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*Eniji Lending*

PORTFOLIO REFINANCE FIELD GUIDE

# Five-plus rentals, *one loan.*

*How portfolio loans actually work — when they beat individual loans, the blended LTV math, and what you give up for the consolidation.*

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

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FIRST EDITION

ENIJILENDING.COM

## SECTION 01

# When a portfolio loan *beats individual loans*.

A portfolio loan bundles 5+ rental properties under a single loan, with one closing, one monthly payment, and a blended LTV across the portfolio.

### WHEN PORTFOLIO WINS

- You hold 5+ rental properties and are servicing 5+ individual loans
- You want to pull cash from equity across the portfolio without 5 separate cash-out refis
- Conventional (Fannie/Freddie) caps are limiting you (10-property max)
- You're paying high rates on properties bought with hard money or older bridge
- You're tired of managing five separate escrow accounts, five servicers, and five sets of statements

### WHEN INDIVIDUAL LOANS ARE BETTER

- You only have 3-4 properties (typically not enough to justify portfolio structure)
- Properties span very different markets or property types (loan may price worse blended)
- You want flexibility to sell individual properties (release provisions exist but are cumbersome)
- You plan to add or sell properties frequently (each change requires lender consent)

### THE BLENDED LTV CONCEPT

Portfolio lenders cap loan amount as a percentage of *total* portfolio appraised value, not per property. This lets stronger properties carry weaker ones up to the blended cap.

### WORKED EXAMPLE

<b>Portfolio</b>	7 single-family rentals across two states
<b>Combined appraised value</b>	\$2,400,000
<b>Lender's blended LTV cap</b>	70%
<b>Maximum loan</b>	$0.70 \times \$2,400,000 = \$1,680,000$
<b>Existing debt across all 7</b>	\$1,200,000
<b>Cash-out potential</b>	<b>\$480,000 (less closing costs)</b>

### WHY BLENDING MATTERS

If one of your seven properties has only 50% equity and another has 90% equity, an individual cash-out refi on the 50% property maxes out at limited cash. Bundled, the portfolio supports more cash overall — the strong property carries the weak one up to the 70% blended cap.

## SECTION 02

### What you give up *for the consolidation.*

Portfolio loans are not free upgrades over individual loans. There are real trade-offs in concentration limits, release provisions, and operational flexibility. Understand them before signing.

#### CONCENTRATION RISK – THE 25/40 RULE

Most portfolio lenders cap any single property at 25–30% of total portfolio value. The hard ceiling is usually 40%. Why this exists: the lender doesn't want one property's failure to crater the entire loan's collateral.

**What this means in practice:** if six of your properties are \$200K each and one is \$1.4M, the \$1.4M property is 54% of the \$2.6M portfolio — over the cap. The lender will either decline the file or exclude the \$1.4M property and finance only the smaller six.

#### RELEASE PROVISIONS – SELLING A PROPERTY MID-LOAN

A portfolio loan is one loan secured by all your properties. To sell one property, you need a release.

##### How releases typically work:

- 01 You request a release for a specific property in writing.
- 02 The lender requires you to pay down the loan by 110–125% of the released property's allocated loan amount.
- 03 Lender confirms post-release portfolio still satisfies blended LTV and DSCR covenants.
- 04 Title is released and the property can close.

**Worked example.** Property allocated \$250K of the portfolio loan. Release ratio: 115%. To sell the property, you must pay down the portfolio loan by  $\$250K \times 1.15 = \$287,500$  — out of the sale proceeds.

If your sale price is \$400K and your basis is \$250K, \$287,500 of your equity goes to paying down the portfolio loan, leaving \$112,500 in proceeds. You don't lose value, but you don't extract as much cash as a stand-alone sale would have.

#### MIXING PROPERTY TYPES

Most portfolio programs require the portfolio to be:

- All residential 1–4 unit (no mixing with 5+ unit apartment or commercial)
- All long-term rentals OR all short-term rentals (some lenders won't mix)
- Owned in same entity or related entities

If you have mixed property types, you may need two separate portfolio loans (one for SFRs, one for small multi-family) or a portfolio loan covering only the qualifying subset.

#### OPERATIONAL REALITY

Portfolio loans simplify monthly servicing but complicate transaction-level work. Selling, refinancing one property, or adding a property mid-loan all require lender consent and paperwork. If your strategy is acquisition-heavy with frequent buy/sell, individual loans may serve you better despite the operational drag.

## SECTION 03

# What underwriters *actually look at.*

- 01 **Portfolio DSCR.** Calculated across all properties. Most lenders require 1.10-1.25 minimum on a blended basis.
- 02 **Property concentration.** No single property should exceed 25-30% of total portfolio value.
- 03 **Property condition.** Each property must be rent-ready and either occupied or quickly leasable.
- 04 **Borrower experience.** 2+ years owning and managing rentals is the typical floor.
- 05 **Reserves.** 6-12 months portfolio PITIA in liquid reserves.
- 06 **Entity structure.** Most lenders prefer one borrowing entity (usually an LLC). Multiple entities require careful structuring.

### COMMON KILL CRITERIA

- Portfolio DSCR below 1.0 (some flexibility on individual properties, but blended must work)
- Single property exceeding 40% of portfolio value
- Multiple vacant properties at application (1-2 vacancies typically OK; 3+ raises flags)
- Mix of property types that don't fit the lender's box (e.g., 4 SFRs and 1 small commercial — won't bundle)
- Geographic concentration in declining markets
- Properties with deferred maintenance or environmental issues

### SELF-SCREENING CHECKLIST

- I have 5+ residential 1-4 unit properties
- Combined portfolio value is at least \$500K (most portfolio programs start there)
- Blended DSCR across all properties is 1.15+
- No single property is more than 30% of the total value
- All properties are currently occupied or rent-ready
- I have rent rolls and current leases for every property
- I have at least 2 years of operating history on the rentals
- FICO is 680+
- I have a clear use of cash-out proceeds (or confirm rate-and-term refi only)
- I have 6 months of portfolio PITIA in liquid reserves

## SECTION 04

# Indicative terms *and the post-close reality.*

### INDICATIVE TERM RANGES

LOAN AMOUNT	<b>\$500K - \$5M+</b>
RATE	<b>8.5% - 10%</b>
BLENDED LTV	<b>70% - 75%</b>
PORTFOLIO DSCR FLOOR	<b>1.10 - 1.25</b>
TERM	<b>30-year fixed; 5/7/10-year ARMs</b>
PREPAY	<b>3-5 year declining typical</b>
CONCENTRATION CAP (SINGLE PROPERTY)	<b>25% - 40% of portfolio value</b>
RELEASE PROVISION RATIO	<b>110% - 125% of allocated loan amount</b>
TIME TO CLOSE	<b>30 - 45 days (longer due to multiple appraisals)</b>

### PORTFOLIO-SPECIFIC TERM SHEET ITEMS

<b>Cross-collateralization</b>	All properties secure the entire loan. Default on the loan = lender can foreclose on any/all. This is the structural trade-off you accept for the blended LTV.
<b>Substitution clauses</b>	Some portfolio loans allow you to swap one property for another mid-loan, subject to lender approval and re-appraisal. Useful if you're actively rotating the portfolio.
<b>Annual reporting</b>	Many portfolio lenders require annual rent rolls and operating statements to verify covenants stay in compliance. Not just a closing-day check.
<b>DSCR covenant</b>	Some loans include an ongoing covenant that portfolio DSCR cannot drop below a threshold. Breach = lender remedies. Negotiate the threshold and cure period if present.

### POST-CLOSE OPERATIONAL REALITY

What changes the day after closing:

- **One monthly payment** covering the entire portfolio. Servicing simplification is the most immediate win.
- **One escrow account** for taxes and insurance across all properties.
- **One annual statement** for tax preparation. Significantly simpler at year-end.
- **One point of contact** for any servicing issue. No more chasing five different servicers.

What gets harder:

- **Selling a property** requires a release process (110-125% paydown).
- **Adding a property mid-loan** requires lender approval and may require a portfolio expansion.
- **Refinancing one property out** requires the same release process as selling.

#### WHEN TO CHOOSE ARM VS. FIXED

If your portfolio is mature and you intend to hold for 10+ years, lock in 30-year fixed at the slightly higher rate. If you anticipate selling 1-2 properties or reorganizing the portfolio within 5-7 years, the ARM rate savings often outweigh the reset risk.

## 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 portfolio work is on investors with 5–25 properties who are scaling beyond what conventional lenders allow, consolidating mixed-vintage debt onto a single loan, or pulling cash for additional acquisitions. If you have a portfolio that fits, send us a one-line summary — number of properties, combined value, current debt — and we'll come back within one business day with whether the structure works and which panel lender 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](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)

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#### A NOTE ON THIS GUIDE

The information in this guide is general educational guidance based on common practices in the portfolio refinance 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.