



Arc Home Super-Secret Sushi Menu

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Agenda



- Excellent Pricing
- Competitive Products
- Resources
- Arc Home Value Proposition





Arc Home Pricing

- FREE 3-day lock extensions!
- Arc Elite – Agency Plus high FICO pricing
- Spec pricing on lower loan amounts
- FNMA/FHLMC Second Home & Investment pricing
- Supplemental Asset Utilization LLPA minimal





Arc Home Products

- **Arc Home Proprietary**
 - Unique opportunities for qualifying outside traditional Agency, Government and Jumbo lending options
- **Agency & Government**
 - Traditional lending with limited Arc Home overlays
- **Jumbo**
 - Just-missed options for higher loan sizes





Arc Elite QM

- Max LTV
 - **Agency Plus:** Up to **89.99%** LTV – no MI
 - **Alt Income:** Up to **80%** LTV
- Minimum Credit Score
 - **Agency Plus:** 640
 - **Alt Income:** 680
- Loan amount to **\$3MM**
- Available for Primary Residence and Second Home





Overview – Arc Elite QM

- **30-Year Fixed Rate** (Fully Amortized)
- HI eligible for Delegated Correspondent only
- **DU Approve** required
 - May be Ineligible due **ONLY** to Loan Amount and/or LTV when MI is required per AUS
 - Minimum credit/tradelines, derogatory credit event seasoning, borrower eligibility per AUS
- **NO EXCEPTIONS** considered





Income – Arc Elite QM

- **Agency Plus**

- Full Documentation (per [Fannie Mae guidelines](#); follow Desktop Underwriter (DU))
- Asset Utilization may *supplement* qualifying Full Doc income

- **Alt Income**

- 24-Month Bank Statements
- 2-Years 1099s
- One Year Full Doc (wage earner or self-employed)
- Asset Utilization
 - Use as sole source OR to *supplement* qualifying Alt Doc income





Arc Access NQM

Agency Plus

- Up to **90%** LTV – no MI
- Minimum **660** FICO
- Loan amount to **\$3.5mm**

Alt Income

(1 Year Full Doc, Bank Statements, 1099s)

- Up to **90%** LTV – no MI
- Minimum **660** FICO
- Loan amount to **\$3.0mm**

Clean Slate

- Up to **85%** LTV – no MI
- Minimum **620** FICO
- Loan amount to **\$3.0mm**

Alt Income

(Asset Utilization)

- Up to **80%** LTV
- Minimum **660** FICO
- Loan amount to **\$3.0mm**

DSCR

- Up to **75%** LTV
- Minimum **680** FICO
- Loan amount to **\$2.5mm**

Alt Income

(No Ratio)

- Up to **70%** LTV
- Minimum **640** FICO
- Loan amount to **\$2.5mm**



Overview – Arc Access NQM

- Available Programs
 - **15- and 30-Year Fixed Rate**
 - **5/6 and 7/6 SOFR ARM**
 - **Interest Only** options available for entire program suite
- HI eligible for Delegated Correspondent only
- AUS **NOT required** – refer to Arc Selling Guide and applicable matrix for minimum credit/tradelines, derogatory credit event seasoning, borrower eligibility
- Exceptions **MAY** be considered
- Prepayment Penalty options available for Investment transactions





Income – Arc Access NQM

- **Agency Plus**

- Full Documentation
- Asset Utilization may *supplement* qualifying Full Doc income

- **Clean Slate**

- Full Documentation
- 12- and 24-Month Bank Statements
- 12- and 24-Month 1099s
- One Year Full Doc (wage earner or self-employed)
- Asset Utilization

- **Alt Income**

- 12- and 24-Month Bank Statements
- 12- and 24-Month 1099s
- One Year Full Doc (wage earner or self-employed)
- Asset Utilization
 - Use as sole source OR to *supplement* qualifying Alt Doc income
- No Ratio

- **Debt Service Coverage Ratio (DSCR)**

- Subject property gross rental income divided by PITIA/ITIA





How do you qualify **Bank Statements**?

- Average of checking/draft account deposits (12 or 24 months, depending on program)
- Personal and business account options available
- Qualify business bank statements with Fixed Expense Ratio **OR** Third-Party Prepared Expense Statement
- NSF/Overdrafts **NOT** counted when no fee is charged by financial institution
- 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%
Capital Intensive 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

Capital-Intensive Business Examples:

Construction, Oil and Gas, Manufacturing, Money Lenders, Telecommunication, Transportation, Healthcare, Farming & Agricultural

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
- **Note:** Lowest acceptable expense ratio for qualifying is **15%**





How do you qualify 1099s?

- Two years 1099 employment
 - 1- or 2-years recent 1099s
 - YTD compensation statement(s)
 - Arc Home Business Narrative with annual business expense factor
- Qualifying income is lesser of:
 - 2-year 1099 average less expense factor; OR
 - 1-year 1099 average less expense factor; OR
 - YTD earnings average less expense factor
- Send in your income documentation, and we will calculate for you!





How do you qualify **Asset Utilization**?

- May be **sole OR supplemental** qualifying source of **income**
- 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”)
- Send in your statements, and we will calculate for you!



Arc Access Non-QM

- Assets must be seasoned and documented at least **four (4)** months
- Monthly Qualifying Income = Total Qualified Assets (less the total of down payment, closing costs, and required reserves) divided by **60**



Arc Elite QM

- Assets must be seasoned and documented at least **twelve (12)** months
- Monthly Qualifying Income = Total Qualified Assets (less the total of down payment, closing costs, and required reserves) divided by **120**



Supplemental Asset Utilization?

- Allowed with both **Full Doc and Alt Doc** transactions
 - **Arc Access Non-QM AND Arc Elite QM**
- Asset Utilization **MUST NOT** be primary source of qualifying income (< 50%)
 - **Example:** Full Doc income = \$4,500/month and Asset Utilization income = \$1,500/month
- Eligibility based on primary source of qualifying income
 - **Example:** Full Doc income > Asset Utilization, eligibility based on Full Doc income
- Send in your asset statements, and we will calculate for you!





How do you qualify DSCR?

- Calculate the DSCR by dividing subject property Gross Income by the PITIA/ITIA
 - **Fully Amortized:** Qualify with full payment – minimum **.75** DSCR
 - **Interest Only:** Qualify with I/O payment – minimum **1.0** DSCR
- No vacancy factor is considered
- First Time Investors allowed
- Title vesting in LLC and Corporations permitted

BREAKING NEWS – Arc Home will be offering **Out of State DSCR soon! Keep an eye on your inbox for important release details!**

Arc Home – Quick Pricer & Quick Qualifier



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 %
County	Please Select	Citizenship	US Citizen
Loan Amount	\$ Loan Amount	ITIN	No
LTV	LTV ex. 80 %		

[See Results](#)

business.archomellc.com

Arc Home – Deal Desk



Visit business.archomellc.com to submit an Income Analysis Request, guideline question, or Exception Request today!



Important Note: Non-Delegated Clients are eligible to use all Deal Desk services listed; Delegated Correspondent Clients may utilize Scenario Requests.



Summary – Super-Secret Sushi Menu

- Supplemental Asset Utilization for Access NQM & Elite QM
- DSCR – Qualify with Interest Only Payment
- Fixed Expense Ratio for Business Bank Statements
- Arc Home Proprietary Programs – FNMA/FHLMC Second Home & Investment, Conventional Investment
- DSCR Out of State for CO, CT, FL, MD, TX, UT, VA, WA
- Free 3-Day Lock Extensions





Why Partner with Arc Home?

- Strength of Angelo Gordon, our parent company
 - \$48 billion in assets
 - Reputation for providing stability and liquidity in all market conditions
- Dual approval available
 - Agency Non-Delegated and Government Brokered
 - Agency Delegated and FHA Specialty Non-Delegated
- Arc Access & Arc Elite product suites
- Competitive Fees and Pricing
- Best-in-Class Account Managers
- Quick Turn Times
- Send in your bank statements, and we will calculate the income prior to registration!
 - Wholesale and Non-Delegated Correspondent
- Attract a diverse base of referral sources with our broad range of products
- 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



QUESTIONS & ANSWERS



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