



# DSCR

## Debt Service Coverage Ratio

The loan will be qualified based on the Debt Service Coverage Ratio (DSCR), in which the borrower uses the cash flow of the subject property only.

**DSCR=**

DSCR= Gross income divided by (/) proposed value of capital, taxes, interest, insurance and association dues (PITIA) Must Meet or Exceed 1.00 (100%)

## Highlights

- ✓ Minimum credit score: 660.
- ✓ Maximum loan amount \$3 million.
- ✓ Minimum loan amount \$100,000.
- ✓ Maximum loan-to-value (LTV) ratio 85% (Credit Score 740 for Purchases Only).
- ✓ Withdrawal of the balance in cash of 75% (Credit Score 720).
- ✓ All Loan Products, including Interest Only (not in Illinois).
- ✓ All property types, except Condohotels.
- ✓ The properties can be in the name of an LLC or CORP.

### To calculate gross income:

- **Purchase:** If there is a lease, use the lesser of the lease and the appraised market value of the lease (form FNMA 1007/FHLMC 1000), otherwise use the rental market according to the appraisal.
- **Refinancing:** Use the lower of the signed lease contract and the market value of the lease according to the appraisal (form FNMA 1007/FHLMC 1000).
- If the signed lease agreement reflects a higher monthly rental value, it can be used in the calculation when evidence of proof of payment for the last three (3) months is provided.

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