

The DSCR Deal Scorecard

Will this rental qualify? Run any property through these 7 checks before you write an offer — and walk into your loan application already knowing where you stand.

DSCR loans qualify on the property's cash flow — not your personal income or tax returns. That means the deal itself has to pencil out. Score your next rental against the checklist below before you get attached to it.

1

Debt-Service Coverage Ratio (DSCR)

Gross Monthly Rent ÷ Total Monthly PITIA (principal, interest, taxes, insurance, association dues). Most DSCR programs look for a ratio around 1.00–1.25+, though some allow lower — even no-ratio — options with a larger down payment or extra reserves.

☐ I've calculated rent ÷ PITIA for this property

2

Loan-to-Value (LTV)

Max leverage varies by lender, property type, DSCR ratio, and loan purpose. Purchases typically allow more leverage than cash-out refinances; short-term rentals and lower ratios usually mean a lower max LTV.

☐ I know my target down payment / equity position

3

Credit Score

Every DSCR program sets its own minimum, and stronger credit generally unlocks better pricing and higher leverage. Know your current score(s) before you start shopping rates.

☐ I know my current credit score(s)

4

Reserves

Plan to show liquid reserves — commonly several months of PITIA — left in the bank after closing. Exact requirements depend on the program, property count, and loan size.

☐ I can document reserves after closing costs and down payment

5

Lease vs. Appraisal Form 1007 (Market Rent)

Already tenant-occupied with a signed lease? That lease can typically support the DSCR calculation. Vacant or buying it now? The appraiser completes a Form 1007 (Comparable Rent Schedule) to establish market rent instead. Know which one applies — it changes what documentation you'll need to gather.

☐ I know whether I'll use a lease or a 1007 rent schedule

6

Short-Term Rental (STR) Income Haircut

Airbnb/VRBO income isn't treated like a standard 12-month lease. Many programs require a trailing rental history (often via AirDNA or similar) or apply a discount to projected STR income before it counts toward your ratio. Don't assume your nightly-rate math carries over 1:1.

☐ I've confirmed how STR income will be documented and calculated

7

Insurance & PITIA Traps

The rent-to-PITIA math only holds up if PITIA is accurate. Watch for flood-zone determinations, higher landlord/investor premiums, HOA dues, and post-purchase tax reassessments. A deal that pencils on an estimate can miss on a real insurance quote — get the actual number before you count on it.

☐ I have a real insurance quote, not an estimate

Your Deal Score

Checked all 7? You're ready to run real numbers — let's talk specifics.

5–6? You're close. A few gaps to close before you shop lenders.

4 or fewer? Let's talk first, so you don't spend time on a deal that won't qualify as-is.

Got a property in mind?

Text me the address, purchase price, and rent — I'll run your numbers personally and tell you where you stand, free.

CALL / TEXT

540-628-7188

WEB

HomeLoanist.com

LOAN OFFICER

Yves LaMarre

HomeLoanist LLC (NMLS #2774169) is a licensed mortgage broker and is not a direct lender; mortgage loans are arranged through third-party wholesale lenders. Yves LaMarre, NMLS #899878, Virginia Real Estate License #0225275026. This Deal Scorecard is provided for general educational purposes only and does not constitute a credit decision, loan approval, rate quote, or commitment to lend. Actual DSCR ratio, LTV, credit, reserve, and documentation requirements vary by lender, program, property, and borrower profile, and are subject to change without notice. Not all applicants or properties will qualify. Restrictions may apply. Equal Housing Opportunity.