

# DSCR Loans

A DSCR Loan (Debt Service Coverage Ratio loan) is a type of non-qualified mortgage (non-QM) for real estate investors where loan approval is based on the cash flow generated by the investment property, rather than the borrower's personal income. People get them to bypass the strict income and employment verification of traditional loans, allowing for easier qualification and faster portfolio expansion.



## Document Requirements

- ✓ Completed application
- ✓ Last 3 years of Business Tax Returns (BTRs)
- ✓ Last 3 years of Personal Tax Returns (PTRs)
- ✓ Debt schedule
- ✓ 2025 Year-to-Date Profit & Loss statement
- ✓ 2025 Balance Sheet
- ✓ Personal financial statement
- ✓ Last 12 months of business bank statements
- ✓ Voided business check
- ✓ Color copy of driver's license for all owners

**1** If investment real estate is owned: Current mortgage statements or recent appraisals

**2** If investment real estate has tenants: Copies of leases and monthly rental income

**3** If applicable:  
2024 W-2  
Last two months of pay stubs  
2024 K-1s



## Funding Amount

The actual loan amount you qualify for depends on several factors:

- ✓ **Property cash flow & DSCR:** The core underwriting metric — your net operating income must cover the proposed debt service.
- ✓ **Loan-to-Value (LTV) caps:** Commonly around 75%–80% of the property value for purchase/refinance.
- ✓ **Credit score & reserves:** Higher scores and more reserves can often unlock higher loan amounts or better terms.
- ✓ **Lender program type:** Banks, non-QM lenders, and private lenders all have different program limits.



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