

BRRR Stated Income Rental Loan

The BRRR Loan – 3 month seasoning – 30 Year Fixed Rate No Income or Employment Verification

Yes, this is real. It's a killer program for BRRR, and for investors with great credit, but who write everything off on their tax returns. The interest rate is around 6½% for most investors. Everyone always wants to know the details, so here they are. Below are our internal rate tables for this program. Here's how to determine your interest rate.

First, find the row for your FICO score. The left table tells you your maximum Loan-to-Value. Note the last line; subtract 5% from the maximum LTV if you are doing a refi.

Second, look at the table on the right. Find your FICO score and go across the row to the column for your desired LTV. That is your base interest rate for the loan.

Max LTV by Loan Amount		
Purchase		
FICO	<\$750,000	>\$750,000
760+	80%	75%-80%
740+	80%	75%-80%
720+	80%	70%-80%
700+	80%	65%-80%
680+	80%	60%-75%
660+	75%	65%-70%
640+	75%	65%-70%
Foreign	65%	65%
Refinance	-5%	-5%

30yr Fixed Rate, 30yr Amortization						
Loan-To-Value (LTV)						
FICO	<=55	55-60	60-65	65-70	70-75	75-80
760+	5.75%	6.00%	6.10%	6.30%	6.50%	6.75%
740+	5.95%	6.10%	6.25%	6.45%	6.60%	6.75%
720+	6.20%	6.30%	6.45%	6.55%	6.70%	6.95%
700+	6.25%	6.40%	6.60%	6.70%	6.90%	6.95%
680+	6.45%	6.55%	6.65%	6.80%	6.95%	7.10%
660+	6.95%	7.05%	7.15%	7.30%	7.45%	
640+	7.35%	7.50%	7.65%	7.85%	7.95%	
Foreign	7.50%	7.75%	7.95%			

Third, look at the adjustments in this table. Add ALL that apply to your base rate.

Rate Adjustments						
Loan Amt	<=55	55-60	60-65	65-70	70-75	75-80
<\$100,000	0.25%	0.25%	0.40%	0.50%	0.50%	0.50%
Property						
2-4 Unit	0.15%	0.25%	0.25%	0.25%	0.25%	0.25%
Condo	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%

EXAMPLE: Your FICO score is 725, and it's a \$150,000 4 unit. Your max LTV for a purchase is 80%; for a refi, it's 75%. Continuing to the second table, at 70% LTV, your base rate is 6.70%. Continue to the Rate Adjustments, and add 0.25% for a 4 unit, and your final rate is 6.95%.

Congrats! Now you have your interest rate for a 30-year fixed rate rental loan. (There could be other small adjustments, but we're keeping this page simple).

Fees
Points: 2.0
Minimum Points: \$2,000
Loan Fee: \$1,995

Loan Terms	
Loan Term	30 years
Prepay Penalty	3/2/1
Minimum Loan	\$75,000
Maximum Loan	\$2,000,000

Fees, terms and rates are subject to change without notice. This information is current as of 9/1/19

Call and get your loan started!

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CATEGORY	GUIDELINE
Employment	➤ Verification Not Required
Tax Returns	➤ Not Required
Number / \$\$ of Financed Properties	No Limits
Max Cash-in-Hand (Cash to Borrower at Closing)	➤ No Limits up to Qualified LTV
Experience	<ul style="list-style-type: none"> ➤ Owns Primary - Must Own 2+ Properties (Personal or Entity) ➤ Rents Primary (If Loan is a Refi) - Must Own 3+ Properties (Including Subject)
Seasoning Cash-out Refinance	<p>Seasoning < 3 Months:</p> <ul style="list-style-type: none"> ➤ Appraised Value Allowed: Up-To Qualified LTV, Not to Exceed 90% of Purchase Price + Documented Improvements ➤ Valid Lease Required <p>Seasoning 3-12 Months:</p> <ul style="list-style-type: none"> ➤ Purchase Date < = 12 Months, and Value Greater than 2X Purchase Price, Must Document and Verify Completed Repairs ➤ Purchase Date < 6 Months Must Have Valid Lease
Loan-To-Value	<ul style="list-style-type: none"> ➤ Not affected by DSCR (Note: DSCR must meet per DSCR Below) ➤ No reductions for 2-4 Unit Properties
DSCR Requirements	<ul style="list-style-type: none"> ➤ DSCR must qualify. ➤ Minimum DSCR: 1.25 on loan amounts less than \$100,000 or property is a 2-4 unit ➤ Minimum DSCR: 1.15 on loan amounts between \$100,000 - \$250,000 ➤ Minimum DSCR: 1.0 on loan amounts > \$250,000 ➤ DSCR > 0.85 & < 1.00 allowed on SFR with loan amounts >\$250K (Subject to -5% LTV and Rate Adjustment).
Leased Properties	<p>Property is leased if:</p> <ul style="list-style-type: none"> ➤ Initial Lease Term of 9-24 Months (Between Unrelated Parties) ➤ For 2-4 Unit Properties, At Least 50% of Units are Leased ➤ Month-to-Month Leases with prior 1 year+ Lease (Copy Required)
Unleased Properties	<p>Property is unleased if:</p> <ul style="list-style-type: none"> ➤ Month-to-Month Leases (If No Prior 1 year Lease) ➤ Short-Term Rentals (i.e. Airbnb) ➤ Leases Between Relatives ➤ LTV Reduced 5%
Reserve Requirements	<ul style="list-style-type: none"> ➤ Loans < = \$2M = 9 Months Reserves (PITIA) ➤ Loans > \$2M -OR- Foreign National Guarantors = 12 Months Reserves (PITIA)
Verification of Mortgage (VOM) Requirements	<ul style="list-style-type: none"> ➤ VOM Always Required for Subject Property (If a Refi) ➤ If all Mortgages Report to Credit Bureau, NO VOM REQUIRED
Mortgage Payment History	<ul style="list-style-type: none"> ➤ Max 1x30 Last 12 months. Subject to Approval of LOE (Reason Must be Compelling) ➤ Late Payment Must be Verified as Cured Prior to Closing
Collections	<ul style="list-style-type: none"> ➤ Individual Accounts > = \$2,500 or Multiple Accounts > = \$10,000 Must be Paid in Full ➤ If Accounts Not Meeting Thresholds Remain, Borrower Must Show Funds to Cover
Judgment, Liens	<ul style="list-style-type: none"> ➤ Balance of > = \$10K Must be Paid Prior to or At Closing ➤ Balance of < = \$10K May Remain, Borrower Must Show Funds to Cover ➤ Includes "Non-Medical Collections"
Pre-Payment Penalty	➤ Improved to 3/2/1 Step Down - 3% in Year 1 / 2% in Year 2 / 1% in Year 3.

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