



Arc Access Asset Utilization (60 month)

This product is for high-net-worth borrowers who prefer to use their assets for qualification rather than using their income to qualify for the mortgage. Asset Utilization attributes qualifying income to a borrower by utilizing the liquid assets of the borrower over a 60-month period. Utilization of verified liquid assets over a 60-month period is done to ensure that income attributed to a borrower is stable and is reasonably expected to continue.

LTV Matrix

Fixed Rate and ARM (including IO)

Occupancy	Purpose	Maximum Loan Amount	Units	Minimum FICO	LTV/(H)CLTV	Maximum DTI
Primary Residence	Purchase And Rate/Term	\$3,000,000 ^{1,2}	1	760	70%	40%
		\$2,500,000 ^{1,2}	1	760	75% ^{1,2}	40%
		\$2,000,000	1	740	80% ^{1,2,4}	40%
		\$2,000,000	1	720	75% ^{1,2}	40%
		\$1,500,000	1	660	75% ^{1,2}	40%
		\$2,000,000	2-4	720	75% ^{1,2}	40%
	Cash-Out ³	\$1,500,000	2-4	700	75% ^{1,2}	40%
		\$3,000,000 ^{1,2}	1	760	65%	40%
		\$2,500,000 ^{1,2}	1	760	70% ³	40%
		\$2,000,000	1	740	70% ³	40%
		\$2,000,000	1	720	70% ³	40%
		\$1,500,000	1	660	70% ³	40%
Second Home	Purchase And Rate/Term	\$2,000,000	1	720	75% ^{1,2}	40%
		\$1,500,000	1	700	75% ^{1,2}	40%
	Cash-Out ³	\$2,000,000	1	720	60%	40%
		\$1,500,000	1	700	60%	40%
Investment	Purchase And Rate/Term	\$2,000,000	1-4	720	75% ^{1,2}	40%
		\$1,500,000	1-4	700	75% ^{1,2}	40%
	Cash-Out ³	\$2,000,000	1-4	720	60%	40%
		\$1,500,000	1-4	700	60%	40%

1. **Rural property:** \$2,000,000 max loan amount; 70% max LTV for Purchase and Rate/Term, 55% max LTV for Cash-Out; minimum 680 FICO
2. **Non-Warrantable Condos, including condotels:** \$2,000,000 max loan amount; 70% max LTV for Purchase & Rate/Term; 65% for Cash-Out; minimum 680 FICO
3. **Cash-out transactions:** Maximum cash in hand of \$500,000 for Cash-LTVs > 65%; \$1MM maximum combined cash-in-hand total for all Arc Home loans, over rolling 12-month period
4. **Tax Liens:** Transactions with Tax Liens that are left open in accordance with guideline requirements may not exceed 75% LTV/CLTV



Product Specific Requirements

Amortization Type	<p>Full Principal and Interest:</p> <ul style="list-style-type: none"> • 15 Year and 30 Year Fixed Rate • 5/6 SOFR ARM, 7/6 SOFR ARM <p>Interest Only:</p> <ul style="list-style-type: none"> • 30 Year and 40 Year Interest only Fixed Rate • 5/6 SOFR IO ARM, 7/6 SOFR Interest only ARM
ARM Information	<p>Caps: 2/2/5 Index: 30 Day SOFR Margin: 3.75% Floor: Margin</p>
Appraisal Requirement	<ul style="list-style-type: none"> • One appraisal is required for loan amounts \leq \$2,000,000. • Two appraisals are required for loan amounts $>$ \$2,000,000. • Follow the Arc Selling Guide for Collateral Review requirements.
Borrower Contribution	<p>Gift funds are not permitted for down payment, closing costs, and reserves.</p>
Borrower Eligibility	<p>Eligible:</p> <ul style="list-style-type: none"> • US Citizens • Permanent Resident Aliens • Non-Permanent Resident Aliens • LLCs and Corporations provided that the Vesting in the Name of an Entity requirements in the Arc Selling Guidelines are met. <p>Ineligible:</p> <ul style="list-style-type: none"> • First Time Homebuyers • Foreign National Borrowers • Non-Occupant Co-Borrowers
Credit/Payment History Requirements	<ul style="list-style-type: none"> • No foreclosure/bankruptcy/short sale within last 48 months • All applicant(s) and co-borrowers must meet the credit score requirements individually. • Non-traditional credit is not permitted. • Payment history requirements: 0x30x12 mortgage/rental history on the subject property and all financed REOs under the borrower's name. If the loan is seasoned less than 12 months, evidence the existing loan has no 30-day lates since the inception of the loan and no 30-day lates or greater mortgage lates for any first mortgage loans are associated with the property and borrower(s) in the most recent 12 months.
Documentation Requirements	<p>The following documentation is required:</p> <ul style="list-style-type: none"> • Four (4) months of account statements – all pages. All assets must be seasoned at least four (4) months prior to application date, unless the recent deposit(s) can be sourced to an eligible asset. • A review of the four months of account statements must be conducted to ensure that the borrower's asset profile has remained consistent over this four-month period. <p>If assets from a joint account are being used to qualify and all parties are not on the loan, all non-borrowers (including spouses) must provide a letter (signed and dated) with specific authorization for full access. Among other requirements, there must be sufficient documentation to clearly demonstrate the amount of assets that the borrower(s) has direct liquidation access to; the file contents must be clear as determined at the discretion of the Arc Home underwriter that the dollar amount of assets used for qualifying are eligible to the borrower and are not impacted by withdrawals or other rights that other account holders may be able to claim on the account.</p>
Qualified Assets (Eligible Percentages)	<p>The qualifying assets must be liquid. Liquid assets are defined as any asset that can be converted into cash quickly with minimal impact to the price received. The amount of liquid assets used for qualification purposes are specific to the liquidity of such amounts and are set forth below:</p>



	<p>Eligible Qualifying Assets:</p> <ul style="list-style-type: none"> • 100% of checking, savings, CDs, and money market accounts • 70% of the remaining value of stocks & bonds, mutual funds (including those held in Retirement/Annuity/Pension accounts if over age 59 ½ and, if the plan is an employer administered plan, the borrower is separated from service) • 50% of retirement funds (401k, IRA, Keogh, Government Annuity and Pension Income) if younger than age 59 ½ or if borrower is over age 59 ½ but is using an employer administered plan and the borrower is not separated from service • When using employer administered retirement plan accounts for borrowers that are younger than age 59 ½ or for which the borrower is over age 59 ½ but is not separated from service from the employer, the loan file should include sufficient plan account documents to determine that the borrower has the ability to liquidate the assets that are being used for determining ability to repay. The liquidation cannot be limited to “hardship” circumstances. <p>Note: If an applicant requests that a Defined Benefit retirement plan(s) be considered, the file must contain sufficient plan account documents to determine that the borrower has the ability to liquidate the assets that are being used for determining ability to repay. The liquidation cannot be limited to “hardship” circumstances. For Defined Benefit retirement plan assets, this requirement must be satisfied regardless of either the borrower age or whether they are separated from service.</p> <p>Ineligible Qualifying Assets:</p> <ul style="list-style-type: none"> • 529 or similar college fund • Business assets • Cash value of life insurance • Equity in real estate including current home • Funds held in foreign accounts or investments • Gift funds • Gift of equity • Pledged/Collateral assets • Margined assets/Loans • Private securities or any non-publicly traded assets • Restricted stock units, stock options, non-vested stock • Stocks and bonds not publicly traded • The following trusts <ul style="list-style-type: none"> ○ Blind trusts ○ Irrevocable trust ○ Land trusts ○ Life estates
<p>Calculations Requirements</p>	<p>The Eligible Percentages described above should be applied to the ending balance reflected on the most recent statement if the ending balance is within 10% of the average of the documented four month ending balances.</p> <ul style="list-style-type: none"> • If the ending balance of the most recent statement is >10% above the average of the documented four month ending balances, then either: <ul style="list-style-type: none"> ○ The four-month average should be used, OR ○ The higher amount may be used if the source of the increase of funds is documented • If the ending balance of the most recent statement is >10% less than the average of the documented four month ending balances, then the ending balance that is reflected on the most recent statement must be used, and the income must be signed off by an Arc Home Underwriting Manager. <p>Monthly Qualifying Income (Total Qualified Assets – down payment – closing costs – reserves) divided by 60.</p>
<p>Documentation Type</p>	<p>Doc Type must reflect “Asset Utilization”</p>



Impound/Escrow Accounts	Escrow funds/impound accounts may be waived for taxes and hazard insurance in accordance with the Arc Selling Guide.
Lien Position	First
Minimum Loan Amount	\$100,000
Number of Financed Properties	<ul style="list-style-type: none"> A single borrower can have no more than 20 financed properties including subject property. All properties in which the borrower is personally obligated must be included in the financed property maximum. For Arc Elite, Arc Access, Conventional Investment Property and FNMA/FHLMC Second Home-Investment Property Products, each borrower may not exceed either an aggregate unpaid principal balance amount of \$5MM or 10 loans (including the subject property) financed with Arc Home Loans.
Occupancy	<ul style="list-style-type: none"> Primary Residence Second Home Investment Property
Prepayment Penalty	Allowed on Investment properties. May be subject to up to a five-year prepayment penalty or the maximum permitted by state law, whichever is lower.
Property Types	<p>Eligible:</p> <ul style="list-style-type: none"> 1-4 unit (Detached, Semi Detached, Attached) PUD (Detached, Attached) Warrantable Condominium (Detached, Attached) Non-Warrantable Condominiums, including condotels. Refer to the Arc Selling Guide for details. <p>Ineligible: Refer to the Arc Selling Guide for ineligible property types.</p>
Reserve Requirements	<ul style="list-style-type: none"> Loan Amount ≤ \$1.5MM: 6 months of PITIA Loan Amount > \$1.5MM-2.5MM: 9 months of PITIA Loan Amount > \$2.5MM: 12 months of PITIA Cash out proceeds may be used to satisfy reserve requirements.
Secondary Financing	Allowed
Tax Transcripts	A signed 4506-C and IRS Tax Transcripts are not required.
Transaction Types	<p>Eligible:</p> <ul style="list-style-type: none"> Purchase Rate Term Refinance Delayed Financing Cash Out Refinance Texas 50(a)(6) Rate Term and Cash Out refinances
Underwriting	Manual underwriting required. AUS not allowed. Refer to the Arc Selling Guide for complete program requirements.

Product Names

Full Principal and Interest Options	Interest Only Options
15 YR FIXED ACCESS ALTERNATE INCOME	30 YR FIXED IO ACCESS ALTERNATE INCOME
30 YR FIXED ACCESS ALTERNATE INCOME	40 YR FIXED IO ACCESS ALTERNATE INCOME
5/6m SOFR ARM ACCESS ALTERNATE INCOME	5/6m SOFR ARM IO ACCESS ALTERNATE INCOME
7/6m SOFR ARM ACCESS ALTERNATE INCOME	7/6m SOFR ARM IO ACCESS ALTERNATE INCOME
15 YR FIXED ACCESS ALTERNATE INCOME - 1 YR PREPAY PENALTY TERM	30 YR FIXED IO ACCESS ALTERNATE INCOME - 1 YR PREPAY PENALTY TERM
30 YR FIXED ACCESS ALTERNATE INCOME - 1 YR PREPAY PENALTY TERM	



5/6m SOFR ARM ACCESS ALTERNATE INCOME - 1 YR PREPAY PENALTY TERM	40 YR FIXED IO ACCESS ALTERNATE INCOME - 1 YR PREPAY PENALTY TERM
7/6m SOFR ARM ACCESS ALTERNATE INCOME - 1 YR PREPAY PENALTY TERM	5/6m SOFR ARM IO ACCESS ALTERNATE INCOME - 1 YR PREPAY PENALTY TERM
15 YR FIXED ACCESS ALTERNATE INCOME - 2 YR PREPAY PENALTY TERM	7/6m SOFR ARM IO ACCESS ALTERNATE INCOME - 1 YR PREPAY PENALTY TERM
30 YR FIXED ACCESS ALTERNATE INCOME - 2 YR PREPAY PENALTY TERM	30 YR FIXED IO ACCESS ALTERNATE INCOME - 2 YR PREPAY PENALTY TERM
5/6m SOFR ARM ACCESS ALTERNATE INCOME - 2 YR PREPAY PENALTY TERM	40 YR FIXED IO ACCESS ALTERNATE INCOME - 2 YR PREPAY PENALTY TERM
7/6m SOFR ARM ACCESS ALTERNATE INCOME - 2 YR PREPAY PENALTY TERM	5/6m SOFR ARM IO ACCESS ALTERNATE INCOME - 2 YR PREPAY PENALTY TERM
15 YR FIXED ACCESS ALTERNATE INCOME - 3 YR PREPAY PENALTY TERM	7/6m SOFR ARM IO ACCESS ALTERNATE INCOME - 2 YR PREPAY PENALTY TERM
30 YR FIXED ACCESS ALTERNATE INCOME - 3 YR PREPAY PENALTY TERM	30 YR FIXED IO ACCESS ALTERNATE INCOME - 3 YR PREPAY PENALTY TERM
5/6m SOFR ARM ACCESS ALTERNATE INCOME - 3 YR PREPAY PENALTY TERM	40 YR FIXED IO ACCESS ALTERNATE INCOME - 3 YR PREPAY PENALTY TERM
7/6m SOFR ARM ACCESS ALTERNATE INCOME - 3 YR PREPAY PENALTY TERM	5/6m SOFR ARM IO ACCESS ALTERNATE INCOME - 3 YR PREPAY PENALTY TERM
15 YR FIXED ACCESS ALTERNATE INCOME - 4 YR PREPAY PENALTY TERM	7/6m SOFR ARM IO ACCESS ALTERNATE INCOME - 3 YR PREPAY PENALTY TERM
30 YR FIXED ACCESS ALTERNATE INCOME - 4 YR PREPAY PENALTY TERM	30 YR FIXED IO ACCESS ALTERNATE INCOME - 4 YR PREPAY PENALTY TERM
5/6m SOFR ARM ACCESS ALTERNATE INCOME - 4 YR PREPAY PENALTY TERM	40 YR FIXED IO ACCESS ALTERNATE INCOME - 4 YR PREPAY PENALTY TERM
7/6m SOFR ARM ACCESS ALTERNATE INCOME - 4 YR PREPAY PENALTY TERM	5/6m SOFR ARM IO ACCESS ALTERNATE INCOME - 4 YR PREPAY PENALTY TERM
15 YR FIXED ACCESS ALTERNATE INCOME - 5 YR PREPAY PENALTY TERM	7/6m SOFR ARM IO ACCESS ALTERNATE INCOME - 4 YR PREPAY PENALTY TERM
30 YR FIXED ACCESS ALTERNATE INCOME - 5 YR PREPAY PENALTY TERM	30 YR FIXED IO ACCESS ALTERNATE INCOME - 5 YR PREPAY PENALTY TERM
5/6m SOFR ARM ACCESS ALTERNATE INCOME - 5 YR PREPAY PENALTY TERM	40 YR FIXED IO ACCESS ALTERNATE INCOME - 5 YR PREPAY PENALTY TERM
7/6m SOFR ARM ACCESS ALTERNATE INCOME - 5 YR PREPAY PENALTY TERM	5/6m SOFR ARM IO ACCESS ALTERNATE INCOME - 5 YR PREPAY PENALTY TERM
	7/6m SOFR ARM IO ACCESS ALTERNATE INCOME - 5 YR PREPAY PENALTY TERM