Open Road Elevated Asset Qualification

Purchase – Asset Qualification - Primary	
Credit Score	$ 5,000,000
740+	65%
720	60%
Rate & Term - Asset Qualification - Primary	
Credit Score	$ 5,000,000
740+	65%
720	60%
Cash out -Asset Qualification – Primary	
Credit Score	$ 5,000,000
740+	65%
720	60%
Purchase - Asset Qualification - 2nd Home	
Credit Score	$ 5,000,000
740+	65%
720	60%
Rate & Term - Asset Qualification - 2nd Home	
Credit Score	$ 5,000,000
740+	65%
720	60%
Cash out - Asset Qualification - 2nd Home	
Credit Score	$ 5,000,000
740+	65%
720	60%
Purchase -Asset Qualification – Investment	
Credit Score	$ 4,500,000
740+	65%
720	60%
Rate & Term -Asset Qualification – Investment	
Credit Score	$ 4,500,000
720+	60%
Cash out -Asset Qualification – Investment	
Credit Score	$ 4,500,000
720+	60%

Reserves	
Loan Amount	110%+ 18 Months Reserves
Cash Out Used as Reserves	Not Allowed

Eligibility

Eligible Borrowers	• US Citizen • Permanent Resident Alien • Max 4 Borrowers • Background check and fraud report required (Business Purpose Only)
Occupancy	• Primary • 2nd Home • Investor/Business Purpose
Product Offering	• 5/6 ARM • 5/6 ARM 10 Year IO (30 Year Term) • 30 Year Fixed Rate Mortgage • 30 Year Fixed Rate Mortgage (10-year Interest only)
Min loan amount	Primary and 2nd Home $3,000,001/ $2,000,001 Investor Business purpose
Property Types	• Single Family Detached • Single Family Attached • 2 Unit Residential Properties (investor only) • Warrantable Condos • Non-Warrantable (check eligibility) ○ No exceptions for structural repairs • 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	• Non-Occupant Co Borrower
	  ○ Primary Only, No cash out
	• 2 Unit
	  ○ Investor Only
	• Florida Condo
	  ○ Purchase Only
	• Rural Properties
	  ○ Max 15 Acers, Primary and 2nd Home Only, No cash out
	• Declining Markets
	  ○ 5% Reduction to LTV

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.
Tradelines	All Borrowers jointly the must have: • 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 Trade lines for which more than one Borrower is obligated may only be counted as one trade line.

Mortgage and Housing History Requirements	No Borrower may be more than 0x30x24 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 24 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 24 months cancelled checks or bank statements
	  ○ Verification of mortgage (VOM) from a private lender OR 24 months cancelled checks or bank statements.
	• Owned free and clear:
	  ○ Most recent 24 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 24 months; or
	  ○ Direct Verification of payment of rent from the landlord, both Individual landlords and management companies for the 24 months
	• First Time Home Buyer:
	  ○ Not Permitted
	• First Time Investor (investment properties only):
	  ○ Not permitted
	• Investor Experience (investment properties only):
	  ○ Must have owned an investment property for at least 24 months prior to the Note Date

Derogatory Credit	4 Years The length of time will be measured based on the below: • Bankruptcy: by the discharge/dismissal date to the Note date. • Foreclosure: by the 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: 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.
Income	
Max DTI	43%

Qualifying Mortgage Payment	• The higher of the fully indexed rate (where applicable) or the note rate
	
	• The amortization period will be as follows.
	  ○ Loans without an interest only period
	  ▪ The term of the loan
	
	  ○ 10-Year IO loans
	  ▪ 20 years for loans with 30 year terms

Calculating Income	Borrowers qualifying using 120-month Asset Qualification 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 43%. Monthly Borrowers' Income from Asset Qualification is determined by using total documented reserves divided by 120.
Supplemental Income	Any supplemental income the Borrower needs for qualifying will be documented in accordance with the Open Road Elevated 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 cannot 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	Acceptable Donors: • 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. Gifts must be evidenced by a letter signed by the donor, called a gift letter. • An executed gift letter containing the following information: o Gift Amount o Donor Name o Donor Address o Donor phone number o Donor relationship with borrower o Bank account of where gift is coming from o Statement indicating whether gift will be provided to borrower or to settlement o Statement indicating no repayment of gift required o Signed by both donor and borrower Documenting the transfer of gift to Donor or Settlement Agent: • Transfer to Borrower o A copy of the donor's check and the borrower's deposit slip, or o A copy of the donor's withdrawal slip and borrower's deposit slip • Transfer to Settlement Agent o A copy of donor's check to settlement agent along with letter from settlement agent confirming receipt of gift o A copy of wire receipt from donor to settlement agent along with wire receipt from settlement agent which must reflect donor's information (ie amount of gift, donor name and donor's account #) Gift funds may not be used to meet reserve requirements. Gifts of Equity is not permitted.

Additional Information

Eligible Vesting	• Individuals • Tenants in common • Joint tenants • Inter vivos revocable trust
Limitation on Financed Properties	• Max 20 • No more than 6 loans or an aggregate principal amount of $5,000,000 to one Borrower, whichever comes first.
Prepayment Penalty	• Required on business purpose loans/investment properties ONLY • 1, 2,3,4 and 5 Year Options Available • If the state does not allow prepayment penalty, the prepayment penalty must be bought-out
Multiple Appraisals/Desk Review	A second appraisal is required • 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: o ARR from Stewart Title o CDA from Clear Capital or o FNMA Collateral Underwriter (CU) with a score of ≤ 2.5 o If two appraisals are ordered an enhanced desk review is not required