

Non-QM Loans at Arc Home Processor Training

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Topics of Discussion

- Product Information
- Loan Flow
- Systems
- Arc Home Resources



Arc Access Non-QM Products



- Agency Plus: Just missed prime lending
- Alternative Income: Documentation alternatives to full doc
- Clean Slate: Borrowers with credit challenges within the past 12-48 months
- Debt Service Coverage Ratio (DSCR): Business purpose loans for investors
- Foreign National: Borrowers without citizenship or resident alien status





Loan Flow – Registration & Submission

- LO or Processor will register and disclose the loan in the SPARC System
 - Upload credit package AND submission form
 - Submit to Document Check
- Arc Home Account Executive and Opening Team reviews for complete documents
 - If complete submission, the file moves to Underwriting
 - If submission incomplete, the file is set to "Doc Check Failed" status, and you are sent an email detailing what is missing
- Processor to order appraisal once Intent to Proceed has been signed
 - Contact SPARC Assist (<u>SPARCAssist@archomeloans.com</u> or 215-383-9220) for assistance with appraisal ordering process <u>inside SPARC</u> OR acquiring Mercury credentials for appraisal orders and tracking appraisal orders



Loan Flow – Underwriting

- Underwriting
 - Approval or Suspense document is visible in SPARC
 - Your Arc Home Account Manager is key point of contact once a decision has been provided
- Processor uploads Conditions within SPARC and submits to "Condition Review"
 - Arc Home AM reviews the submitted conditions for completion and sends to the Underwriter for condition review
- Arc Home will order the CDA once the appraisal is received



Loan Flow – CD Request

- Processor may request Initial CD once the loan is Approved (or beyond), the rate is locked, AND all the following are received by Arc Home:
 - Appraisal
 - Title
 - All invoices
 - HOI/All Insurance
 - Payoff, if applicable
- Arc Home will complete a Pre-Doc QC review





Loan Flow — Closing

- Once any final Pre-Doc QC conditions are cleared, the loan will be Cleared to Close (CTC)
- The Arc Home Account Manager will complete the required employment and business verifications and will move to "Docs Ordered" status once completed
- Processor will schedule the Closing, and the Borrower(s) will sign the loan documents
- Arc Home will issue a Funding Authorization



Registering Non-QM Loans in SPARC



- Fields to Review
 - Declarations
 - Demographics
 - Assets
 - Interview Date
- Common Program Questions
 - Foreign National
 - DSCR
 - 1- and 2-Year 1099 loans



Foreign National Loans



- 1. Must check "Consumer has Foreign Address" in SPARC and use Continuation page to capture full address, if needed
- 2. No SSN > LO may enter **111-11-1111**
- 3. If the borrower does not have US credit, no credit report will be reissued, and the Credit Score will be **0**
- 4. Citizenship (on the Pricing screen > Applications tab) must be: **Non-Resident Alien (Foreign National)**

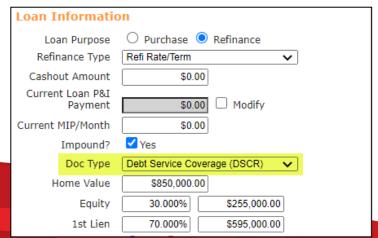


Pricing DSCR Loans in SPARC



- Property Use must = Investment
- Doc Type must = Debt Service Coverage Ratio (DSCR); AND
- A Debt Service Coverage Ratio must be entered in the field near the bottom of the screen



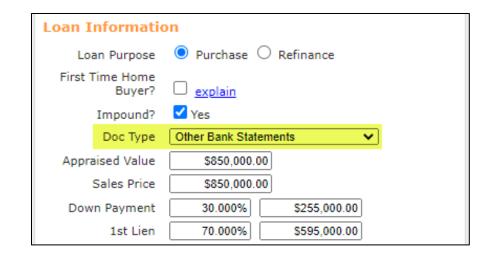


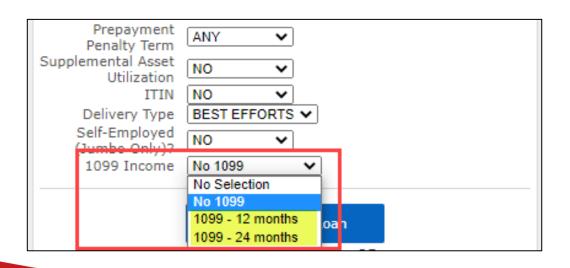
Prepayment Penalty Term Supplemental Asset Utilization ITIN Delivery Type Self-Employed (Jumbo Only)?	ANY V NO V BEST EFFORTS V	1.000%
	Run Price My Loan	

1099 Income



- 1. Doc Type must = Other Bank Statements
- 2. 1099 Income field at bottom of screen must = 12 months OR 24 months





Arc Home Resources



- NQM Product Matrices
- NQM File Flow for Brokers
- SPARC Job Aids
- NQM Quick Pricer
- Client Support Group





Non-QM Resources – Wholesale

business.archomellc.com

Wholesale > Forms and Guidelines > Non-QM Forms and Guidelines

- Arc Access Matrices Alternative Income, DSCR, Clean Slate, Agency Plus, Foreign National
- Arc Access Business Narrative required for ALL bank statement loan submissions

Wholesale > Forms and Guidelines > Wholesale Forms

- Non-QM Initial Submission Form required for ALL Non-QM loan submissions
- SSA-89
- 4506-C

Wholesale > Forms and Guidelines > Wholesale Resources

- Wholesale Important Information details fees, mortgagee clause info, servicing contact details
- NQM Broker Flow map of Non-QM file flow through Arc Home
- Pricing and Lock Policies
- Transferred Appraisal Policies
- Appraisal Reconsideration Form

Wholesale > Wholesale Training

- SPARC Broker User Guide detailed instructions for using SPARC
- SPARC Job Aids Add New Users, Appraisal Ordering, Initial Upload, Client Condition Upload, Re-Issue Credit



Non-QM Resources — Non-Delegated

business.archomellc.com

Correspondent > Non-Delegated Forms and Guidelines > Non-QM Forms and Guidelines

- Arc Access Matrices Alternative Income, DSCR, Clean Slate, Agency Plus, Foreign National
- Arc Access Business Narrative required for ALL bank statement loan submissions
- Business Purpose and Occupancy Affidavit required for all DSCR loans

Correspondent > Non-Delegated Forms and Guidelines > Correspondent Forms

- SSA-89
- 4506-C

Correspondent > Non-Delegated Forms and Guidelines > Non-Delegated Correspondent Resources

- Non-Delegated Correspondent Initial Submission Form

 required for ALL loan submissions
- Correspondent Client Reference Guide details fees, mortgagee clause info, servicing contact details
- Correspondent Seller's Guide
- Transferred Appraisal Policies

Correspondent > Correspondent Training

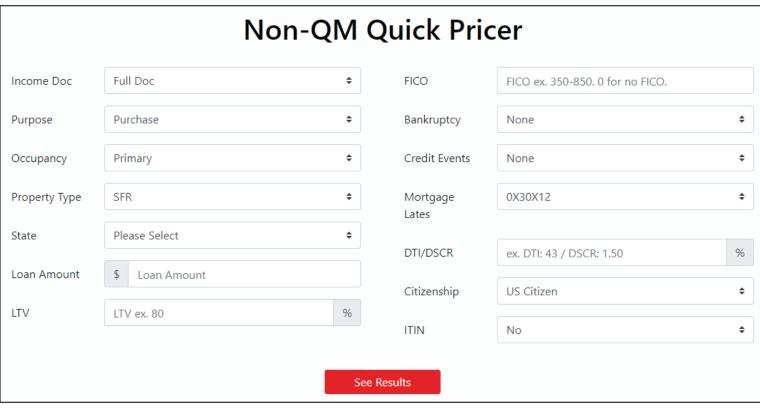
- SPARC User Guide detailed instructions for using SPARC
- SPARC Job Aids Add New Users, Client Condition Upload
- Fast Track Training Videos quick hit videos demonstrating SPARC functionality



Arc Access Non-QM Quick Pricer

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Arc Home Client Support Group

- 215-383-9220
- SPARC Assist (SPARCAssist@archomeloans.com)
 - Initial loan registration through submission to "Doc Check" status (uploading docs, reissuing credit, running AUS, loan application details, submitting or disclosing)
 - Provides Mercury credentials for appraisal orders and tracking appraisal orders
 - Supports appraisal ordering process <u>inside SPARC</u>
- LQB Help Desk (<u>ITHelpDesk@archomeloans.com</u>)
 - Technical errors inside SPARC that prevent loan registration or forward progression
 - SPARC system latency
 - Password resets or user permission issues (if OC Admin unavailable)



QUESTIONS & ANSWERS



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