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UNLOCKING REAL
ESTATE FINANCING
WITH DSCR:

A SMARTER
WAY TO
Qualify





TABLE OF CONTENTS

- 1: What is Debt Service Coverage Ratio (DSCR)? 2
- 2: How DSCR is Used to Qualify for a Loan..... 3
- 3: Who Can Benefit from a DSCR Loan?.....4
- 4: DSCR Loan Requirements & Guidelines5
- 5: Comparing DSCR Loans to Traditional Financing.....6
- 6: Next Steps: How to Apply for a DSCR Loan 7



DSCR

WHAT IS DEBT SERVICE COVERAGE RATIO?

Breaking Down the Term

- **Debt Service:** Monthly loan payments (*principal + interest, including taxes and insurance, and HOA dues if applicable*)
- **Coverage Ratio:** How well rental income covers that debt

Simple Explanation

DSCR is a way lenders check to ensure your rental income is enough to cover the loan payments.




DSCR = Gross Rent / Proposed Debt Service

Example Calculation:

- A property generating \$2,000/month in rent and a debt service payment of \$1,500 has a DSCR of **1.33** ($\$2,000 \div \$1,500$).
- A DSCR **above 1.0** is good—it means your property earns more than it costs to finance.







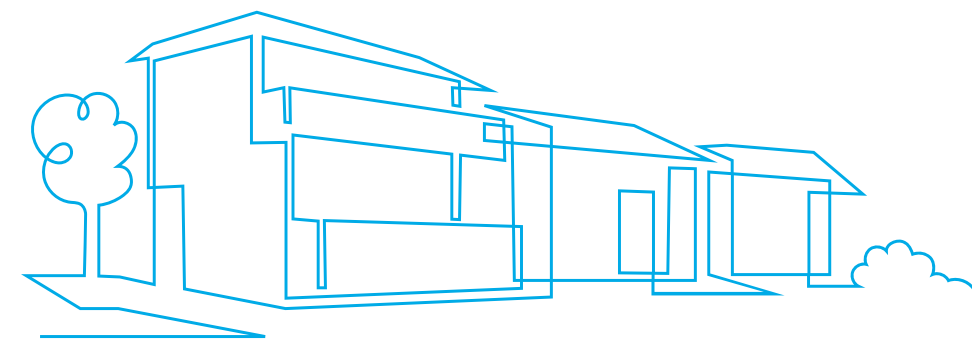
HOW IS DSCR USED TO QUALIFY FOR A LOAN?

-  **No W-2s, No Tax Returns Required:** Instead of personal income, lenders use the property's rental income.
-  **Focus on Property Cash Flow:** If rent covers the debt service payment, you may qualify—even with low personal income.
-  **DSCR Thresholds for Approval:** Lenders usually require a DSCR of 1.0 or higher, but some allow lower ratios with higher down payments.



WHO CAN **BENEFIT** FROM A **DSCR LOAN**?

-  **Real Estate Investors:** Buy and expand rental property portfolios.
-  **Self-Employed Borrowers:** No need for tax returns or proof of steady personal income.
-  **First-Time Investors:** Buy rental properties without needing to meet strict traditional loan criteria.
-  **People with High Write-Offs:** If tax deductions lower your reported income, DSCR loans bypass that issue.



DSCR LOAN REQUIREMENTS & GUIDELINES

- Key Requirements:**
- ◆ **Credit Score:** Typically 620+ (lower scores may qualify with larger down payment)
 - ◆ **Down Payment:** 20-25% is standard, but it can vary in some cases
 - ◆ **Rental Property Cash Flow:** Rent must ideally cover the debt service payment
 - ◆ **Loan Terms:** Fixed and adjustable rates available
 - ◆ **No Limit on Property Count:** Unlike traditional loans, you can finance multiple rentals

Key Requirements:


Purchase


Refinance


Cash-Out Refinance



COMPARING **DSCR LOANS** TO TRADITIONAL **FINANCING**

Feature	DSCR Loan	Traditional Mortgage
Income Verification	Based on rental income	Personal W-2/tax returns
Ideal for Investors?	Yes	More restrictions
Credit Flexibility	More flexible	Stricter guidelines
Loan Limits	No cap on number of properties	Limited to certain financed properties

Why Choose DSCR?



Easier qualification for investors



No personal income checks



Great for growing rental portfolios quickly

Final THOUGHTS

DSCR loans make financing rental properties accessible for more investors. If you have (or want to purchase) a property that has positive cash flow, you may qualify—even without traditional income verification.

READY TO SECURE **FINANCING FOR YOUR** INVESTMENT PROPERTY

We make it easy for real estate investors to qualify for financing with DSCR loans. Whether you're purchasing your first rental property or expanding your portfolio, we offer flexible loan options tailored to your needs



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