
Eniji Lending

FIX-AND-FLIP FIELD GUIDE

Purchase plus rehab, *structured for the project.*

How fix-and-flip loans actually work — the four numbers, the binding-cap math, and how to write a scope of work that gets funded.

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

FIRST EDITION

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SECTION 01

The four numbers *that drive the deal.*

A fix-and-flip loan funds both the purchase and the rehab, structured as short-term interest-only debt with construction draws. Whether the deal works depends on four numbers and the relationship between them.

- 01 **Purchase price.** What you're paying today.
- 02 **Rehab budget.** Itemized scope of work with contractor pricing.
- 03 **ARV (after-repair value).** What it sells or appraises for once renovated. The lender's appraiser sets this — not you.
- 04 **All-in cost.** Purchase + rehab + holding + closing + selling costs.

The deal works if: Sale price (or refi value) – all-in cost = a margin you're satisfied with. A common floor is 15% of all-in cost, with 20%+ preferred.

THREE LTV TERMS TO UNDERSTAND

LTC (Loan-to-Cost)	Loan as % of purchase + rehab. Typically 80-90%.
LTV (Loan-to-Value)	Loan on the purchase as % of as-is purchase price. Typically 80-90% on purchase portion.
LTARV (Loan-to-ARV)	Total loan cap as % of ARV. Typically 70-75%.

The lender uses the **most restrictive** of these three. If your deal hits 90% LTC but pushes the loan above 75% LTARV, the LTARV cap wins and you cover the difference in cash.

WORKED EXAMPLE

Purchase price	\$200,000
Rehab budget	\$50,000
ARV	\$325,000
LTC limit at 90%	$0.9 \times \$250,000 = \$225,000$
LTV on purchase at 90%	$0.9 \times \$200,000 = \$180,000$
LTARV at 75%	$0.75 \times \$325,000 = \$243,000$
Binding cap	\$180K toward purchase + 100% of rehab (\$50K) = \$230K

Borrower brings \$20,000 to the purchase, plus closing costs and interest reserves.

SECTION 02

ARV defensibility *and the scope.*

Two documents make or break the file: your ARV justification and your scope of work. Both get scrutinized; both have to defend themselves to an underwriter who has never seen the property.

HOW APPRAISERS ACTUALLY PICK COMPS

Lender appraisers look for sold properties that are similar in five dimensions:

- 01 **Distance.** Within 0.5 miles in dense markets, 1 mile in suburban, 3 miles in rural. Crossing major roads or school district lines weakens the comp.
- 02 **Recency.** Sold within the last 6 months. 12 months is acceptable but flagged.
- 03 **Bed/bath count.** Same number of bedrooms; bathrooms can differ by 0.5.
- 04 **Square footage.** Within 10% of subject, ideally within 5%.
- 05 **Condition at sale.** Similar level of finish (renovated comp for renovated subject).

BUILDING YOUR OWN ARV BEFORE SUBMITTING

Before applying, pull the same comps the appraiser will. Tools:

- **Free:** Zillow, Redfin, or Realtor.com filtering by sold-within-6-months
- **Paid:** PropStream, BatchData, or DealMachine for full MLS-equivalent data
- **Best:** Direct access to a local agent's MLS (most agents will pull comps free for serious investors)

If you can't find 3 supporting comps for your projected ARV, the appraiser won't either. Adjust the projection downward before applying.

WHAT MAKES A FUNDABLE SCOPE OF WORK

Lenders fund itemized, contractor-priced scopes. They do not fund "renovate kitchen, bathrooms, and floors — budget \$50K." Your scope should look like this:

LINE ITEM	QUANTITY / SCOPE	COST
Kitchen cabinets	Replace, mid-grade shaker	\$8,500
Kitchen counters	Quartz, 45 sf	\$3,200
Kitchen appliances	Range, fridge, dishwasher, microwave	\$2,800
Bathroom (primary)	Vanity, tile shower, toilet, fixtures	\$6,500
Bathroom (hall)	Vanity, tub surround, fixtures	\$4,200
Flooring (LVP)	1,400 sf installed	\$5,600
Interior paint	Walls, trim, ceilings	\$3,800
Exterior paint	Body, trim, doors	\$2,400
HVAC service	Tune-up, replace return duct	\$1,400
Landscaping	Sod front, mulch, tree trim	\$1,800
Contingency (10%)	—	\$3,420
Total	—	\$43,620

A scope at this level of detail signals to the underwriter that you (or your contractor) have actually walked the property and priced the work. Round numbers (\$50K kitchen) signal the opposite.

SECTION 03

What underwriters *actually look at.*

- 01 **Scope of work.** Itemized, professional, realistic. See the example on the previous page.
- 02 **Comparables for ARV.** The appraiser pulls comps. Your projected ARV needs to be defensible by the same comps.
- 03 **Borrower experience.** Some lenders require 1+ prior flip; many accept first-timers with strong scope and a licensed contractor.
- 04 **Exit strategy.** Sale, refi-and-rent (BRRRR), or wholesale. Lender wants the math to work at exit.
- 05 **Liquidity.** Cash for the down payment, holding costs, and reserves. Typically 6-12 months of interest reserves.

COMMON KILL CRITERIA

- Vague or unrealistically cheap scope of work (the #2 reason flips get declined)
- ARV not supported by comparables (the #1 reason flips get declined)
- Borrower with no liquidity for down payment and holding costs
- Property in a market with declining values or thin comp data
- Holding period projected longer than 12 months
- Property already in contract for sale on the back end at a price that doesn't justify the math
- Permits required for the scope but no plan or budget to obtain them

SELF-SCREENING CHECKLIST

- I have a written scope of work with line-item pricing
- I have a contractor identified (licensed if required by state) or will self-perform with documented experience
- My ARV estimate is supported by 3+ comparable sales within 0.5 miles, sold in the last 6 months
- My all-in cost (purchase + rehab + 6-month holding + 6% selling cost) leaves a 15%+ profit margin
- I have 25%+ of all-in cost in liquid cash for down payment and reserves
- Project timeline is 6 months or less (anything beyond is a yellow flag)
- FICO is 660+ (some lenders accept 620; most prefer 660+)
- I have prior project documentation if I'm not a first-timer (HUDs, photos, exit price)
- I understand the draw schedule and have working capital for the first draw cycle
- I have an exit strategy mapped (sale price target, or DSCR refi target with seasoning plan)

SECTION 04

Draw mechanics *and indicative terms.*

HOW CONSTRUCTION DRAWS ACTUALLY WORK

The lender does not give you the rehab budget at closing. Rehab funds are released in stages (draws) as work is completed and verified.

- 01 **You complete a phase of work using your own capital.** The first draw cycle requires you to have working capital to pay your contractor before reimbursement.
- 02 **You request a draw.** Submit a draw request listing the line items completed.
- 03 **Lender sends an inspector.** Independent inspection verifies the work. Cost typically \$150-\$300, billed to you.
- 04 **Lender wires the draw.** Usually 2-5 business days from request to wire. Some lenders are faster.
- 05 **Repeat per phase.** Most lenders allow 4-6 draws over the project life.

A PRACTICAL TIP ON DRAWS

Plan your scope into 4-5 logical phases (demo, rough-in, finishes, etc.) so each phase is large enough to justify a draw inspection. Tiny draws (\$3K) waste inspection fees; oversized draws delay reimbursement until very late in the project.

INDICATIVE TERM RANGES

LOAN AMOUNT	\$100K - \$2.5M
RATE	9% - 12% (interest-only)
LTC	up to 90% on purchase, 100% of rehab
LTARV	70% - 75%
TERM	12 - 24 months
ORIGINATION	1.5 - 3 points typical
INTEREST RESERVES	3 - 6 months held at closing
DRAW INSPECTION FEE	\$150 - \$300 per draw
TIME TO CLOSE	10 - 14 days when documents are clean

BRRRR EXIT MATH – SANITY CHECK

If you plan to refinance into a DSCR loan post-rehab (rather than sell), run the DSCR math at exit before applying for the flip loan.

Required exit conditions:

- Post-rehab market rent supports DSCR ≥ 1.0 at the target DSCR loan amount
- Target DSCR loan amount $\leq 75\%$ of ARV (typical cash-out cap is 70-75%)
- You can hit 6+ month seasoning before the flip loan matures

If any of those fails, BRRRR is not your exit. Plan to sell.

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 flip work is on deals where the borrower has a defensible scope and ARV but doesn't fit one specific lender's box — first-time flippers with strong files, projects in markets a single lender doesn't cover, scopes with permit timing issues, or rehabs requiring specialty trades. If you have a project under contract or about to be, send us the scope and ARV comps. We'll tell you within one business day whether the file is ready, and which of our panel lenders is the right fit.

SEND US YOUR NEXT DEAL

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

Send the following to hello@enijilending.com or use the form at 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

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

Email hello@enijilending.com

A NOTE ON THIS GUIDE

The information in this guide is general educational guidance based on common practices in the fix-and-flip 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.