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*Eniji Lending*

BRIDGE LOAN FIELD GUIDE

# Speed-first capital, *with a defined exit.*

*How bridge loans actually work — when they win, when they're overkill, and how to make sure your exit doesn't trap you at maturity.*

A focused 6-page reference for active real estate investors. Read in 15 minutes.

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FIRST EDITION

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SECTION 01

## When bridge wins, *and when it's overkill.*

A bridge loan provides short-term capital to close fast, with the expectation that you'll exit via sale or refinance within 12–24 months. Bridge is the right tool less often than borrowers think.

### WHEN BRIDGE WINS

- Auction or off-market acquisition with a hard close date you can't meet with conventional
- Bidding situation where "cash equivalent" close in 7–10 days beats a 30-day finance contingency
- Property needs to stabilize (lease up, light rehab, seasoning) before a DSCR refi qualifies
- Capital needed against equity in a property you're actively listing for sale
- Estate, divorce, or partner-buyout situations where conventional timelines don't work

### WHEN BRIDGE IS OVERKILL

- You have 30+ days to close — use DSCR or fix-and-flip instead
- Property is already stabilized and rented — go direct to DSCR
- You're not certain of your exit — bridge with no clear takeout becomes a problem at maturity
- The deal works at conventional speed and pricing — don't pay the bridge premium

### THE COST MATH: WHEN 11% BRIDGE BEATS 9% CONVENTIONAL

Bridge costs more per month, but bridge can win the deal. The math is simple:

```
Bridge premium = (Bridge rate - Conventional rate) × Loan × Hold period
Bridge wins if: Price advantage from speed > Bridge premium
```

### WORKED EXAMPLE

|   |  |
|---|--|
| <b>Property</b>   | Off-market acquisition, \$500K offer accepted        |
| <b>Conventional alternative</b>                             | \$500K, 30-year DSCR at 9.0%, 35-day close           |
| <b>Bridge alternative</b>                                   | \$500K, 12-month interest-only at 11.0%, 9-day close |
| <b>Hold period (bridge)</b>                                 | 6 months until DSCR refi seasoning                   |
| <b>Bridge interest cost (6 mo)</b>                          | $\$500K \times 11\% \times 0.5 = \$27,500$           |
| <b>DSCR interest cost (6 mo, hypothetical if it worked)</b> | $\$500K \times 9\% \times 0.5 = \$22,500$            |
| <b>Bridge premium</b>                                       | \$5,000 over 6 months                                |

### Question

**Is the speed worth \$5K? If the off-market deal is \$30K under market, yes. If it's at-market, no.**

### SANITY CHECK BEFORE APPLYING

Calculate the difference between bridge interest and conventional interest over your expected hold period. If that number is greater than your projected price advantage from speed, bridge isn't the right tool. Use conventional financing or skip the deal.

## SECTION 02

# Exit strategy *is the entire deal.*

Bridge loans without a clear exit become problems at maturity. Underwriters know this. Your exit strategy is what they actually underwrite.

### THE FOUR LEGITIMATE EXIT STRATEGIES

#### EXIT 1 – DSCR REFINANCE

You bridge to acquire or stabilize, then refinance into a 30-year DSCR loan once seasoning and rent requirements are met.

##### Required conditions at exit:

- Post-stabilization rent supports DSCR  $\geq 1.0$  at target DSCR loan amount
- Target DSCR loan amount covers the bridge payoff plus closing costs
- 6+ months of seasoning achievable within the bridge term
- Property qualifies for DSCR (rent-ready, residential 1-4 unit, etc.)

#### EXIT 2 – SALE

You bridge to acquire (often from a flip), then sell on the back end.

##### Required conditions at exit:

- Realistic ARV supported by comps
- All-in cost + 6-9 months holding + 6% selling cost < ARV
- Market activity supports a sale within bridge term (not declining or thin)

#### EXIT 3 – 1031 EXCHANGE

You bridge a relinquishment property's payoff while completing a 1031 exchange acquisition. Less common, but legitimate.

##### Required conditions at exit:

- Replacement property identified within 45 days of relinquishment
- Exchange closes within 180 days
- QI (Qualified Intermediary) coordinated with lender

#### EXIT 4 – FIX-AND-FLIP TAKEOUT

You bridge an acquisition with closing speed, then convert to a fix-and-flip loan once the rehab plan and contractor are confirmed. Some lenders offer a single product that combines both.

### THE EXIT FAILURE TRAP

Bridge loans default at maturity, not during the term. Common failure patterns:

- **DSCR refi denied for compensating-factor stack-up.** Borrower assumed a sub-1.0 DSCR refi would close. It didn't.
- **Sale failed due to market shift.** ARV moved against the borrower during the hold; sale price doesn't cover the bridge.
- **Seasoning not achieved.** Lender required 6 months; bridge matured at 5.
- **Refi appraisal came in low.** Refi loan amount no longer covers the bridge payoff.

The fix is the same in every case: **have a backup exit before you take the bridge.** If your primary exit is DSCR refi, your backup should be sale (with a realistic price). If your primary is sale, your backup should be DSCR or rent-and-hold.

## SECTION 03

### What underwriters *actually look at*.

- 01 **Exit strategy.** Specific, documented, plausible. "I'll refi to DSCR" is not enough — they want to see the DSCR math working at exit.
- 02 **LTV based on as-is value** — not pro-forma. Bridge underwriting is conservative on value.
- 03 **Liquidity.** Reserves to cover interest payments through the term.
- 04 **Speed factor.** If the deal genuinely requires speed, bridge underwriting is more permissive on other factors.
- 05 **Property condition.** Doesn't need to be rent-ready, but does need to be insurable.

#### COMMON KILL CRITERIA

- Vague exit strategy ("I'll figure it out at maturity")
- Insufficient reserves for 6+ months of interest at the bridge rate
- Property that won't qualify for the planned takeout (e.g., bridge to DSCR but DSCR math fails post-stabilization)
- Borrower with recent default or foreclosure on a prior bridge
- Property with title issues that won't resolve in the bridge term

#### SELF-SCREENING CHECKLIST

- I have a documented reason I need bridge speed (not conventional timing)
- My exit strategy is one of: sale (with target price), DSCR refi (with target rent + DSCR), or 1031 exchange
- My exit timeline is 12 months or less (longer is a refinance risk)
- I have run the math on my exit and it works (e.g., post-stabilization DSCR is 1.10+ at target loan amount)
- I have a backup exit strategy if my primary fails
- I have reserves for at least 6 months of interest payments at the bridge rate
- LTV is 70% or less of as-is value (some lenders go to 80%, but reserve targets tighten)
- FICO is 650+
- Property is insurable in current condition
- I've priced the bridge against the conventional alternative and confirmed it's the right move

SECTION 04

## Indicative terms *and what to watch.*

### INDICATIVE TERM RANGES

|                   |  |
|-------------------|--|
| LOAN AMOUNT       | <b>\$100K - \$5M</b>                                     |
| RATE              | <b>9% - 12% (interest-only)</b>                          |
| LTV               | <b>up to 80% as-is</b>                                   |
| TERM              | <b>6 - 24 months</b>                                     |
| ORIGINATION       | <b>1.5 - 3 points</b>                                    |
| PREPAY            | <b>typically none — the lender wants you to refi out</b> |
| INTEREST RESERVES | <b>often required, 3-6 months held at closing</b>        |
| TIME TO CLOSE     | <b>10 - 14 days, sometimes 7</b>                         |

### BRIDGE-SPECIFIC TERM SHEET ITEMS

Bridge loans have a few terms that don't appear on DSCR or fix-and-flip term sheets. Watch these:

|                       |  |
|-----------------------|--|
| <b>Lockout period</b> | Some bridge loans cannot be paid off for the first X months. If your exit happens early, you owe interest through the lockout. Negotiate this down or out before signing.                          |
| <b>Extension fees</b> | If you can't exit within the term, most lenders allow a 3-6 month extension for a fee (typically 0.5-1 point). Confirm extension terms before closing — not at maturity when you have no leverage. |
| <b>Default rate</b>   | If the loan goes past maturity without payoff or extension, the rate jumps to a default rate (typically +5%). This compounds quickly.  |
| <b>Cross-default</b>  | Some bridge lenders cross-default the bridge with other loans the borrower has with them. Read carefully if you have other loans on panel.   |

#### A PRACTICAL TIP

If you're stretching to make the bridge math work, ask the lender for a longer term at the same rate rather than a higher LTV. A 24-month bridge is dramatically more forgiving than a 12-month bridge with the same payment, and most lenders will accommodate the longer term for clean files.

### THE EXIT TIMELINE YOU SHOULD ACTUALLY PLAN

If you tell a lender you'll exit in 6 months, plan internally for 9. If you tell them 12, plan for 18. Real estate transactions slip. Build the cushion into your reserves and your bridge term, not your verbal optimism.

## CLOSING

### If you'd like a *second opinion*.

Eniji Lending is a wholesale brokerage built specifically for active real estate investors. We are not a direct lender. We work with a curated panel of investor-focused wholesale lenders — Kiavi, Lima One Capital, RCN Capital, LendingOne, Visio Lending, and others — and our value is matching your specific deal to the lender most likely to approve it on the best terms.

Most of our bridge work is on deals where speed is genuinely the constraint — auction acquisitions, off-market opportunities with a tight close, hard-money refinances against a thin seasoning window, and bridges to specific takeout exits we've already underwritten. If you have a deal where speed matters, send us the scenario. We can quote, route, and close on most clean bridge files in 10-14 days.

#### SEND US YOUR NEXT DEAL

### Five lines, one business day, no hard credit pull.

Send the following to [hello@enijilending.com](mailto:hello@enijilending.com) or use the form at [enijilending.com](https://enijilending.com):

- 01 Property address (or general market if pre-LOI)
- 02 Loan product you're targeting (or "not sure" — we'll route)
- 03 Loan amount and intended LTV
- 04 Current FICO range
- 05 Brief deal context (purchase, refi, cash-out, exit plan)

**Web** [enijilending.com](https://enijilending.com)

**Direct** (575) 363-4013 · Mon – Fri, 8a – 6p MT

**Email** [hello@enijilending.com](mailto:hello@enijilending.com)

#### A NOTE ON THIS GUIDE

The information in this guide is general educational guidance based on common practices in the bridge lending market at time of publication. It does not constitute lending advice for any specific transaction. Actual loan availability, rates, terms, and underwriting criteria are determined by the lender at the time of application and vary by borrower, property, and jurisdiction. Eniji Lending is a brand of Eniji LLC, a wholesale loan brokerage. Eniji Lending is not a direct lender. Loans facilitated are business-purpose loans for non-owner-occupied residential investment property and are generally exempt from federal NMLS registration requirements under the SAFE Act. State-level licensing varies; eligibility is confirmed per transaction.