

DSCR Rental Field Guide

Capital for the deal your bank won't close

Eniji Lending · Investor financing, routed right

Use this guide to self-screen a non-owner-occupied rental before you ask a lender to price it. It is educational material, not a commitment to lend, tax advice, legal advice, or a guarantee of approval.

1. The five-minute screen

1. Confirm the property is non-owner-occupied and eligible in its state.
2. Estimate market rent using credible rent evidence—not a hopeful number.
3. Calculate PITIA: principal, interest, taxes, insurance, and association dues.
4. Check the requested loan amount against value, leverage, and reserve requirements.
5. Identify the exit: long-term hold, BRRRR, or portfolio consolidation.

2. The DSCR formula

DSCR = qualifying monthly rent ÷ monthly PITIA

Example: $2,450 \text{ qualifying rent} \div 2,250 \text{ PITIA} = \mathbf{1.09 \text{ DSCR}}$.

A ratio below 1.00 may still fit a lender's credit box when leverage, reserves, property quality, credit, and the market-rent story compensate. Every lender calculates income and expenses differently, so ask for the exact method before comparing quotes.

3. Underwriter checklist

- Purchase price or current value and requested loan amount
- Current lease, market-rent support, and vacancy assumptions
- Taxes, insurance, HOA, utilities, and property-management expense
- Property condition, unit count, and intended use
- Borrower FICO, liquidity, reserves, and experience
- Vesting: personal name, LLC, or other eligible entity

- Seasoning, refinance purpose, and cash-out request
- Prepayment structure and any minimum-interest period
- Appraisal, insurance, title, and entity documents

4. Questions to ask before applying

- Is the lender using in-place rent, market rent, or the lower of the two?
- Is the prepayment penalty step-down, yield maintenance, or a lockout?
- Does the program permit an LLC and personal guarantee?
- What reserves are required after closing?
- How are short-term, furnished, or vacant properties treated?
- What is the lender-paid broker compensation and where is it disclosed?

5. Red flags

A low headline rate can hide a heavier prepay, points, a lower allowable LTV, or a rent calculation that changes the ratio. Compare the complete term sheet—not only the interest rate.

Eniji review checklist

Bring the property address, purchase or refinance details, rent evidence, estimated PITIA, requested leverage, borrower FICO range, entity name, and exit plan. Eniji can shop one scenario across a curated panel so you can compare realistic structures before choosing a lender.

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