



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 (SPARCAssist@archomeloans.com or 215-383-9220) for assistance with appraisal ordering process inside SPARC 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 re-issued, 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

Property Information

Zip Code State

County

City

In Rural Area? Yes [explain](#)

Property Use

Gross Rent Occupancy Rate (%)

Has Non-Occupant Co-Borrower? Yes

Property Type

Structure Type

Loan Information

Loan Purpose Purchase Refinance

Refinance Type

Cashout Amount

Current Loan P&I Payment Modify

Current MIP/Month

Impound? Yes

Doc Type

Home Value

Equity

1st Lien

Guarantee Fee

DSCR

Prepayment Penalty Term

Supplemental Asset Utilization

ITIN

Delivery Type

Self-Employed (Jumbo Only)?

1099 Income



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

Loan Information

Loan Purpose Purchase Refinance

First Time Home Buyer? [explain](#)

Impound? Yes

Doc Type **Other Bank Statements** ▼

Appraised Value

Sales Price

Down Payment

1st Lien

Prepayment Penalty Term ▼

Supplemental Asset Utilization ▼

ITIN ▼

Delivery Type ▼

Self-Employed (Jumbo Only)? ▼

1099 Income ▼

- No Selection
- No 1099
- 1099 - 12 months
- 1099 - 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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Non-QM Quick Pricer

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

[See Results](#)



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 inside SPARC
- **LQB Help Desk** (ITHelpDesk@archomeloans.com)
 - 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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