REDLending

Business-purpose financing for residential real estate investors

Rental Loan (DSCR)

Thirty-year financing against a single cash-flowing 1–4 unit rental. Qualification is driven by property cash flow, not personal income.

Up to 80%	1.05x	30 years
LTV ON PURCHASE	MINIMUM DSCR	TERM

PROGRAM TERMS

Loan amount	$75,000 – $2,000,000.
Loan purpose	Purchase, rate-and-term refinance or cash-out refinance of a single rental property.
Term	30 years.
Amortization	30-year fixed, or 5/6, 7/6 and 10/6 ARM. Partial interest-only available on every structure.
Maximum LTV	80% on purchase and rate-and-term; 75% on cash-out. Capped at 75% where the unpaid balance is under $100,000.
Leverage by FICO	FICO 700+: 80% / 80% / 75%. FICO 680–699: 75% / 75% / 70%. FICO 660–679: 65% / 65% / 60%. (Purchase / rate-and-term / cash-out.)
Minimum DSCR	1.05x, calculated as monthly in-place gross rent over monthly PITIA.
Minimum FICO	660, taken from the lowest mid-score of all personal guarantors.

Seasoning	Cash-out not available within 90 days of purchase. Between 91 and 180 days a scope of work is required to support the increased value.
Reserves	Closing costs plus 3 months PITIA on purchases, 6 months on refinances. First 3 months of principal and interest escrowed at close.
Tradelines	Three total, two active, at least one with 24-month history.
Recourse	Full recourse. Any member owning more than 19% must personally guarantee.
Borrowing entity	LLC or corporation required. Partnerships, nonprofits and charitable organizations not eligible.
Foreign nationals	Eligible at 65% LTV on purchase and rate-and-term, 60% on cash-out, with 12 months PITIA.
Prepayment	5-, 4-, 3- and 1-year structures, or none. Provisions vary by jurisdiction and transaction — several states prohibit a penalty outright and others cap it by loan size, term or property type. The provisions available on your loan are confirmed when the scenario is quoted.
Credit history	Bankruptcy and foreclosure seasoned 3 years. Maximum one 30-day mortgage late in 12 months. Tri-merge report no older than 90 days for a new borrower, 120 for a repeat borrower with no lates.
Property size	Single family from 700 sq ft; condominiums and each unit of a 2–4 from 500 sq ft. Lot size 5 acres or less.
Appraisal	Dated within 120 days, or 120–180 days with recertification of value. Two full appraisals above a $1,500,000 loan amount.
Assignment fees	Wholesale or assignment fees permitted up to 10% of the original purchase price; above that at lender discretion. Non-arm's-length transactions are not allowed.

Attorney opinion letter	Required above $500,000 in NJ and NY, and above $1,000,000 in every other state, whether or not it is an attorney state.
Property condition	C1 to C4 with no deferred maintenance.
Occupancy	Purchases may be delivered vacant and underwritten to market rent. One unit of a 2–4 may be vacant on a refinance.
Pricing	Call for quote.
Geography	Available in 37 states and the District of Columbia: AL, AR, CO, CT, DC, DE, FL, GA, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MS, MO, MT, NE, NH, NJ, NM, NY, NC, OH, OK, PA, RI, SC, TN, TX, VA, WV, WI, WY. Reduced leverage applies in FL and LA and in select counties. Four Florida counties (Lee, Charlotte, Sarasota, Collier) and Baltimore City are closed. Prepayment provisions vary by jurisdiction and transaction: several states prohibit a prepayment penalty outright and others cap it by loan size, term or property type, so the provisions available on a given loan are confirmed when the scenario is quoted.

COLLATERAL

Eligible

- ✓ Single family residence
- ✓ 2–4 unit multifamily
- ✓ Warrantable condominiums
- ✓ Townhomes
- ✓ Planned unit developments
- ✓ Non-owner occupied, business purpose only

Not eligible

- × Non-warrantable condominiums
- × Mixed use
- × 5+ unit multifamily
- × Condotels
- × Co-ops
- × Mobile / manufactured
- × Commercial
- × Cabins / log homes
- × Leasehold
- × Oil or gas leases
- × Operating farms, ranches, orchards
- × Vacation or seasonal rentals
- × Unique, exotic or luxury

× Rural properties

WHAT WE NEED FROM YOU

1. Property address and purchase contract or original HUD / deed
2. Executed leases for all occupied units, plus proof of rent collection on refinances
3. Two consecutive months of bank statements from a single account
4. Tax certificate, insurance certificate and HOA fee documentation
5. Entity documents and guarantor credit authorization
