

1/5/2023

Survey to send to Scenarios:

- i. Subject address (including zip code)
- ii. Occupancy rate
- iii. Total number of units
- iv. Estimated percentage of square footage that is residential (i.e. 55%)
- iv. Estimated market value (or purchase price if lower)
- v. LTV Requested
- vi. Interest rate requested **(use the 5-8/Mixed Use unit rate sheet to estimate)***
- vii. Gross monthly rental revenue **(current rental receipt)**
- viii. Annual operating expenses **(include all expenses except p&i, use the last 12 months or 2022. Note: A commercial appraisal or the owner will have this breakdown)**
- ix. FICO Score of sponsor / guarantor
- x. Transaction Type

*Small and very small market tiers will have an additional adjustment



BPL Stabilized Multifamily - Guideline Matrix

Program Name:	BPL Term Stabilized Multifamily
Minimum Loan Amount	\$250,000.00
Maximum Loan Amount	\$2,500,000.00 (Investor approval needed for up to \$7.5m)
Minimum Property Value	\$50k per door; \$30 - 49k requires exception based approval
Maximum Property Value	9+ Unit: \$10,000,000.00
Maximum Number of Units per Property	30 units > 30 units requires exception based approval
Acceptable States	All 50 US States and DC (excluding US Territories)
Loan Products	<ul style="list-style-type: none"> 30-year 5/1 ARM (Adjustable Rate Mortgage) 30-year 7/1 ARM (Adjustable Rate Mortgage) 30-year 10/1 ARM (Adjustable Rate Mortgage) 30-year FRM (Fixed Rate Mortgage) <ul style="list-style-type: none"> Only Allowed for < \$1.5M loan amount for 1 unit and < \$2M loan amount for 2+ units
I/O Terms	<ul style="list-style-type: none"> 5-Year Interest Only Period + 25 Year Amortization Term 7-Year Interest Only Period + 23 Year Amortization Term 10-Year Interest Only Period + 20 Year Amortization Term
ARM Terms	<ul style="list-style-type: none"> Index: 30-Day SOFR Margin: 5.25% Caps <ul style="list-style-type: none"> Initial Rate Reset: 2.00% on 5/1 ARM; 5.00% on 7/1 ARM and 10/1 ARM Periodic Rate Reset: 2.00% Lifetime Rate Reset: 5.00% Floors <ul style="list-style-type: none"> Initial Rate Reset: NONE Periodic Rate Reset: NONE Lifetime Floor: ORIGINAL/INITIAL NOTE INTEREST RATE
Loan Purpose	<ul style="list-style-type: none"> Business Purpose ONLY <ul style="list-style-type: none"> Purchase Rate/Term Refinance w/ No Cash Out Cash Out Refinance Delayed Purchase: property owned free and clear within 180 days of acquisition date. All terms relevant to purchase loan apply
Prepayment Penalty	<p>Minimum of 3-Year Prepayment Penalty Required for All Loans (SEE RATE SHEET FOR MORE DETAIL)</p> <p>PPP Options:</p> <ul style="list-style-type: none"> 3 Years: 3,2,1 - Only Allow for < \$1.5M loan amount for 1 unit and < \$2M loan amount for 2+ units 5 Years: YM, 5,4,3,2,1 (expressed as % of UPB) 7 Years: YM, 5,5,4,4,3,2,1 (expressed as % of UPB) 10 Years: YM, 5,5,4,4,3,3,2,2,1,1 (expressed as % of UPB)
Escrow Account	Preferred for All Loans
ACH Draft	Preferred for All Loans
Subordinate Financing	NOT Permitted
Recourse / Pledge of Equity Structure	Full Recourse or Limited Recourse with standard "bad boy" carve-outs.
Property:	
Occupancy	<p>Investor / Non-Owner [BUSINESS PURPOSE ONLY; Signed Business Use Affidavit Required]</p> <ul style="list-style-type: none"> Minimum Occupancy Rate: <ul style="list-style-type: none"> 9 Unit: 80% 10+ Unit: 90%
Property Types	<p>Eligible:</p> <ul style="list-style-type: none"> 9-30 Unit Multi 9-30 Mixed-Use - only if residential units > 50% of total square footage <p>Ineligible:</p> <ul style="list-style-type: none"> Properties with lot size in excess of 20 acres Condotels Co-ops Leaseholds Commercial use properties Properties subject to oil and/or gas leases Operating Farms, Ranches, and Orchards
Appraisal Requirements	<p>Loan Amount (Property Level) ≤ \$1,500,000.00</p> <ul style="list-style-type: none"> One Full Independent Commercial Narrative Appraisal Required and must be dated no more than 120 days or 180 days with recertification Market Rent Estimate Included in the Appraisal Report <p>Loan Amount (Property Level) ≥ \$1,500,000.00</p> <ul style="list-style-type: none"> Two Full Independent Commercial Narrative Appraisal Required and must be dated no more than 120 days or 180 days with recertification

<p>Loan to Value Ratio (LTV)</p>	<p>Calculation: Original loan amount divided by the lowest of: As-Is Value Purchase Price if the loan is for a purchase When two appraisal reports are required the lower will be used for valuation purposes</p>
<p>Minimum Debt Service Coverage Ratio (DSCR)</p>	<p>Calculation: Monthly In-Place Net Cash Flow (NCF) divided by monthly P&I, after all Property Operating Revenues, Expenses, and Capital Expenditure Reserves (see detailed market tier calculation) Gross Rental Income: the lower of... 1. Actual Monthly Rent in Lease Agreement 2. Market Monthly Rent in Appraisal 3. 10% Haircut of Market Monthly Rent for unleased units Minimum NCF DSCR 1. Top or Standard Market Tier: 1.20x 2. Small Market Tier: 1.30x 3. Very Small Market Tier: 1.40x Leased Properties are defined as follows: A lease with an initial term of 12 months, between unrelated parties Month to month lease with prior active lease Unleased Properties are defined as follows: Vacant Month to month lease without prior active lease 1007 market rent shall be utilized for DSCR calculations Short Term Rentals (i.e. Airbnb / VRBO) is NOT allowed to use for rental income Soft Springing Lockbox: <ul style="list-style-type: none"> Not required if loan amount < \$5,000,000.00 - Lender's discretion for \$3MM - 5MM Required if loan amount ≥ \$5,000,000.00 Lockbox account needs to be set up by the borrower at closing Cash Trap Trigger Springs Upon <ul style="list-style-type: none"> The occurrence of an Event of Default If NCF DSCR is less than Required Minimum DSCR </p>
<p>Cash Management</p>	<p>Cash Trap Trigger Springs Upon <ul style="list-style-type: none"> The occurrence of an Event of Default If NCF DSCR is less than Required Minimum DSCR </p>
<p>Reporting</p>	<p>For all Loans ≤ \$5MM <ul style="list-style-type: none"> Annual Financial Statements of Borrowing Entity (certified true and correct by CFO / Officer) Annual Rent Rolls & Property Operating Statements Other financial reporting as reasonably requested by the Lender For all Loans ≥ \$5MM <ul style="list-style-type: none"> Annual Financial Statements of Borrowing Entity (certified true and correct by CFO / Officer) Annual Financial Statements of Borrowing Entity (certified true and correct by CFO / Officer) Quarterly Rent Rolls & Property Operating Statements Other financial reporting as reasonably requested by the Lender </p>
<p>Legal Opinions / Survey</p>	<p>For all Loans ≥ \$500,000.00 OR ≥ \$1MM in CA: <ul style="list-style-type: none"> Local Law Opinion from Qualified Attorney For all Loans ≥ \$1MM OR ≥ \$1.5MM in CA: <ul style="list-style-type: none"> Local Law Opinion from Qualified Attorney Enforceability Opinion Title Survey can be waived under the following criteria: <ul style="list-style-type: none"> For loans ≤ \$1MM, ALTA and coverage are required and survey exception needs to be omitted from final title policy For loans > \$1MM, a survey endorsement is required An old survey and affidavit of no change with the old survey can be used </p>
<p>Borrower:</p>	
<p>Citizenship / Visa Requirements</p>	<ul style="list-style-type: none"> U.S. Citizens U.S. Legal Permanent Residents U.S. Persons (LLC and Corporations organized in 50 States or DC)
<p>Minimum Credit Score</p>	<p>680 [Industry Standard "Tri-Merged" Credit Report No Older than 90 Days is Required] <ul style="list-style-type: none"> Highest borrower FICO can be used, if the following requirements are met for lower FICO borrowers No derogatory events in the past 3 years (FC, BK, DIL, SS) 0x30x12 late mortgage payments or installments No more than 0x30x12 late credit card payments All median FICO is equal or above 640 </p>
<p>Credit History</p>	<p>Fraud Prevention Engine Pull Must Be Obtained From DataVerify, CoreLogic, SAS or Similar Engine Minimum of 2 Credit Lines; Minimum 2 Active Credit Lines; At Least 1 Line with 24+ Month Rating No Derogatory Credit Event (Bankruptcy, Foreclosure, Short Sale, Deed-in-Lieu) in Past 3 Years Judgments, Tax Liens, Charge-offs, Non-Medical Collections Must Be Paid in Full Derogatory Credit Event Seasoning of 2 to 4 Years Subject to: <ul style="list-style-type: none"> Additional 10% LTV Limit Reduction, With LTV Not to Exceed 70% Additional Liquid Reserves of 6 Months of PITIA Required 0x30x12 Mortgage and/or Rental Payment History Required </p>
<p>Mortgage and/or Rental History</p>	<p>Maximum 1x30x12 [applicable to mortgages that appear on Borrower's credit report ONLY] Borrowers with no property management experience are NOT allowed</p>
<p>Borrower Experience Requirements</p>	<p>Property Management Experience will be determined by the following factors: <ul style="list-style-type: none"> Number of owned stabilized rental properties under management Experienced managing SFR with the size and location of properties under management Scalability and efficiency of operations Leasing strategy Retention Rate </p>



BPL Stabilized Multifamily - Credit Matrix

Loan Purpose / Balance	Purchase & Rate Refi		Cash-Out	
	Top / Standard	Small / Very Small	Top / Standard	Small / Very Small
Credit Score				
>= 740	75%	70%	70%	65%
720 - 739	75%	70%	70%	65%
700 - 719	70%	70%	70%	65%
680 - 699	65%	60%	65%	60%
660 - 680	N/A	N/A	N/A	N/A

Loan Amount	≤ \$1,000,000	3 Months
	\$1,000,001 - \$2,000,000	6 Months
	> \$2,000,000	9 Months
Foreign Citizen w/ Non-Perm US Residence		12 Months
Derogatory Credit Event ≤ 4 Years		Additional 6 Months
Cash-out Loan		Additional 3 Months

>=10 Property Portfolio

Liquid Net Worth >= 5% of Loan Amount

¹ Cash Out Amounts May Be Used as Reserves

² Reserves Must Be Seasoned for 2 Months

³ Borrowers' Liquid Reserves and Borrowers' Reserves are Defined as Assets That Meet Fannie Mae's Requirements

Underwriting Summary



Instructions:

Input
Select

Borrower / Sponsor Information

First Name:	Borrower First	FICO Score:	759	<input type="text" value="Pass"/>
Last Name:	Borrower Last	Social Security Number:	121-11-XXXX	
City:	University Heights	Sponsor Status:	U.S. Citizen	
State:	Ohio	Cell Phone:	121-121-2214	
Zip Code:	44118	Work / Home Phone:	121-121-2214	
Date of Birth:	7/30/1984	Email:	email@gorealty.com	

Transaction Details

Transaction Type:	Cash-Out	Requested Loan Amount:	\$560,000.00
Credit Bucket:	740	Initial Note Rate:	7.3750%
Maximum LTV:	75.00%	Amortization Term:	360
Loan to Value (LTV):	70.00%	Interest Only:	Yes
Maximum LTV Test:	<input type="text" value="Pass"/>	Monthly P&I	\$3,441.67

Subject Property Information



Street Address:	8124 Harben Drive
State:	Pennsylvania
Zip Code:	17745
City Lookup:	Lock Haven
Zoning:	RM-1.5 Multifamily
# of Units	16
Market Tier:	Standard
Region:	Northeast Middle Atlantic
Minimum DSCR:	1.20x
Minimum Occupancy:	90%
Actual Occupancy:	93.75%
Check Occupancy:	<input type="text" value="Pass"/>

Subject Property Income Statement

Monthly Gross Rent Income		
Actual Monthly Rent	\$8,700.00	Market Rent
Monthly Allowable Rental Income	\$9,192.50	\$9,500.00
Annual Gross Rent Income	\$110,310.00	
Credit and Vacancy Loss (5%)	(\$5,515.50)	
Effective Gross Income	\$104,794.50	
Annual OPEX		
Property Management Fee	\$10,709.00	25.26%
Marketing and Leasing Costs	\$0.00	0.00%
Repairs and Maintenance (R&M)	\$8,800.00	20.75%
Insurance Costs	\$4,191.00	9.88%
HOA Fees & Special Assessment Fees	\$0.00	0.00%
Real Estate Taxes	\$8,957.74	21.13%
Turnover Costs	\$0.00	0.00%
Landscaping Costs	\$0.00	0.00%
Other Costs	\$9,744.00	22.98%
Total OPEX	\$42,401.74	
Operating Expense Ratio	40.46%	
Net Operating Income	\$62,392.76	Method
Capital Expenditures	(\$4,000.00)	\$ Per Unit
Net Cash Flow (NCF)	\$58,392.76	
Annual Debt Service	\$41,300.00	
NCF DSCR	1.4139x	<input type="text" value="Pass"/>
Debt Yield	11.14%	<input type="text" value="Pass"/>

Appraisal / Valuation + Assumptions

As-Is Value	\$830,000.00	Base Cap Rate	7.00%	Annual Chg. Cap Rate	5.00 bps
Value Attributed to FF&E	\$30,000.00	Adjustments	0.00%		
Appraised Value	\$800,000.00	Adjusted Cap Rate	7.00%		
Direct Cap Value	\$891,325.14				

Borrower Liquidity

Total Liquid Net Worth	\$31,030.81	Cash & Cash Equivalents:	\$31,030.81
Min Liquid (5% of LA)	\$28,000.00	Marketable Securities (Net of Margin Debt):	
Net Worth Test	<input type="text" value="Pass"/>	Vested Retirement Accounts (Net of Borrowings):	
Reserves Required	3	Cash Surrender Value of Life Insurance:	
Additional Overlay	3	Post Closing Cash Out:	
Total Required Reserves	6	Other Liquid Assets:	
Total (\$) Reserves	\$20,650.00		
Reserve Test	<input type="text" value="Pass"/>		

Logan Finance Corporation - The information in this document is intended for use by professional mortgage bankers and mortgage loan officers, and may not be viewed, used, or relied upon by consumers. The information disclosed in this document is subject to change without notice. Not available in all states.