WELCOME

Welcome to the Arc Home Webinar

Meet your presenters for today's session

TODAY'S SPEAKERS

C
Cat
Moderator, Sr. Sales Enablement Associate

JG
John Gibson
Chief Production Officer

MP
Mike Potter
VP of Underwriting

RM
Ruthanne Mashchenko
Sales Enablement Manager

TV
Tiffanee Vasquez
VP of Product & Strategy

"Today you'll leave knowing which Arc Home product fits which borrower and what's new."

ACCESS CLEAN SLATE

Enhanced Full/Alt Doc Program

Sales Enablement & Broker Training

A walkthrough of guideline changes that expand approvals, flexibility, and opportunities for your borrowers.

PRODUCT COMPARISON

Clean Slate Product Comparison

How the enhanced Clean Slate Full & Alt Doc program expands eligibility versus our Edge and Access programs.

Topic	Edge	Access	Clean Slate
Borrower profile	Prime full-doc	Standard non-QM	**Credit-event & self-employed**
Min FICO	720	660	**620**
Income docs	Full doc only	Full / bank statement	**Full, Bank Stmt, WVOE, CPA P&L**
Credit event seasoning	48 months	36 months	**Reduced / tiered**
BK13 seasoning	From discharge	From discharge	**From filing date**
Housing history	0x30x12	1x30x12	**Expanded allowances**
Re-established credit	Not counted	Case-by-case	**Accepted**
Non-warrantable condo	Not eligible	75% CLTV	**80% purchase CLTV**
2–4 unit LTV	75%	75%	**80%**
Max loan amount	$3.0MM	$2.5MM	**$2.5MM**

SUMMARY

Clean Slate UW Updates

Underwriting guideline changes in this rollout — credit, bankruptcy & LTV

UPDATED

Credit & Bankruptcy

- Reduced derogatory seasoning
- Expanded housing-history allowances
- BK13 seasoning from filing date
- Re-established credit accepted

UPDATED

LTV Enhancements

- 2–4 units now 80% LTV
- Non-warrantable condo purchase 80% CLTV
- Aligned to the updated Alt Doc Matrix

Borrower Scenario: David Kim

Strong-credit move-up buyer eyeing a non-warrantable condo

Background

Self-employed salon owner in Tampa, FL. Credit impacted by a prior business slowdown resulting in a current **630 FICO**. Business performance has recovered, and the borrower now shows strong cash flow through bank statement documentation.

Loan Request

Purchase of a $600K primary residence. $390K loan amount at **65% LTV**.

Why Clean Slate Fits

Borrower's **630 FICO** is below the minimum credit score requirements for Access Agency Plus and Access Alt Income. Clean Slate permits FICO scores down to **620**, allowing the borrower to qualify despite the lower score. Without Clean Slate, the borrower would need to delay the purchase while improving credit

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QUALIFYING INCOME

Alternative Income Types

Beyond W-2s and tax returns — the documentation paths that let self-employed and investor borrowers qualify.

Bank Statement | CPA P&L | WVOE | 1099 | Asset Utilization

CPA P&L Program

Income documented through CPA attestation instead of bank statements.

No bank statements required

Streamline self-employed scenarios with a clean income story signed off by their CPA.

1. **CPA prepares P&L**
   Trailing period covering the qualifying income window.
2. **CPA review/audit**
   Attestation language confirms accuracy.
3. **Submit to underwriting**
   Use in place of bank-statement analysis.

NEW

New program

CPA P&L replaces bank-statement docs for qualifying self-employed borrowers. Verify CPA credentials early.

Written Employment Verification Program

A simpler way for eligible W-2 employees to verify income.

Another way eligible borrowers can qualify

Borrowers may use written employment verification instead of full income documents. This can help W-2 employees with steady jobs who have trouble providing pay stubs or tax forms.

- No tax returns needed
- No pay stubs needed
- Verified by employer
- Faster document review

NEW

New program

This program is new. Before sharing pricing, confirm any extra requirements and the types of employment that qualify.

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DSCR CLEAN SLATE

Investor Loans, Reimagined

Product Spotlight & Sample Scenarios

How the new Clean Slate DSCR expands eligibility versus our current Edge and Access DSCR programs.

DSCR Product Comparison

How the new Clean Slate DSCR expands eligibility versus our current Edge and Access DSCR programs.

Topic	Edge DSCR	Access DSCR	Clean Slate DSCR
Borrower profile	Prime credit, lower DSCR appetite	Standard non-QM options	**Credit-challenged / recent events**
Min FICO	700	640 Purchase/Rate-Term (1.25+ DSCR)	**640 Purchase/RateTerm/Cash-Out**
Min DSCR	0.80	0.75	**0.75**
Max loan amount	$3.0MM	$2.5MM	**$2.5MM**
Housing history	1x30x12	0x30x12	**2x30x12 eligible(max 65% LTV, $1.5MM)**
Credit event seasoning	36 months, no derog	36 months	**Tiered: 24-35 months eligible at ≤ 65% LTV**
Non-warrantable condos	Max 75% LTV/65% Refi (1.0 Min DSCR)	Max 75% LTV /70% cash-out max	**Max 80% Purchase / 75% Refi (1.0 min DSCR)**
Reserves (loan < $1MM)	3 months PITIA	6 months PITIA	**3 months PITIA**
Gift funds	10% min + 1.0 DSCR	10% min + 1.0 DSCR	**5% min contribution**
ADU rentals	Long-term only	Long-term only	**Long or short-term**

DSCR CLEAN SLATE

DSCR Clean Slate Updates

Investor loans, reimagined — expanded eligibility vs. Edge and Access DSCR

UPDATED

Expanded Credit Box

- Opens to a 640 minimum FICO for cash-out refi's
- Qualifies at 0.75 minimum DSCR
- Serves credit-challenged investors
- Recent-event borrowers eligible

NEW

Flexible Seasoning

- Tiered credit-event seasoning
- Eligible from 24 to 35 months
- Qualifies at 65% LTV or below
- Less than 24 months not eligible

UPDATED

LTV Enhancements

- Non-warrantable condos at 80% purchase
- Up to 75% on a refinance
- Loan amounts up to $2.5MM

NEW

Rental Income

- Long and short-term ADU rentals
- ADU income counts when types match
- Backed by AirDNA or remittances
- Refinance properties may not be vacant

Borrower Scenario: Marcus L.

Short-term rental investor finally able to count ADU income

Background

Seasoned investor in Asheville. FICO 712. Owns primary five years with 0x30x12 history. Two existing rentals; one long term and one short term. targeting a dwelling with an ADU short-term rental to round out the portfolio.

Loan Request

Purchase of a mountain home with detached ADU at 80% LTV — $521K loan. Short -term main unit at $2200 plus short-term ADU averaging $1,300 supports a 1.03 DSCR. Prior lender refused to count short-term ADU income.

Why Clean Slate DSCR Fits

Clean Slate DSCR counts ADU short term income when the primary home has the same income type (long term for both units or short term) when supported by 1007 (seller's 12-month rental history from rental platform or AirDNA)

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HELOC & CLOSED-END SECOND

Product & Sales Training

An Interactive Webinar Walkthrough

Eligibility, income paths for strong-credit second liens.

WHOLESALE HELOC – Product Reference & Eligibility

Borrower qualifications

First Lien HELOC's landing soon!

FICO

- 740 Primary
- 720 2nd home & N/O/O
- 680 min score required

CLTV

- 85% CLTV Primary
- 75% CLTV for 2nd & N/O/O

Max Loan Amt

- 500K on Primary
- 300K on 2nd home & N/O/O
- AVM's on loan amounts 400K and under

DTI

- 50% DTI for all loans
- Digital income verification using Plaid, Payroll providers ext

Important info to remember

- 1 unit – SFR, PUD, Condos (attached/unattached + no condo questionnaire needed)
- 10 acres or less
- Debt consolidation
- 5-yr, 10-yr, 15-yr, 20-yr & 30-yr terms available, with 3- or 5-year Interest Only draw period options

Not available in TX, NY, MO, TN, VT, IL, HI

CES – Product Reference & Eligibility

Closed-End Second —Fixed-rate that unlocks equity while protecting the borrower's first-lien rate.
Income paths & FICO/CLTV matrix

PRODUCT SPECS	
LOAN AMOUNT	$25K–$500K · 2nd lien only
MIN FICO	640 Full Doc · 660 Alt-Doc
MAX DTI	50%
TERMS	10 / 15 / 20 / 30-yr fixed
POSITION	2nd lien · 1st lien heloc in draw period ineligible
INCOME PATHS	Full Doc · 1-Yr · Bank Stmt · Add'l
RESERVES / PREPAY	3 mo R/T · 0 Cash-Out · No prepay

MIN FICO	Owner Occ.	2nd Home	Investment
740	80%	75%	75%
700	80%	75%	70%
680	80%	70%	65%
660	70%	N/A	N/A
640	65%	N/A	N/A

Max CLTV shown · N/A = not offered at that FICO / occupancy

NOT ELIGIBLE · Purchase piggyback, HI & TX · ITIN · Foreign national · Non-warrantable condos

CES Income Documentation

Four ways to qualify a borrower

640+ FICO

Full Doc

- Underwritten to Fannie Mae Selling Guide
- Full income & assets
- Any eligible FICO

660+

1-Year Full Doc

- Most recent year of tax returns
- W-2s or written VOE + paystubs
- Alt-Doc: min 660 FICO

660+ FICO

Bank Statement

- 12 or 24 months of statements
- Business or personal accounts
- For self-employed borrowers

PLUS

Additional Income

- Layer rental, alimony, or W-2
- Strengthens qualifying income

Borrower Scenario: Josie R.

Qualify this borrower: self-employed cash-out Closed End Second

Background

Sole-proprietor graphic designer. Owner-occupied primary home est value 750k. FICO 712. Income verified via 24 months of business bank statements; deposits average $18,000/mo. Goal: a cash-out 2nd lien.

The Request

Maria wants $120K CES behind a $480K first lien on her primary home. Does she fit — and at what qualifying income?

Why She Qualifies

712 clears the 660 Alt-Doc floor. The 700 tier allows owner-occupied up to 80% CLTV. Income: $18,000 × 50% expense × 100% ownership = $9,000/mo. Cash-out requires no reserves. ELIGIBLE up to 80% CLTV.

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Q & A

Non-QM Made Simple

Questions? Reach out to your Account Executive or Arc Home’s Sales Enablement team.

NEXT STEPS

Put It to Work

Pre-screen your next deal against the FICO/CLTV matrix, loop in your Account Executive to assist with structuring.

Structure loans

Sparc Assist

Loop in your AE

NON-QM MADE SIMPLE

Questions? Bring your live borrower scenarios and we'll work through them together.

THANK YOU

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