Asset Qual

Primary Residence

1-4 Unit/Condo P/RT

Credit Score	$750,000	$1,000,000	$1,500,000	$2,000,000	$2,500,000	$3,000,000
720+	85%	85%	85%	85%	85%	80%
700 - 719	85%	85%	85%	85%	80%	75%
680 - 699	80%	80%	80%	75%	65%	65%
660 - 679	70%	70%	70%	65%	NA	NA

1-4 Unit/Condo C/O

Credit Score	$750,000	$1,000,000	$1,500,000	$2,000,000	$2,500,000	$3,000,000
720+	80%	80%	80%	75%	75%	70%
700 - 719	75%	75%	75%	75%	70%	65%
680 - 699	75%	75%	75%	70%	55%	55%

Second Residence

1 Unit/Condo P/RT

Credit Score	$750,000	$1,000,000	$1,500,000	$2,000,000	$2,500,000	$3,000,000
720+	80%	80%	80%	75%	75%	70%
700 - 719	80%	80%	80%	75%	75%	65%
680-699	75%	75%	75%	70%	65%	NA
660-679	70%	70%	70%	60%	NA	NA

1 Unit/Condo C/O

Credit Score	$750,000	$1,000,000	$1,500,000	$2,000,000	$2,500,000	$3,000,000
720+	70%	70%	65%	60%	60%	60%
700-719	65%	65%	60%	60%	60%	60%
680-699	60%	60%	60%	55%	55%	NA

Investment/Business Purpose

1-4 Unit/Condo P/RT

Credit Score	$750,000	$1,000,000	$1,500,000	$2,000,000	$2,500,000	$3,000,000
720+	80%	80%	80%	75%	75%	75%
700-719	80%	80%	75%	75%	75%	75%
680-699	70%	70%	70%	70%	65%	65%
660-679	65%	65%	65%	55%	NA	NA

1-4 Unit/Condo C/O

Credit Score	$750,000	$1,000,000	$1,500,000	$2,000,000	$2,500,000	$3,000,000
720+	75%	75%	70%	65%	65%	65%
700-719	70%	70%	70%	65%	65%	65%
680-699	65%	65%	65%	60%	55%	55%

Reserves

Percentage of Loan Amount*		110%+
Loan Amount	≤ $1,000,000	Additional 3 Months
	$1,000,001 - $2,000,000	Additional 6 Months
	> $2,000,000	Additional 9 Months
Derogatory Credit Event ≤ 4 Years		Additional 6 Months
DTI > 43%		Additional 3 Months
Other Mortgages Appearing on the Borrower's Credit Report**		Additional 3 Months*

Eligibility

Eligible Borrowers	• US Citizen
	• Permanent Resident Alien
	• Non-Permanent Resident Alien
	  ○ Borrower has a Social Security Number (SSN) and a current verified status, which may be documented by a valid employment authorization card or
	  ○ 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 (SSN Required)

Occupancy	• Primary • Second Home • Investment
Product Offering	• 5/6 ARM • 5/6 ARM 10 Year IO (40 Year Term) • 5/6 ARM 10 Year IO (30 Year Term) • 30 Year Fixed Rate Mortgage • 30 Year Fixed Rate Mortgage (10-year Interest only) • 40 Year Fixed Rate Mortgage (must include a 10-year Interest only period)
Min | Max	$125,000 | $3M
Property Types	• Single Family Detached • Single Family Attached • 1-4 Unit Residential Properties • Warrantable Condos • Non-Warrantable (check eligibility) • PUDs
Age of Documentation	• Credit Report – 120 days from the Note date • Income-60 days from the Note date • Assets- 60 days from the Note date • Appraisal- 120 days, 180 days with a recert of value • Preliminary Title- 90 days from the Note date
LTV Adjustments	• Max 75% LTV IO • Max 80% LTV 2-4 Units • 10% reduction to max LTV for loans with a gift of equity • Cash in hand limited to $500,000 for LTV's greater than 60%

Credit

Credit Score	The Qualifying Credit Score is the credit score of the Borrower with the greatest income among all Borrowers. If there is no greatest income earner due to the Borrowers having equal income the lower Qualifying Score amount among those Borrowers. The Qualifying Credit Score for a Borrower is • the middle score for Borrowers with three Credit Scores, • the lower score for Borrowers with two Credit Scores. If a non-occupying co Borrower is being used to qualify for the loan the Qualifying Credit Score will be the lower of credit score for the occupying Borrower with the greatest income and the non-occupying co Borrower. Min FICO Qualifying Borrower: 660
Tradelines	• 3 tradelines reporting for 12 months. • 2 of the 3 tradelines must have been active in the last 12 months. The following are eligible tradelines. • Any account reported by Experian Trans Union or Equifax • Verification of mortgage in accordance with these guidelines • Verification of rent in accordance with these guidelines • Verification of installment debt in accordance with these guidelines

Mortgage and Housing History Requirements	No Borrower may be more than 1x30x12 or 0x30x6 on any mortgage or rental payment for a property located in the United States.
	
	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:
	
	• Mortgage and/or HELOC payments:
	  ○ Loan payment history from the servicer or third-party verification service,
	  ○ Verification of mortgage (VOM) from an institutional lender OR most recent 12 months cancelled checks or bank statements
	  ○ Verification of mortgage (VOM) from a private lender OR 12 months cancelled checks or bank statements.
	
	• Owned free and clear:
	  ○ Most recent 12 months property taxes paid on time
	
	• Rent payments:
	  ○ Canceled checks can be provided. In lieu of cancelled checks, the lender may use the borrower's bank statements, copies of money orders or other reasonable methods for documenting timely housing payments. The documentation must clearly indicate the payee and amount being paid and reflect the payments were made on a consistent basis for the last 12 months; or
	  ○ Direct Verification of payment of rent from the landlord, both individual and management companies for the 12 months
	
	• First time homebuyer living rent free:
	  ○ Only permitted on primary residence transactions

Derogatory Credit	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%. The length of time will be measured based on the below: • Bankruptcy will be measured by discharge/dismissal date to the Note date. • 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. • 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. Forbearance, loan modifications, or deferrals are treated as a short sale / deed-in-lieu for eligibility and pricing purposes. 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: • 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 • The Borrower has exited the forbearance or deferment and has made at least 6 months consecutive payments Any loan payment history that appears to reflect the above may require additional documentation, such as canceled checks or bank statements to show payments were made
Income	
Max DTI	50%
Qualifying Mortgage Payment	Higher of the fully indexed rate or the note rate amortized over the amortization period plus the monthly real estate taxes, insurance, and association dues.
Calculating Income	The Asset Qualification Program has two options, Asset Qualification using a 60-month depletion rate or Asset Qualification using 180 month depletion rate. If the borrower is qualified using the 60-month depletion rate in addition to the reserves listed on the matrix, the borrower must additionally have 110% of the original principal balance. Asset Qualification 60 Month Depletion Borrowers qualifying using 60-month asset depletion calculation, the Borrower's documented reserves are at least 110% of the original principal balance of the Loan plus applicable reserves per the program matrix and the Borrowers' Income from Asset Qualification plus the Borrowers' Income from Other Sources are sufficient so the Borrowers' debt to income ratio does not exceed 50%. Monthly Borrowers' Income from Asset Qualification is determined by using total documented reserves divided by 60. Asset Qualification 180 Month Borrowers qualifying using the 180 month depletion method Income from Asset Qualification plus the Borrowers' Income from Other Sources are sufficient so the Borrowers' debt to income ratio does not exceed 50%. Monthly Borrowers' Income from Asset Qualification is determined by using total documented reserves divided by 180 months. The borrower must have other documented income including but not limited to as income from self-employment, W2 income or rental income. No more than 20% of the income can be in the form of Asset Qualification under the 180-month depletion method. The following assets are permitted for reserves and the income calculation • Account statements (bank, credit union, brokerage, etc.) covering the seasoning period for the applicable program. • When bank statements are used for asset verification, the statements can be obtained from the Borrower, or the Seller can use a third-party asset vendor participating in Fannie Mae's "Day 1 Certainty" process. Regardless of the source of the statements, any large deposits must be evaluated. Large deposits are defined as any single deposit that represents more than 50% of the Borrower's monthly income. • Request for Verification of Deposit (Fannie Mae Form 1006). • Stocks/bonds/mutual funds – 100% of stock accounts may be considered in the calculation of assets for closing and reserves. • 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. • Life insurance and annuities- the surrender value of life insurance and annuities can be used to meet the reserve requirements.
Supplemental Income	Any supplemental income the Borrower needs for qualifying will be documented in accordance with the Full Doc loan program.

Assets and Gifts

Asset Seasoning	• Assets must be sourced and seasoned for 60 days
Allowable Assets	• Account statements (bank, credit union, brokerage, etc.) covering the seasoning period for the applicable program. • Stocks/bonds/mutual funds –70% of stock accounts may be considered in the calculation of assets for closing and 100% maybe used for reserves. • Vested retirement account funds –70% may 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. • Life insurance and annuities- the surrender value of life insurance and annuities can be used to meet the reserve requirements. • 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. A CPA letter must be included in the credit file that the withdrawal will not harm the financial strength of the business is only required if income from that business is being used to qualify in the Borrower's debt to income ratio calculation. • 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. • Cash-out proceeds can be used to meet the reserve requirement
Ineligible Assets	• Non-vested or restricted stock accounts are not eligible for use as down payment or reserves. • 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. • Assets/funds held outside the U.S. • Cash-on-hand • Sweat equity • Grant funds • Down payment assistance programs • Unsecured loans or cash advances • Crypto Currency
Gift Funds/Eligible Donors	• Gift funds are permitted for down payment and closing costs only. • No minimum contribution from the Borrower is required. • 10% Reduction to max LTV with a gift of equity • Gift of equity not permitted on a 2nd Home Business Purpose/Investment Properties A gift can be provided by: • 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 • A non-relative that shares a familial relationship with the borrower defined as a domestic partner (or relative of the domestic partner), individual engaged to marry the borrower, former relative or God parent • The donor may not be, or have any affiliation with, the builder, the developer, the real estate agent, or any other interested party to the transaction.

Additional Information

Eligible Vesting	• Individuals • Tenants in common • Joint tenants • Inter vivos revocable trust • LLC/Corporation (Business Purpose loans only)
Prepayment Penalty	• Required on business purpose loans/investment properties ONLY • 1, 2, and 3Year Options Available • If the state does not allow prepayment penalty, the prepayment penalty must be bought-out
Limitation on Financed Properties	• Capped at 6 loans or $5,000,000(whichever comes first)
Multiple Appraisals/Desk Review	A second appraisal is required when any of the following conditions exist: • The loan balance exceeds $2,000,000 • The transaction is a flip as defined in the Property Flipping section of this guide. • As required under the Appraisal Review Products section of this guide. • 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. An enhanced desk review product is required and will be ordered by Logan from any of the following: ○ ARR from Pro Teck ○ CDA from Clear Capital or ○ FNMA Collateral Underwriter (CU) with a score of ≤ 2.5 ○ If two appraisals are ordered an enhanced desk review is not required