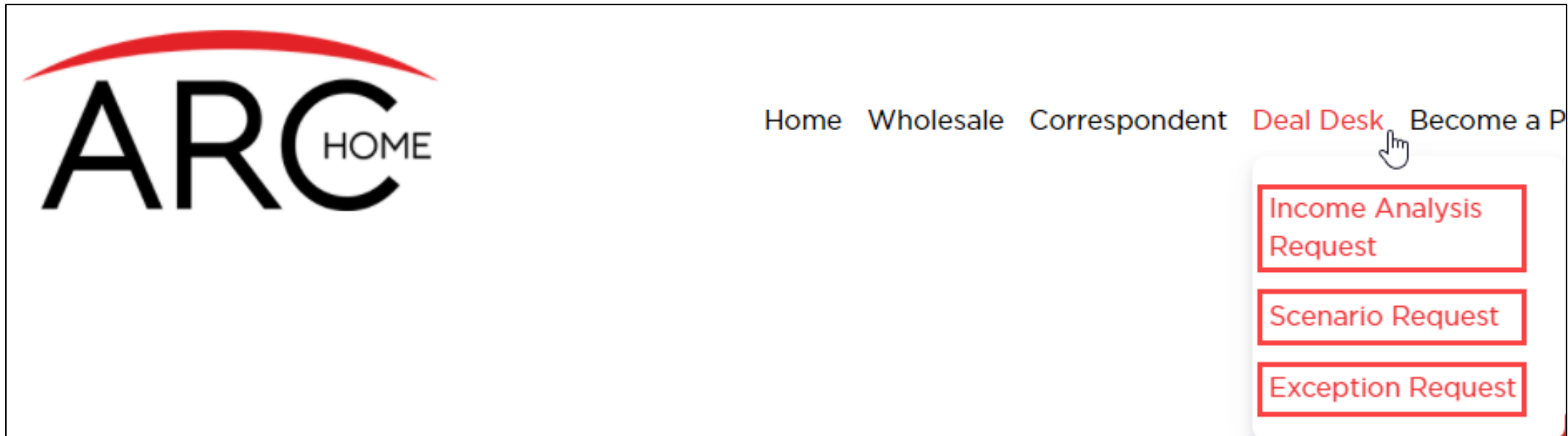
Income Doc	Full Doc	FICO	FICO ex. 350-850. 0 for no FICO.
Purpose	Purchase	Bankruptcy	None
Occupancy	Primary	Credit Events	None
Property Type	SFR	Mortgage Lates	0X30X12
State	Please Select	DTI/DSCR	ex. DTI: 43 / DSCR: 1.50 %
Loan Amount	\$ Loan Amount	Citizenship	US Citizen
LTV	LTV ex. 80 %	ITIN	No

[See Results](#)

# Arc Home – Deal Desk



Visit [business.archomellc.com](https://business.archomellc.com) to submit an Income Analysis Request, guideline question, or Exception Request today!



# Arc Access Resources



## Wholesale

- **Wholesale > Forms and Guidelines > Arc Access Non-QM Forms and Guidelines**
  - Arc Access Agency Plus and Clean Slate Program Matrices
  - Arc Access & Arc Elite Business Narrative Form
  - Arc Access Non-QM Exception Restrictions
- **Wholesale > Forms and Guidelines > Wholesale Resources**
  - Pricing and Lock Policy – Arc Access & Arc Elite
  - Wholesale Important Information
  - Transferred Appraisal Policy – Arc Access & Arc Elite
  - Arc Access & Arc Elite Broker Flow
- **Wholesale > Forms and Guidelines > Wholesale Forms**
  - Arc Access NQM Initial Submission Checklist

## Non-Delegated Correspondent

- **Correspondent > Non-Delegated Forms and Guidelines > Arc Access Non-QM Forms and Guidelines**
  - Arc Access Agency Plus and Clean Slate Program Matrices
  - Arc Access & Arc Elite Business Narrative Form
  - Arc Access Non-QM Exception Restrictions
- **Correspondent > Non-Delegated Forms and Guidelines > Non-Delegated Correspondent Resources**
  - Correspondent Seller's Guide
  - Non-Delegated Correspondent Initial Submission Checklist
  - Transferred Appraisal Policy – Arc Access & Arc Elite

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## Why Partner with Arc Home?

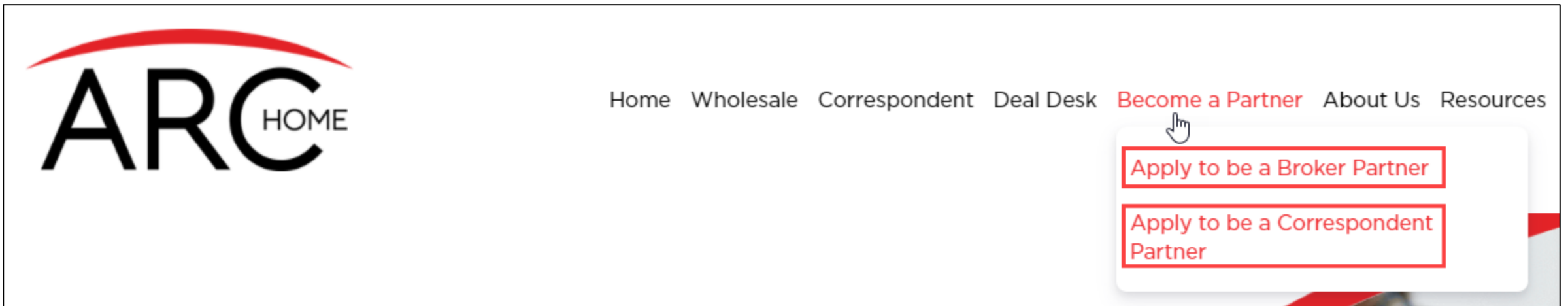
- The Arc Home Account Executives are Non-QM certified!
- We match any Wholesale Non-QM rate on like products and scenario comparison!
- Send in your bank statements, and we will calculate the income prior to registration!
- Attract a diverse base of referral sources with our broad range of products
- Marketing: We partner with you and offer white label marketing materials
- Ease of use: Utilize the same online portal for all your loans at Arc Home
  - Agency, Government, Jumbo, Arc Access Non-QM, Arc Elite QM – Wholesale and Correspondent



# Arc Home – Become a Partner



Visit [business.archomellc.com](https://business.archomellc.com) to partner with Arc Home today!





# QUESTIONS & ANSWERS



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