

INVESTOR TOOLKIT · 9-POINT CHECKLIST

DSCR Qualifier Checklist

Run your investment property through the same nine checkpoints we use to pre-qualify a DSCR deal — before you ever submit an application.

Why DSCR works

DSCR loans qualify the property, not your personal income. No W-2s, no tax returns, no DTI. If the rent covers the debt service, the deal works.

1. Property type

Acceptable: SFR, 2-4 unit, condos (warrantable), townhomes, and short-term rentals in most markets. Avoid: rural land, manufactured homes pre-1976, or properties with active code violations.

2. Minimum DSCR ratio

Most lenders require **DSCR ≥ 1.00**. Best pricing at 1.20+. Formula: gross monthly rent ÷ PITIA (principal, interest, taxes, insurance, association dues).

3. Down payment & reserves

- Purchase: 20–25% down minimum.
- Cash-out refinance: keep 70–75% LTV.
- Reserves: 3–6 months PITIA in liquid accounts.

4. Credit profile

- Middle FICO ≥ 680 (best pricing at 720+).
- No bankruptcy in the last 4 years.
- No mortgage lates in the last 12 months.

5. Rent documentation

Either an executed lease at market rent, OR an appraiser's 1007 rent schedule. Short-term rentals: 12 months of AirDNA / booking history.

6. Title vesting

LLC vesting is allowed (and often preferred). The LLC must be in good standing in its state of formation; an operating agreement and EIN are required at closing.

7. Appraisal & valuation

Full appraisal with rent comps. Be prepared for a 1–3% valuation gap on competitive markets.

8. Insurance

Landlord policy (DP-3) with rent-loss coverage. Coastal markets: confirm wind/flood availability before locking the rate.

9. Exit strategy

Define it before you apply: long-term hold, BRRRR refinance, or 1031 exchange. Each path shapes the term, prepayment penalty, and program selection.

Ready to put this into action?

Book a free 30-minute strategy call. We will walk through your file, identify the right program, and define a realistic timeline. Email nayeli@range-mortgage.com or visit range-mortgage.com/contact.