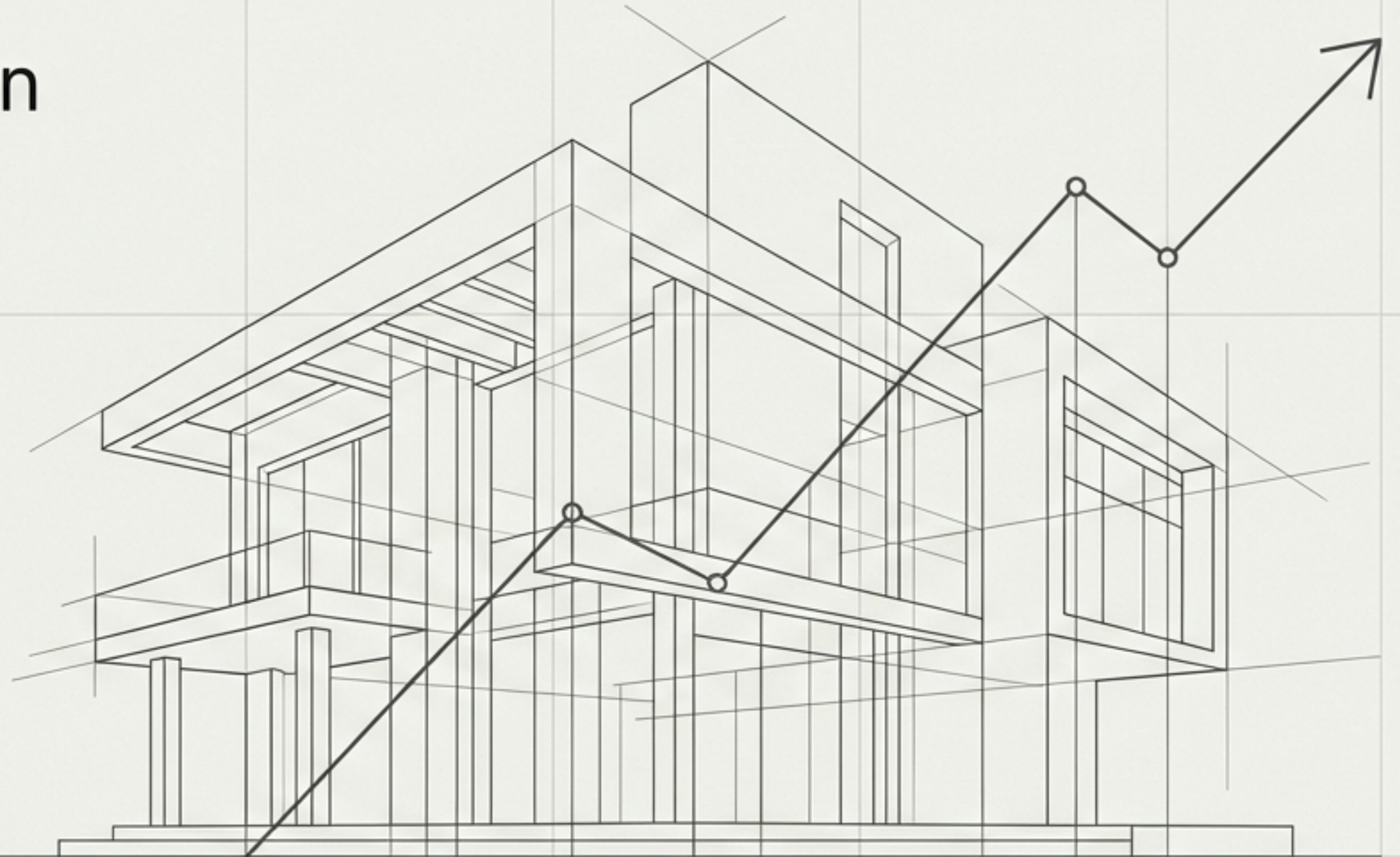


DSCR Financing Outlook 2026

Capital Costs, Qualification Standards, and Underwriting Velocity



INTEREST RATE RANGE

6.5% – 8.75%

For Residential Rentals



TARGET DSCR RATIO

1.0 – 1.25

Debt Service Coverage



REQUIRED DOWN PAYMENT

20-25%

Implied 75-80% LTV



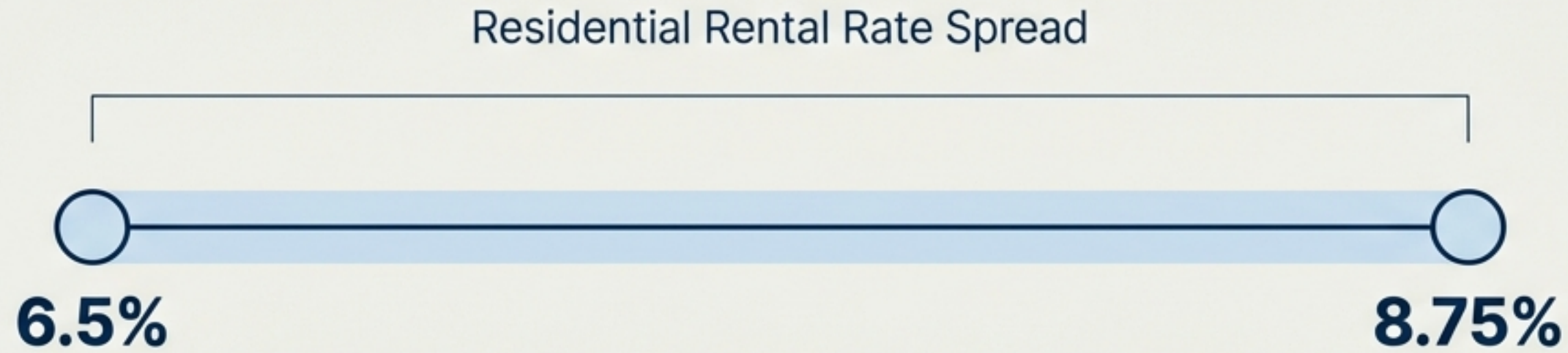
CLOSING TIMELINE

2-3 Weeks

AI-Enabled Velocity



The Cost of Capital



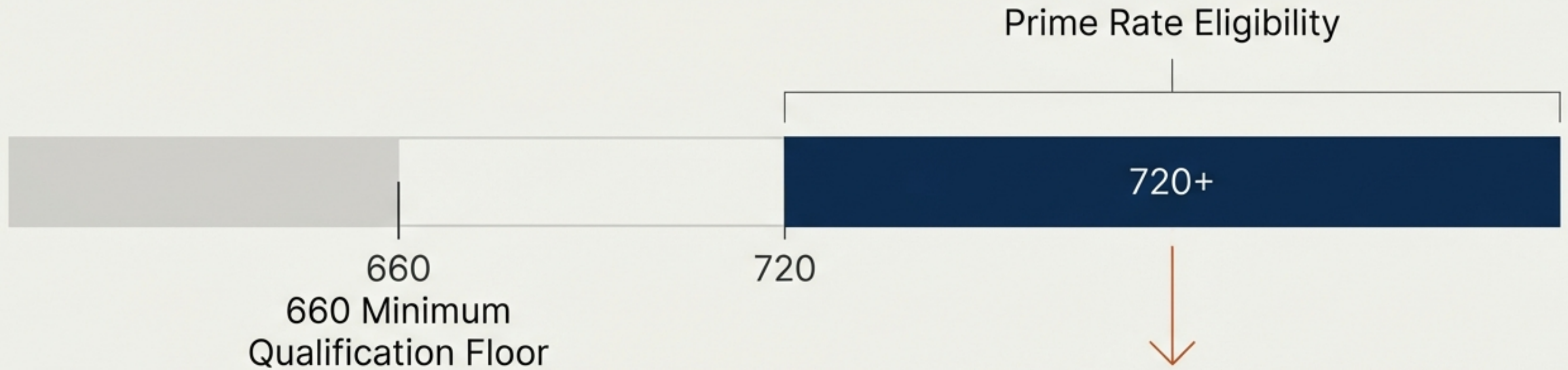
Rates serve as the primary operational expense. While variable based on borrower strength, 6.5% represents the current floor for the most qualified scenarios.

The Viability Threshold



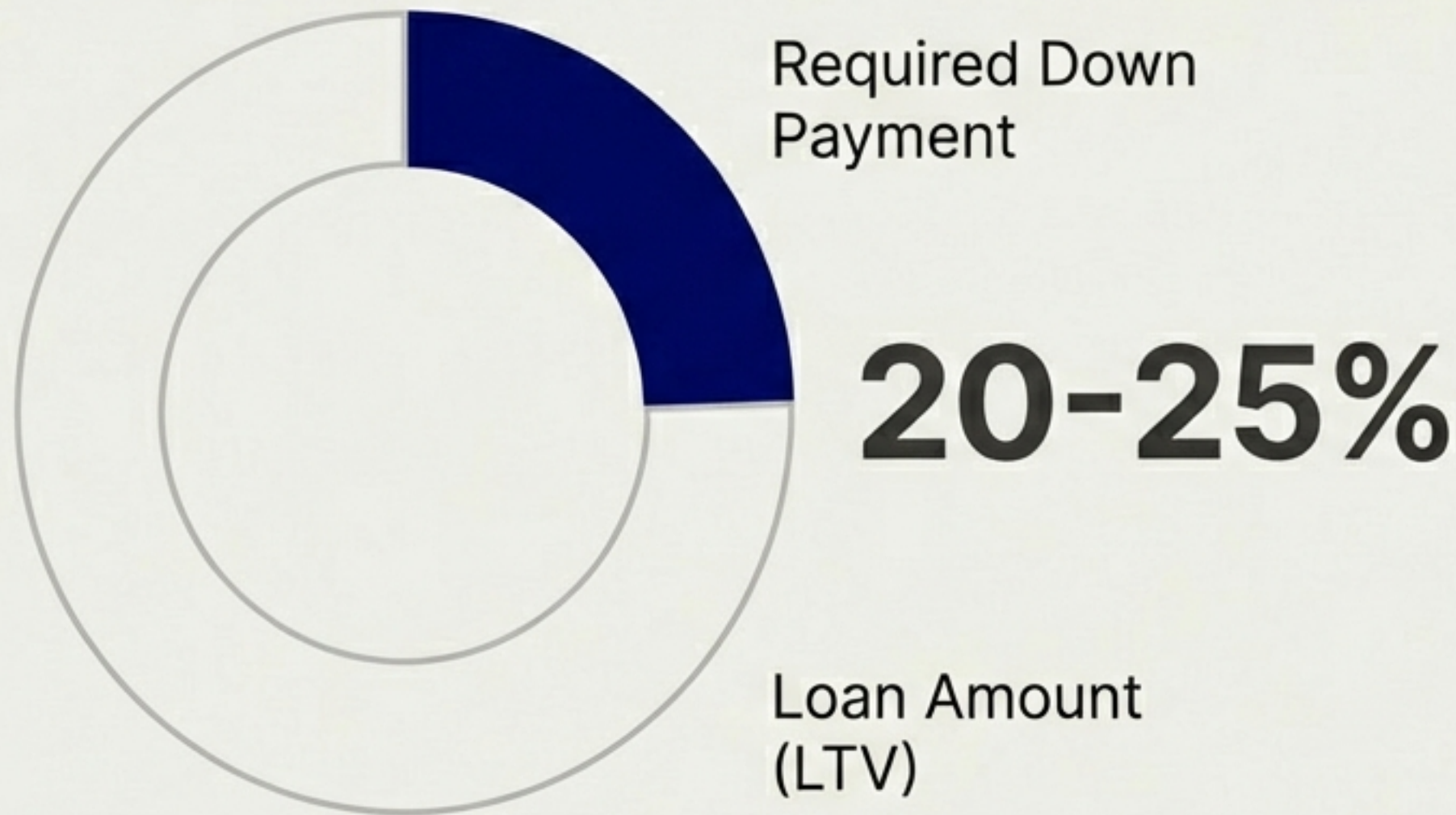
Cash flow coverage remains the primary determinant of loan viability. Lenders require income to exceed debt obligations by a 1.25x margin for standard approval.

Borrower Eligibility: Credit



Entering the 720+ tier is the key lever to accessing the lower end (6.5%) of the interest rate spectrum.

Liquidity Requirements

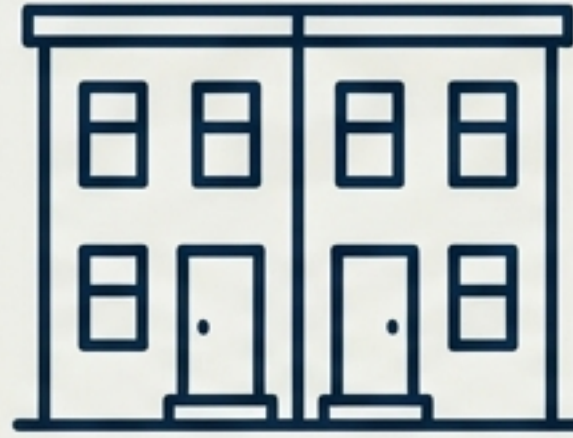


Standard underwriting for 2026 mandates a 20-25% equity position to mitigate lender risk. This ensures investors have significant 'skin in the game' before capital is deployed.

Eligible Asset Classes



Single-Family
Residences



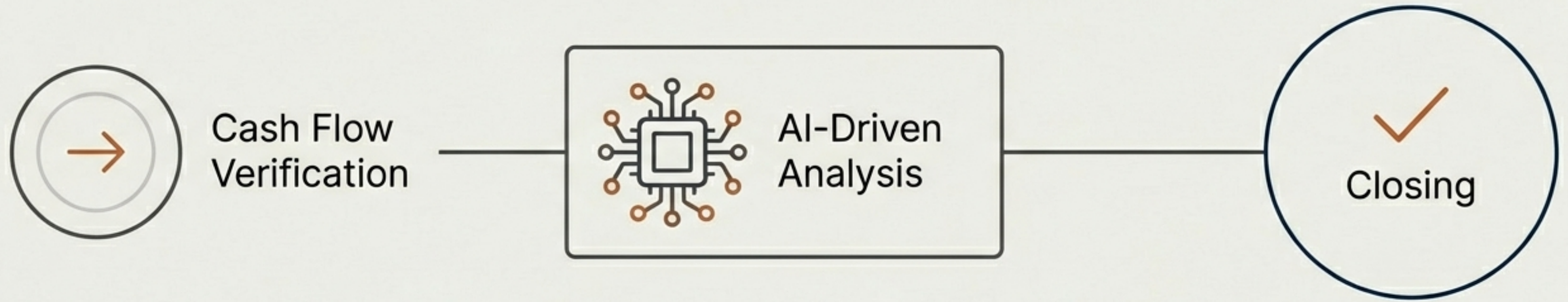
2-4 Unit
Multi-family



Short-Term Rentals
(Airbnb)

Financing scope includes traditional long-term leases and dynamic short-term rental markets.

The Operational Shift



[2-3 Weeks Total Duration]

Algorithmic underwriting removes human bottlenecks in cash flow analysis, compressing the closing window significantly compared to traditional banking standards.

Strategic Summary: The 2026 Investor Profile



Credit Optimization: Maintain 720+ FICO for rate efficiency.



Asset Selection: Verify properties yield >1.25 DSCR.



Capital Readiness: Prepare 20-25% down payment.



Operational Speed: Be prepared for a 2-3 week closing cycle.

High rates meet high efficiency. Success depends on strict adherence to these four pillars.