

## DSCR > 1.20

Purchase/Rate and Term				
5-8 Unit Residential				
Credit Score	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000
740+	75%	75%	70%	65%
720-739	75%	75%	70%	65%
700-719	70%	70%	65%	60%
680-699	65%	65%	60%	60%
660-679	65%	60%	NA	NA

Cash-out				
5-8 Unit Residential				
Credit Score	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000
740+	70%	70%	65%	NA
720-739	70%	65%	60%	NA
700-719	65%	60%	55%	NA
680-699	50%	NA	NA	NA

## DSCR 1.10-1.19

Purchase/Rate and Term				
5-8 Unit Residential				
Credit Score	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000
740+	70%	70%	65%	60%

Cash-out				
5-8 Unit Residential				
Credit Score	\$1,000,000	\$1,500,000	\$2,000,000	\$2,500,000
740+	65%	65%	60%	NA

## Reserves:

Loan Amount	≤ \$1,000,000	3 Months
	\$1,000,001 - \$2,000,000	6 Months
	\$2,000,000+	9 Months
Derogatory Credit Event ≤ 4 Years		Additional 6 Months

Minimum loan amount \$400,000  
Maximum Cash in Hand \$500,000

<b>Eligibility</b>	
<b>Eligible Borrowers</b>	<ul style="list-style-type: none"> <li>US Citizen</li> <li>Permanent Resident Alien</li> <li>Non-Permanent Resident Alien- Visa types allowed: E-1, E-2, E-3, EB-5, G-1 through G-5, H-1, L-1, NATO, O-1, R-1, TN NAFTA</li> </ul>
<b>Occupancy</b>	<ul style="list-style-type: none"> <li>Investor-Only</li> </ul>
<b>Product Offering</b>	<ul style="list-style-type: none"> <li>5/6 ARM</li> <li>5/6 ARM 10 Year IO (30 Year Term)</li> <li>30 Year Fixed Rate Mortgage</li> <li>30 Year Fixed Rate Mortgage (10-year Interest only)</li> <li></li> </ul>
<b>Min   Max</b>	\$400,000   \$2.5M
<b>Property Types</b>	<ul style="list-style-type: none"> <li>5-8 Units Residential Properties</li> </ul>
<b>Age of Documentation</b>	<ul style="list-style-type: none"> <li>Credit Report – 120 days from the Note date</li> <li>Income-60 days from the Note date</li> <li>Assets- 60 days from the Note date</li> <li>Appraisal- 120 days, 180 days with a recert of value</li> <li>Preliminary Title- 90 days from the Note date</li> </ul>
<b>Credit</b>	
<b>Credit Score</b>	<p>The Qualifying Credit Score is the credit score of the Borrower with the greatest qualifying credit score among all Borrowers. The Qualifying Credit Score for a Borrower is</p> <ul style="list-style-type: none"> <li>the middle score for Borrowers with three Credit Scores,</li> <li>the lower score for Borrowers with two Credit Scores.</li> </ul>
<b>Tradelines</b>	<ul style="list-style-type: none"> <li>3 tradelines reporting for 12 months.</li> <li>2 of the 3 tradelines must have been active in the last 12 months.</li> </ul> <p>The following are eligible tradelines.</p> <ul style="list-style-type: none"> <li>Any account reported by Experian Trans Union or Equifax</li> <li>Verification of mortgage in accordance with these guidelines</li> <li>Verification of rent in accordance with these guidelines</li> <li>Verification of installment debt in accordance with these guidelines</li> </ul>
<b>Mortgage and Housing History Requirements</b>	<p>No Borrower may be more than 1x30x12 or 0x30x6 on any mortgage or rental payment for a property located in the United States.</p> <p>All borrowers must document their current housing payment history for the most recent 12 months. If the credit report does not reflect the current housing payment history, the following documentation is required:</p> <ul style="list-style-type: none"> <li>Mortgage and/or HELOC payments: <ul style="list-style-type: none"> <li>Loan payment history from the servicer or third-party verification service,</li> <li>Verification of mortgage (VOM) from an institutional lender OR most recent 12 months cancelled checks or bank statements</li> <li>Verification of mortgage (VOM) from a private lender OR 12 months cancelled checks or bank statements.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• Owned free and clear: <ul style="list-style-type: none"> <li>○ Most recent 12 months property taxes paid on time</li> </ul> </li> <li>• Rent payments: <ul style="list-style-type: none"> <li>○ Verification of Rent (VOR) from a management company</li> <li>○ Verification of Rent (VOR) from a private landlord AND most recent 12 months cancelled checks or bank statements</li> </ul> </li> <li>• Rent Free: <ul style="list-style-type: none"> <li>○ Not Permitted</li> </ul> </li> </ul>
<p><b>Derogatory Credit</b></p>	<p>The seasoning requirement for derogatory credit is four years for Bankruptcy, Foreclosure, Short Sale/Deed in lieu at standard eligibility requirements. A waiting period of two years is allowed if the LTV's less than or equal to 70%.</p> <p>The length of time will be measured based on the below:</p> <ul style="list-style-type: none"> <li>• Bankruptcy will be measured by discharge/dismissal date to the Note date.</li> <li>• Foreclosure will be measured by settlement date to the Note date, unless included in a bankruptcy then the discharge date of the bankruptcy to the Note date will be used.</li> <li>• Short Sale/Deed-in-lieu will be measure by the completion date to the Note date unless included in a bankruptcy then the discharge date of the bankruptcy to the Note date will be used.</li> </ul> <p>Any loan in forbearance or a deferral due to COVID-19 is not considered derogatory credit and is still eligible for purchase by Logan at standard LTV and reserves if one of the following is true:</p> <ul style="list-style-type: none"> <li>• The loan is fully reinstated meaning the deferred balance was paid in full and the source of the funds used to pay the deferred balance has been sourced to an allowable asset in accordance with section 8 of these underwriting guidelines, and the borrower has made at a minimum the last 3 months consecutive payments</li> <li>• The Borrower has exited the forbearance or deferment and has made at least 6 months consecutive payments</li> </ul>
<b>Income</b>	
<p><b>Qualifying Mortgage Payment</b></p>	<p>The first payment of the loan. If the loan is interest-only, the borrower is qualified based on the interest-only payment.</p>
<p><b>Calculating Income</b></p>	<p>The market rent provided by the appraiser must be based on a long-term basis (12 months).</p> <p><b>For Purchase transactions:</b></p> <p>The rental income used for the debt service coverage calculation will be the lower of current rent listed on the appraisal and/or in the purchase contract or the market rent on the appraisal. If the unit is vacant 90% of the market rent will be used for that unit in the debt service coverage calculation.</p> <p><b>For Refinance transaction:</b></p>

	<p>If the unit is rented the rental income used for the unit in debt service coverage calculation will be the lower of in place lease rent listed on the appraisal or the market rent on the appraisal. The lender must document two months receipt of rental income. If the property is currently rented and the rent receipt cannot be documented the lower of the in-place lease or 90% of the market rent will be used for that unit in the debt service coverage calculation. If the unit is vacant 90% of the market rent will be used for that unit in the debt service coverage calculation In addition, no more than 35% of the units can be vacant on a refinance transaction.</p>
<b>Assets and Gifts</b>	
<b>Asset Seasoning</b>	<ul style="list-style-type: none"> <li>• Assets must be sourced and seasoned for 60 days</li> </ul>
<b>Allowable Assets</b>	<ul style="list-style-type: none"> <li>• Account statements (bank, credit union, brokerage, etc.) covering the seasoning period for the applicable program.</li> <li>• Stocks/bonds/mutual funds – 100% of stock accounts may be considered in the calculation of assets for closing and reserves.</li> <li>• Vested retirement account funds – 60% may be considered for down payment and closing costs. If applicant is of retirement age, then 70% will be considered for down payment and closing costs. If the Borrower is using vested retirement account for reserves 100% of the value can be used.</li> <li>• Life insurance and annuities- the surrender value of life insurance and annuities can be used to meet the reserve requirements.</li> <li>• Business funds may be used for down payment, closing costs and reserves. The Borrower must be listed as an owner of the account, and the account needs to be verified according to the above requirements.</li> <li>• The ending balance of business funds used may be the lessor of 100% of the ending balance or the percent of business ownership of the ending balance. If the loan is vesting in the name of the business 100% of the business funds may be used.</li> <li>• Cash-out proceeds can be used to meet the reserve requirement             <ul style="list-style-type: none"> <li>○ Max Cash in hand \$500,000</li> </ul> </li> </ul>
<b>Ineligible Assets</b>	<ul style="list-style-type: none"> <li>• Non-vested or restricted stock accounts are not eligible for use as down payment or reserves.</li> <li>• Any assets which produce income or are used as income already included in the income calculation are not eligible for use as down payment or reserves.</li> <li>• Assets/funds held outside the U.S.</li> <li>• Cash-on-hand</li> <li>• Sweat equity</li> <li>• Grant funds</li> <li>• Down payment assistance programs</li> <li>• Unsecured loans or cash advances</li> <li>• Crypto Currency</li> </ul>
<b>Gift Funds/Eligible Donors</b>	<ul style="list-style-type: none"> <li>• Gift funds are permitted for down payment and closing costs only.</li> <li>• No minimum contribution from the Borrower is required.</li> <li>• Gift of equity not permitted</li> </ul> <p>A gift can be provided by:</p>

	<ul style="list-style-type: none"> <li>a relative, defined as the 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</li> <li>a fiancé, fiancée, or domestic partner.</li> </ul>		
<b>Additional Information</b>			
<b>Eligible Vesting</b>	<ul style="list-style-type: none"> <li>Individuals</li> <li>Tenants in common</li> <li>Joint tenants</li> <li>Inter vivos revocable trust</li> <li>LLCs</li> <li>Corporations</li> </ul>		
<b>Prepayment Penalty</b>	<ul style="list-style-type: none"> <li>Required 5-Year PPP Required</li> </ul>		
<b>Limitation on Financed Properties</b>	<ul style="list-style-type: none"> <li>Capped at 6 loans or \$5,000,000 Purchased by Logan (whichever comes first)</li> </ul>		
<b>Appraisal Form</b>	Property Type	Appraisal Form	
	5-8 Unit Residential*	Commercial Narrative	
<b>Multiple Appraisals/Desk Review</b>	<p>A second appraisal is required when any of the following conditions exist:</p> <ul style="list-style-type: none"> <li>The loan balance exceeds \$2,000,000.</li> <li>When a second appraisal is provided, the transaction's "Appraised Value" will be the lower of the two appraisals. The second appraisal must be from a different appraiser than the first appraisal.</li> <li>Commercial CCA through Consolidated Analytics required.</li> </ul>		