

# ARC Program

## vs. Swaps

### General:

	ARC vs. Swaps	
Fee Generation	✓	✓
Swap/Hedge Portability	✓	✓
Hedge for Unique Structures	✓	✓
Hedges for Forward-Starting Structures	✓	✓

### Accounting:

No Hedge Effectiveness Accounting	✓	✗
No Call Report Derivative Disclosure	✓	✗
No Derivative Capital Allocation	✓	✗
No Dodd-Frank Reporting	✓	✗

### Documentation:

No ISDA Documentation for Bank	✓	✗
No ISDA Documentation for Borrower	✓	✗

### Collateral Requirement:

No Independent Amount (\$500k+)	✓	✗
No Additional Cash & Securities	✓	✗

### Simplified Borrower Experience:

	✓	✗
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- ✓ ARC has all of the same capabilities of any swap program.
- ✓ ARC eliminates all derivative accounting headaches for banks.
- ✓ ARC reduces the number of pages required for documentation from 45 pages using swaps to four pages for ARC.
- ✓ ARC allows current loan settlement invoicing instead of having borrowers execute separate monthly swap settlements.
- ✓ ARC eliminates the requirement for loan officers to explain a complex transaction.
- ✓ ARC is easier to understand reducing both sales friction and legal risk.

A simplified platform for borrowers and loan officers results in more transactions booked.