

## ARCHES DUNES - HB CONFORMING

Fixed Rate 30 Year

### Primary Purchase and R&T Refi

Property Type	Min Loan Amount >	Max Loan Amount <=	LTV/CLTV	Min Credit Score	Reserves	Max DTI	Available Terms
SFR, SFD, SFA, Condo & PUD	\$548,250	\$822,375	80%/80%	660	DU/LPA	43%	30 YR FIXED
2 Unit	\$702,000	\$1,053,000	80%/80%	660	DU/LPA	43%	30 YR FIXED
3 Unit	\$848,500	\$1,272,750	80%/80%	660	LPA	43%	30 YR FIXED
	\$848,500	\$1,272,750	75%/75%	660	DU	43%	30 YR FIXED
4 Unit	\$1,054,500	\$1,581,750	80%/80%	660	LPA	43%	30 YR FIXED
	\$1,054,500	\$1,581,750	75%/75%	660	DU	43%	30 YR FIXED

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### Primary Cash Out Refi

Property Type	Min Loan Amount >=	Max Loan Amount <=	LTV/CLTV	Min Credit Score	Reserves	Max DTI	Available Terms
SFR, SFD, SFA, Condo & PUD	\$548,250	\$822,375	80%/80%	680	DU/LPA	43%	30 YR FIXED
2 Unit	\$702,000	\$1,053,000	75%/75%	680	DU/LPA	43%	30 YR FIXED
3 Unit	\$848,500	\$1,272,750	75%/75%	680	DU/LPA	43%	30 YR FIXED
4 Unit	\$1,054,500	\$1,581,750	75%/75%	680	DU/LPA	43%	30 YR FIXED

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### Second Home Purchase and Rate & Term

Property Type	Min Loan Amount >=	Max Loan Amount <=	LTV/CLTV	Min Credit Score	Reserves	Max DTI	Available Terms
SFR, SFD, SFA, Condo & PUD	\$548,250	\$822,375	80%/80%	680	DU/LPA	43%	30 YR FIXED

### Second Home Cash Out Refi

Property Type	Min Loan Amount >=	Max Loan Amount <=	LTV/CLTV	Min Credit Score	Reserves	Max DTI	Available Terms
SFR, SFD, SFA, Condo & PUD	\$548,250	\$822,375	75%/75%	680	DU/LPA	43%	30 YR FIXED

## ARCHES DUNES - HB CONFORMING

Fixed Rate 30 Year							
Investment Purchase and Rate & Term							
Property Type	Min Loan Amount >=	Max Loan Amount <=	LTV/CLTV	Min Credit Score	Reserves	Max DTI	Available Terms
SFR, SFA, Condo & PUD	\$548,250	\$822,375	75%/75%	680	DU/LPA	43%	30 YR FIXED
2 Unit	\$702,000	\$1,053,000	75%/75%	680	DU/LPA	43%	30 YR FIXED
3 Unit	\$848,500	\$1,272,750	75%/75%	680	DU/LPA	43%	30 YR FIXED
4 Unit	\$1,054,500	\$1,581,750	75%/75%	680	DU/LPA	43%	30 YR FIXED

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<b>Occupancy</b>	<ul style="list-style-type: none"> <li>• Primary</li> <li>• Second Home</li> <li>• Investment</li> </ul>
<b>Loan Purpose</b>	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Rate/Term Refinance</li> <li>• Cash-out Refinance (not available for Investment properties)</li> </ul>
<b>Available Products</b>	<ul style="list-style-type: none"> <li>• 30 year fixed</li> </ul>
<b>Documentation</b>	<ul style="list-style-type: none"> <li>• Full Documentation Only</li> </ul>
<b>Secondary Financing</b>	<ul style="list-style-type: none"> <li>• Permitted up to maximum LTV/CLTV per matrices</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>• Single family (attached and detached)</li> <li>• Condo</li> <li>• PUD</li> <li>• 2 to 4 Unit</li> </ul>
<b>Rate and Term</b>	<ul style="list-style-type: none"> <li>• Lesser of 1% or \$2,000 max cash back is allowed</li> </ul>
<b>Mortgage Insurance</b>	<ul style="list-style-type: none"> <li>• Required with LTV &gt; 80% (currently not offered)</li> <li>• Borrower paid or lender paid are allowable</li> </ul>

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<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>US Citizens</li> <li>Permanent Resident Alien</li> </ul>
<b>Non-Permanent Resident</b>	<ul style="list-style-type: none"> <li>Non-Permanent Resident Aliens are ineligible</li> </ul>
<b>Non-Occupant Co-Borrowers</b>	<ul style="list-style-type: none"> <li>Non-occupant co-borrower allowed per DU/LPA requirements</li> </ul>
<b>Non-Arm's Length</b>	<ul style="list-style-type: none"> <li>Non-Arm's length transaction allowed per FNMA/FHLMC guidelines</li> <li>The following NALs are eligible with proper documentation:               <ul style="list-style-type: none"> <li>Sales or transfers between members of the same family (transaction may not be due to any adverse circumstances)</li> <li>Property seller acting as his or her own real estate agent</li> <li>Borrower acting as his or her own real estate agent</li> <li>Borrower purchasing from his or her current landlord (cancelled checks or bank statements required to verify satisfactory pay history)</li> </ul> </li> </ul>
<b>Delayed Financing Refinance</b>	<ul style="list-style-type: none"> <li>Delayed financing is allowed per FNMA guidelines</li> <li>The original purchase must have been an arm's length transactions with a documented Closing Disclosure</li> <li>Eligible for DU only</li> <li>Cash back to the borrower in excess of the original purchase price or appraised value (whichever is less) is not allowed</li> <li>Delayed financing refinances are underwritten as rate and term refinances and are not subject to cash-out refinancing program limitations</li> </ul>
<b>Multiple Properties Financed</b>	<ul style="list-style-type: none"> <li>Follow DU/LPA requirements</li> <li>Borrowers may not own more than four (4) residential 1-4 unit financed properties regardless of the occupancy of the subject property</li> <li>Six (6) months PITI reserves for each additional financed property owned</li> </ul>

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<b>Credit Score</b>	<ul style="list-style-type: none"> <li>• Refer to Matrices</li> <li>• When multiple borrowers apply, the lowest middle score is the qualifying credit score</li> </ul>
<b>Age of Credit Docs</b>	<ul style="list-style-type: none"> <li>• Credit docs valid for 60 days from note date</li> <li>• Appraisal valid for 120 days from note date</li> </ul>
<b>Credit Events</b>	<ul style="list-style-type: none"> <li>• Derogatory credit event seasoning determine by DU/LPA</li> </ul>
<b>Minimum Credit History</b>	<ul style="list-style-type: none"> <li>• Minimum credit history determined by DU/LPA</li> </ul>
<b>Housing Payment History</b>	<ul style="list-style-type: none"> <li>• Mortgage / rental history as determined by DU/LPA</li> </ul>

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<b>Self-Employment</b>	<ul style="list-style-type: none"> <li>• Self-employed (S/E) borrowers are eligible:             <ul style="list-style-type: none"> <li>○ A borrower is considered S/E when they have 25% or more ownership interest in a business</li> <li>○ A Wage earner borrower with an incidental side business that does not provide qualifying income will not be considered as S/E</li> <li>○ Declining income from S/E of 20%, or more, is ineligible for qualifying income</li> <li>○ Two (2) business entities max per transaction</li> <li>○ For determining the number of qualifying entities, rental properties held in an entity are counted in the total max of 2. Sch C are not counted against the 2 max.</li> </ul> </li> <li>• Year-to-date P&amp;L and Balance Sheet are required if note date is beyond 90 days from the end of the last fiscal year. Depending on the type of business, micro P&amp;Ls and business bank statements may also be required case by case.</li> </ul>
<b>Employment Gaps</b>	<ul style="list-style-type: none"> <li>• A two (2) year minimum of employment and income history is required for all borrowers</li> <li>• Employment gaps greater than 30 days during the most recent two (2) year period require a borrower LOE</li> </ul>
<b>Max DTI</b>	<ul style="list-style-type: none"> <li>• See matrices</li> </ul>
<b>Departing Residence</b>	<ul style="list-style-type: none"> <li>• If the current residence is pending sale or being converted to a 2<sup>nd</sup> home, both the current and proposed PITI payments must be used to qualify</li> <li>• If the current residence is being converted to an investment property, FNMA or Freddie Mac guidelines are applied for the calculation of rental income</li> </ul>
<b>Rental Income</b>	<ul style="list-style-type: none"> <li>• Follow DU/LPA requirements</li> <li>• Rental income from other properties must be documented with the borrower's most recent signed federal income tax return that includes Schedule E</li> </ul>



**Tax Transcripts**

- Transcripts are required for income used to qualify if requested by DU/LPA \*  
*\*not required while IRS has suspended transcript operations during COVID-19 crisis*

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<b>Assets</b>	<ul style="list-style-type: none"> <li>• Bank or brokerage statements for the most recent two (2) consecutive months are required</li> <li>• Large deposits, defined as a single deposit that exceeds 50% of the total monthly qualifying income, must be sourced</li> <li>• Large deposits that cannot be sourced may be subtracted from asset amount</li> </ul>
<b>Gift Funds</b>	<ul style="list-style-type: none"> <li>• Gift funds are an acceptable source of funds as follows for primary residences and second homes with LTV/CLTV &lt;= to 80% as follows:             <ul style="list-style-type: none"> <li>○ Gift donor must be a relative, defined as a borrower’s spouse, child or other dependent or by any other individual who is related to the borrower by blood, marriage, adoption or legal guardianship or a fiancé or domestic partner</li> <li>○ Borrower must contribute 5% of their own funds</li> <li>○ Gift of equity is not eligible</li> <li>○ Gift funds may NOT be used to pay off installment debt to qualify</li> </ul> </li> <li>• Gift funds may NOT be used to pay off revolving debt to qualify</li> </ul>
<b>Paying Off Debt to Qualify</b>	<ul style="list-style-type: none"> <li>• Installment debt may be paid off to qualify either before or at closing</li> <li>• Revolving debt may be paid off to qualify either before or at closing</li> <li>• Paying down of installment debt is permitted</li> </ul>
<b>Reserves</b>	<ul style="list-style-type: none"> <li>• Reserves requirements are determined by DU/LPA</li> </ul>
<b>Retirement Accounts</b>	<ul style="list-style-type: none"> <li>• Vested funds from Individual Retirement Accounts (IRA/SEP/Keogh accounts) and tax-favored retirement savings accounts (401(k) accounts) are acceptable sources of funds for reserves</li> <li>• Ownership of the account and verification that the account is vested and allows withdrawals regardless of current employment status is required</li> <li>• When used for reserves, 70% of the value of the assets may be considered, and liquidation is not required</li> </ul>

<b>Liabilities</b>	<ul style="list-style-type: none"><li>• Installment and revolving debt must follow DU/LPA requirements</li></ul>
<b>Installment Debt</b>	<ul style="list-style-type: none"><li>• Installment debt must follow DU/LPA requirements</li></ul>

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<b>Second Homes</b>	<ul style="list-style-type: none"> <li>• Property may not be a time share, subject to a rental agreement or other shared ownership arrangements</li> <li>• Property must be a reasonable distance from the borrower's primary residence</li> <li>• Rental income and expenses on Schedule E of the borrower's personal tax returns(s) must not exceed 30 rental days</li> <li>• Rental income from a second home cannot be used to qualify the borrower</li> </ul>
<b>Condo Eligibility</b>	<ul style="list-style-type: none"> <li>• Full or limited condo review required</li> <li>• 2-4 project OR detached condo review not required</li> <li>• New projects ineligible</li> <li>• Low/Mid/High rise are eligible</li> <li>• HOA litigation as allowed by FNMA/FHLMC guidelines</li> </ul>
<b>Acreage</b>	<ul style="list-style-type: none"> <li>• Maximum lot size 20 acres</li> <li>• Properties with greater than 10 acres need to have three comparables with similar acreage</li> </ul>
<b>Recently Listed Properties</b>	<ul style="list-style-type: none"> <li>• Listing must be canceled or expired prior to the date of closing</li> </ul>
<b>HERO/PACE/Solar Panels</b>	<ul style="list-style-type: none"> <li>• Any item that that will include a UCC associated with the property and/or will create an easement on title is ineligible</li> </ul>
<b>Oil and Gas Leases</b>	<ul style="list-style-type: none"> <li>• Properties with oil and gas lease(s) are not allowed</li> </ul>
<b>Appraisal Requirements</b>	<ul style="list-style-type: none"> <li>• Property Inspection Waiver (PIW) is not allowed</li> </ul>
<b>Appraisal Age</b>	<ul style="list-style-type: none"> <li>• Appraisals must not be over 120 days old from the note date</li> <li>• If appraisal is over 120 days old a recertification of value is required</li> </ul>
<b>Transferred Appraisals</b>	<ul style="list-style-type: none"> <li>• Transferred appraisals considered</li> </ul>
<b>Ineligible Property Types</b>	<ul style="list-style-type: none"> <li>• Manufactured Homes</li> </ul>

- Factory Built Housing
- Condo hotel units, non-warrantable condominiums
- Log homes
- Timeshare units
- Geothermal homes
- Unique properties
- Mixed use properties
- Working farms
- Hobby farms
- Commercial properties
- Agriculturally zoned properties (agriculture/residential eligible)
- Properties held as leasehold