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The Ultimate Guide to NO SEASONING DSCR Loans BRRRR Strategy

How Experienced Investors Use ARV-Based Cash-Out Refinancing to Execute BRRRR Strategies

Your Path to Financial Growth,

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MORTGAGE MADE EASY ACADEMY

This guide was created by **Amy DeBusk Home Loans** to help real estate investors understand how to properly execute a BRRRR strategy using a **no seasoning DSCR loan**, without waiting 6 or 12 months to refinance.

This is not theoretical lending.

This guide reflects how these loans are actually underwritten and closed.

A Note Before We Begin

This guide is designed for investors who plan the refinance before they buy.
If you are actively evaluating a deal, using private money, or planning a BRRRR strategy, you may benefit from a focused review before moving forward.

You can **book a free 30-minute strategy call** with **Amy DeBusk Home Loans** to review your deal, exit strategy, and DSCR eligibility.

What This Guide Is and Is Not

This guide is intended to:

- Explain how no seasoning DSCR loans really work
- Help you determine if your deal qualifies before you buy
- Show how lenders and underwriters evaluate BRRRR strategies
- Prevent common mistakes that derail refinances

This guide is not:

- A promise that every deal will work
- A shortcut around the underwriting rules
- A strategy for first-time buyers
- A replacement for proper deal analysis

What "No Seasoning" Means

In traditional lending, cash-out refinances require a **seasoning period**, typically **6 to 12 months**, before a lender will use current market value.

A **no seasoning DSCR loan** removes that waiting period.

With this structure:
- You do not wait months after purchase
- The refinance is based on **After Repair Value (ARV)**
- Equity created through rehab can be accessed immediately
- The refinance process begins once rehab is complete

This is what allows BRRRR investors to recycle capital efficiently instead of letting it sit idle.

Who This Strategy Is For

This strategy is designed for experienced real estate investors.

You may be a fit if:
- You already own real estate
  - A primary residence, rental, or property owned in an LLC
- You are purchasing **non-owner-occupied investment property**
- You are using **private money or cash** for purchase and rehab
- You plan to hold the property as a long-term rental

Traditional income documentation is not required. Ownership experience matters.

Who This Strategy Is Not For

This strategy is not available for:

- First-time home buyers
- Owner-occupied purchases
- Borrowers with no real estate ownership history
- Short-term flips with no rental exit

Properties that cannot meet minimum value requirements

If you have never owned real estate, this loan program will not be approved.

Minimum Property and Deal Requirements

For a no seasoning DSCR refinance to work, the deal must meet certain baseline requirements.

- **Minimum After Repair Value:** $125,000
- Properties below this value do not qualify
- The property must support long-term rental use
- The refinance must work without aggressive assumptions

This strategy is built for scalable investing, not speculation.

Understanding DSCR and Rent Requirements

DSCR stands for Debt Service Coverage Ratio. It measures whether rental income supports the mortgage payment.

For this program:

- Minimum rent-to-mortgage ratio is **1.10**
- Rent must be at least **110 percent** of the monthly mortgage payment

If rent does not support the payment:

- Loan amount may be reduced
- Additional reserves may be required
- The refinance may not be approved

Rent must be defensible and supported by real market data.

How Expected Rent Is Determined

Expected rent must be supported by:

- Comparable leased properties
- Market rent data
- Appraisal-supported rent surveys
- Lease agreements when the property is rented

Online estimates alone are not sufficient. Deals that barely qualify on rent leave no margin for error.

Stress Testing the Deal Before You Buy

Underwriters stress test deals. Smart investors do too.

Before submitting an offer:

- Reduce projected rent slightly
- Increase projected payment slightly
- Confirm DSCR still meets the 1.10 requirement

Strong BRRRR deals often qualify closer to **1.15 DSCR or higher**, even after stress testing.

Mid-Guide Reality Check

At this point, most investors realize the refinance must be planned before the purchase.

If you want a lender-level review of your ARV, rent assumptions, rehab scope, and DSCR eligibility, you can **schedule a free 30-minute strategy call** with **Amy DeBusk Home Loans** before submitting an offer.

Why the Scope of Work Matters

In a no seasoning DSCR refinance, value is based on what functionally changed, not simply how much money was spent.

Cosmetic updates help rentability.

Functional improvements are what typically justify higher appraised values.

Examples include:

- Increasing bathroom count where the market supports it
- Improving layout and usability
- Bringing the property up to neighborhood renovation standards

Rehab must be intentional and aligned with comparable sales.

The BRRRR Process Step by Step

Step 1: Identify the Right Property

Before submitting an offer, evaluate:

- Purchase price
- Rehab scope
- Estimated ARV
- Expected rent
- Refinance leverage

If the refinance does not cleanly pay off private money, the deal is not ready.

Step 2: Get the Property Under Contract

Once under contract:

- Purchase price is locked
- Rehab timelines are confirmed
- Private money is finalized

Private lenders often ask about the refinance exit at this stage.

Step 3: Secure the Private Money Loan

Private money typically:

- Funds for purchase and rehab
- Requires closing costs paid upfront
- Charges fees commonly ranging from **3 to 6 percent** of the loan amount

Many private lenders require confirmation of a takeout loan.

Step 4: DSCR Takeout Pre-Approval

Confirming the Exit Strategy

Before or shortly after closing with private money, a **DSCR takeout pre-approval letter** can be issued.

At this stage we:
- Collect documents
- Run credit
- Review real estate owned
- Analyze projected rent and ARV

This confirms the refinance exit and supports your private lender.

Step 5: Complete the Rehab

Rehab must be:
- Fully completed
- Consistent with neighborhood standards
- Supportive of rent and ARV

No appraisal is ordered during rehab.

Step 6: Start the No Seasoning DSCR Takeout Loan

Once rehab is complete:
- Final documents are collected
- Rent is confirmed
- The file is prepared for appraisal

Step 7: Appraisal Ordered After Rehab

The appraisal is based on:
- Completed condition
- Renovated comparable sales
- Market rent analysis

The appraisal determines the final loan amount.

Step 8: Underwriting and Funding

From appraisal receipt to funding:
- Typical timeline is **approximately 3 weeks**
- Private money is paid off
- Long-term DSCR loan is recorded

How These Loans Are Structured

- The loan is funded **inside an LLC**
- The property is titled in the LLC name
- The owner or owners of the LLC are **personal credit guarantors**

This is standard for business-purpose real estate lending.

Credit and Leverage Guidelines

These are execution details, not lead requirements.
- **Minimum credit score:** 680
- Credit is reviewed for all guarantors

Maximum cash-out leverage:

- 75 percent of ARV if the property is rented
- 70 percent of ARV if the property is not rented

If the property is not rented, qualifying rent is determined by a market rent survey completed by the appraiser at the time of appraisal.

Typical Timing Expectations

Once rehab is complete:

- Appraisal is ordered immediately
- Underwriting and closing typically take about 3 weeks
- Average timeline from appraisal order to funding is approximately 35 days

Proper planning helps avoid costly private money extensions.

Common Reasons No Seasoning BRRRR Deals Fail

- ARV assumptions not supported by comps
- Rent projections too aggressive
- Rehab scope insufficient to justify value
- Property value below minimum threshold
- Exit strategy planned after purchase

Successful investors plan the refinance first.

Final Perspective

A no seasoning DSCR loan is a powerful tool when used with discipline.

It rewards:

- Experience
- Conservative assumptions
- Intentional value creation
- Proper exit planning

When rent, ARV, rehab, and leverage align, this strategy allows investors to recycle capital efficiently while building long-term wealth.

Final Next Step

If you are serious about executing a BRRRR strategy the right way, the next step is a focused conversation.

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