

Real-World BRRRR Case Study

# A No Seasoning DSCR Refinance Executed the Right Way

**Your Path to Financial Growth,**

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This case study walks through a real BRRRR transaction to show how a no seasoning DSCR loan works in practice when the deal is structured correctly from the beginning.

This is not a hypothetical example. These are real numbers, real execution, and a real refinance.

## The Goal of This Case Study

### The purpose of this case study is to show:

- How private money and rehab were structured
- How value was intentionally created
- How rent supported DSCR guidelines
- How the refinance paid off private money
- How capital was recycled for the next deal

This is what a clean BRRRR execution looks like.

## Property Overview

- **Property Type:** Single-family rental
- **Market:** Shelby County, Tennessee
- **Strategy:** Buy, Rehab, Rent, Refinance, Hold

This property was identified as a strong BRRRR candidate due to its low acquisition cost, ability to add functional value, and strong rental demand.

## Acquisition and Rehab Breakdown

### Purchase and Rehab Numbers

- **Purchase Price:** \$27,000
- **Rehab Budget:** \$55,000
- **Total Project Cost:** \$82,000

### Scope of Work Highlights

- Converted a **3 bedroom, 1 bathroom** home into a **3 bedroom, 2 bathroom**
- Installed a **new air conditioning unit**
- Fully updated the interior
- Rehab aligned with neighborhood rental and resale standards

This scope of work changed the functionality of the property, not just the appearance. That distinction is critical for appraisal support.

## Private Money Loan Structure

The investor used private money to fund both the purchase and the rehab.

- **Private Money Loan Balance at Refinance:** \$72,000
- **Hard Money Fees:** \$3,600
- **Investor Cash In:** \$10,000
- **Fees Paid Upfront:** Yes

The private money loan was intentionally structured as a short-term bridge, not long-term debt.

A key part of the strategy was confirming the refinance exit before committing to the private money loan.

## After Repair Value and Rental Performance

- **After Repair Value (ARV):** \$130,000
- **Minimum ARV Requirement:** \$125,000
- **Status:** Meets guidelines

### Market Rent

- **Monthly Rent:** \$1,350

The rent was consistent with comparable renovated rentals in the area.

# The No Seasoning DSCR Takeout Loan

Once rehab was complete, the investor refinanced using a 30-year fixed no seasoning DSCR loan through [Amy DeBusk Home Loans](#).

## DSCR Loan Terms

- **Loan Type:** DSCR Rental Loan
- **Term:** 30-Year Fixed
- **Loan-to-Value:** 75 percent of ARV
- **Loan Amount:** \$97,500
- **Interest Rate:** 7.10 percent
- **Estimated Monthly PITI:** \$809

## DSCR Qualification

**DSCR Calculation:**  
 $\$1,350 \div \$809 = 1.67$

This significantly exceeded the **1.10 minimum DSCR requirement**, providing a strong margin of safety.

Even under conservative stress testing, the deal continued to qualify comfortably.

## Paying Off Private Money and Cash-Out Results

**At closing of the DSCR refinance:**

- **Private Money Paid Off:** \$72,000
- **New DSCR Loan Amount:** \$97,500

### **Final Outcome**

- Private money lender paid off in full
- Investor recovered:
  - The \$10,000 originally invested
  - The upfront hard money fees
- Additional cash back to investor: approximately \$15,000

### **The investor exited the refinance with:**

- Long-term fixed debt
- Positive monthly cash flow
- No private money remaining
- Capital available for the next deal

## **Why This BRRRR Worked**

### **This BRRRR was successful because:**

- The property was bought well below market
- Rehab created functional, appraisable value
- Rent strongly supported DSCR guidelines
- The refinance was planned before purchase
- The right lending structure was used

Nothing about this deal relied on aggressive assumptions.

## The Big Picture Outcome

After the refinance, the investor owns:

- A fully renovated rental property
- A 30-year fixed DSCR loan
- Positive cash flow from day one
- Recovered initial capital

Additional cash-out proceeds

This is the intended outcome of a well-executed BRRRR strategy.

## Final Takeaway

A no seasoning DSCR loan is not a shortcut.  
It is a tool that rewards planning and discipline.

When purchase price, rehab scope, ARV, rent, and refinance structure align, the BRRRR strategy becomes repeatable and scalable.

This case study represents what is possible when the process is executed correctly.

## Next Step

If you want to evaluate whether your deal could execute like this one, the best next step is a focused conversation.

**Book your free 30-minute BRRRR strategy call** with **Amy DeBusk Home Loans** to review your numbers, timeline, and refinance options.

**All loans subject to approval. Equal Housing Lender.**