Full Doc

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	$3,500,000
720+	85%	85%	85%	85%	85%	80%	70%
700 - 719	85%	85%	85%	85%	80%	75%	NA
680 - 699	80%	80%	80%	75%	65%	65%	NA
660 - 679	70%	70%	70%	65%	NA	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	$3,500,000
720+	80%	80%	80%	75%	75%	70%	NA
700-719	75%	75%	75%	75%	70%	65%	NA
680-699	75%	75%	75%	70%	55%	55%	NA

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	$3,500,000
720+	80%	80%	80%	75%	75%	70%	NA
700 - 719	80%	80%	80%	75%	75%	65%	NA
680-699	75%	75%	75%	70%	65%	NA	NA
660-679	70%	70%	70%	60%	NA	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	$3,500,000
720+	70%	70%	65%	60%	60%	60%	NA
700-719	65%	65%	60%	60%	60%	60%	NA
680-699	60%	60%	60%	55%	55%	NA	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	$3,500,000
720+	80%	80%	80%	75%	75%	75%	NA
700 - 719	80%	80%	75%	75%	75%	75%	NA
680 - 699	70%	70%	70%	70%	65%	65%	NA
660 - 679	65%	65%	65%	55%	NA	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	$3,500,000
720+	75%	75%	70%	65%	65%	65%	NA
700-719	70%	70%	65%	65%	65%	65%	NA
680-699	65%	65%	65%	60%	55%	55%	NA

Reserves

≤ $1,000,000	3 Months
$1,000,001 - $2,000,000	6 Months
> $2,000,000	9 Months
DTI > 43%	Additional 3 Months
Other Mortgages on the Borrower’s Credit Report	Additional 3 Months*
Cash-out Loan	18 Months**
Max Reserves Required Per Transaction	18 Months**

* Based on the PITIA of the Subject Property

** Cash-out can be used as reserves

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 | $3.5M
Property Types	• Single Family Detached • Single Family Attached • 2-4 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	• Interest Only
	  ○ 80% LTV for purchase loans only min FICO 740
	  ○ 75% LTV for all other FICO and loan purposes
	• 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 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 landlords 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	Logan provides two full documentation options to determine a Borrower qualifying income. Under this program any of the following will be acceptable:
	• 1 Year Full Documentation
	• 2 Year Full Documentation
	
	Wage and Salary Income
	
	Income may be documented by a combination of documents below.
	
	• The Borrower's most recent paystubs reflecting 30 days of pay and YTD earnings, along with IRS W-2 forms covering the most recent year(s).
	• A Verification of Employment (VOE) from current employer, may not be dated more than 10-calendar days prior to closing date. An email directly from the employer's work email address that identifies the name and title of the verifier and the Borrower's name and current employment status may be used in lieu of a VOE.
	• The existence of the Borrowers' employer must also be documented via a third-party verification.
	• A completed, signed, and dated IRS Form 4506-T or 4506-C is required for each Borrower. The form should be executed and the W-2 transcript for each year must be included in the credit file. Any discrepancies between the two (2) documents should be explained and, if necessary, additional documentation obtained to satisfy the discrepancy.
	
	Self Employed Income
	
	Income may be documented by a combination of documents below.
	• The most recent year of tax returns, personal and business if applicable (including all schedules), signed and dated by each Borrower. (Transcripts are not acceptable in lieu of signed and dated tax returns)
	• If the Borrower pays themselves wage income, a YTD paystub must be included in the file.
	• A 3rd party tax professional prepared YTD Profit and Loss Statement (P&L), up to and including the most recent month preceding the loan application date. The P&L must be signed and dated by the Borrower. If a gap exists between the tax return ending date and the start date of the YTD P&L, a gap-year P&L is also required. The qualifying income is determined from the tax returns, and the P&L is used to determine the stability of that income. The bank statements for the two most recent months must reflect deposits that support the sales from the P&L and the qualifying income from the priors' years tax returns.
	• A completed, signed, and dated IRS Form 4506-T or 4506-C is required for each Borrower's personal tax return. The form should be executed, and the transcript(s) for the corresponding number of personal tax returns must be included in the credit file. The tax returns and transcripts should be compared; any discrepancies should be explained and, if necessary, additional documentation obtained to satisfy the discrepancy
	• Verify the existence of the business within 10 days of the Note date and ensure the business is active, with the following:
	  ○ a letter from either the businesses tax professional, regulatory agency or licensing bureau, certifying two years of self-employment in the same business, and
	  ○ either a phone listing and/or business address using directory assistance or an internet search.
	• The seller must document the source of the information and the name and title of the seller's employee who obtained the information.
	The underwriter must consider the financial strength of a self-employed Borrower's business

Calculating Income	**Rental income**
	
	If a Borrower has a history of renting the subject or another property, generally the rental income will be reported on IRS Form 1040, Schedule E of the Borrower's personal tax returns or on Rental Real Estate Income and Expenses of a Partnership or an S Corporation form (IRS Form 8825) of a business tax return. A current lease is required for any existing property owned by the Borrower if rental income is being used in the DTI calculation. If the lease has expired and/or converted to month-to-month, a cancelled check will be required to show the same tenant is renting the unit. If the Borrower does not have a history of renting the subject property or if, in certain cases, the tax returns do not accurately reflect the ongoing income and expenses of the property, the Seller may be justified in using a fully executed current lease agreement. Examples of scenarios that justify the use of a lease agreement are as below:
	• purchase transactions.
	• refinance transactions in which the Borrower purchased the rental property during or subsequent to the last tax return filing.
	• Refinance transactions of a property that experienced significant rental interruptions such that income is not reported on the recent tax return (for example, major renovation to a property occurred in the prior year that affected rental income).
	• When current lease agreements or market rents reported on Form 1007 or Form 1025 are used, the total gross rents must be multiplied by 75% to determine qualifying rental income.
	• Application of Rental Income:
	  ○ Primary Residence
	  • The monthly qualifying rental income (as defined above) must be added to the Borrower's total monthly income. (The income is not netted against the PITIA of the property.)
	  • The full amount of the mortgage payment (PITIA) must be included in the Borrower's total monthly obligations when calculating the debt-to-income ratio.
	  ○ Investment Property
	  • If the monthly qualifying rental income (as defined above) minus the full PITIA is positive, it must be added to the Borrower's total monthly income.
	  • If the monthly qualifying rental income minus PITIA is negative, the monthly net rental loss must be added to the Borrower's total monthly obligations.
	  • The full PITIA for the rental property is factored into the amount of the net rental income (or loss); therefore, it should not be counted as a monthly obligation.
	  • The full monthly payment for the Borrower's principal residence (full PITIA or monthly rent) must be counted as a monthly obligation.
	Projected Income
	• Projected income is acceptable for qualifying purposes for a consumer scheduled to start a new job within 60 days of loan closing if there is a guaranteed, non-revocable contract for employment.
	• The Seller must verify that the Borrower will have sufficient income or cash reserves to support the mortgage payment and any other obligations between loan closing and the start of employment. Examples of this type of scenario are teachers whose contracts begin with the new school year, or physicians beginning a residency after the loan closes.
	• The income does not qualify if the loan closes more than 60 days before the Borrower starts the new job.
	
	Other Income
	• All other income should be documented in accordance with Fannie Mae guidelines.

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% may be 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 or 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 fiancé, fiancée, or domestic partner.

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 3 Year Options Available • Prepayment penalties can be bought-out* • 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