

Mixed-Use Rental Advantage

Finance a residential rental with an eligible commercial component.

ELIGIBLE 2-8 UNIT MIXED-USE PROPERTIES

Who it is for

Investors considering eligible 2-8 unit mixed-use properties with a limited commercial component. The residential-commercial mix needs a specific review rather than an assumption that any shop-and-apartment building fits. The published 2-8 unit range is preserved: eligible 2-4 unit mixed-use inquiries can still use this program page, while 5-8 unit mixed-use requests are evaluated in their applicable lane.

Ideal properties and transactions

A mixed-use acquisition or refinance with verifiable leases, acceptable uses and a clear division of residential and commercial income. Identify floor areas, unit counts and the role of each tenant in the building’s total cash flow.

Credit, experience and liquidity

The source lists $3 million capacity, an indicated 700 credit screen, DSCR of at least 1.00, up to 75% purchase or rate-and-term LTV and 65% cash-out LTV. It does not publish a maximum commercial percentage; obtain the applicable limit. Discuss your ownership and management history and cash remaining after closing. The flyer does not establish a universal experience or reserve requirement. Prepare a closing-funds reconciliation that separates the down payment, transaction costs, required reserves and your own operating cushion. Explain any partner capital or borrowed funds and the other properties supported by the same liquidity. Ask which funds must be verified before closing and which must remain available afterward.

BRING THE COMPLETE MULTIFAMILY SCENARIO

Property + rent + value + requested loan + ownership strategy

Subject to underwriting. Not a commitment to lend. Images are AI-generated and illustrative.

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Leverage and valuation framework

LTV compares the proposed loan with the lender's accepted property value. A purchase, rate-and-term refinance and cash-out transaction can have different limits. Ask which value basis and seasoning rule apply; improvements or an anticipated appraisal do not automatically increase eligible proceeds. Cash to close also includes fees, escrows and any required reserves. For a refinance, subtract existing liens and closing costs to estimate net proceeds. Keep headline capacity, credit screens and maximum leverage separate: the approved combination depends on the entire file.

Rental income and coverage

Separate residential rents from commercial rents and show lease expirations, reimbursements and landlord-paid costs. Commercial lease risk can differ from apartment turnover. Ask how the lender treats a vacant storefront, owner-related tenant or rent above current market.

Loan structure, repairs and closing

Confirm the property condition required at closing and whether any repair escrow is permitted. Renovation funding and repair escrows require review under the selected loan structure. If substantial work or lease-up is needed, ask whether separate renovation or bridge financing must precede a rental takeout; a later refinance requires its own approval. Request the rate structure, amortization, maturity, any interest-only period, escrow treatment and prepayment provisions together. Compare total ownership cost and the payment after any reset, not only the initial monthly payment.

Property and location considerations

Confirm zoning, permitted uses, commercial area limits, environmental review and insurance suitability. A limited commercial component is not the same as unrestricted commercial lending. Flag specialized occupancies and any change of use before ordering third-party reports.

Holding period, exits and stress tests

Set a holding period and compare the loan term, prepayment schedule and any planned sale or refinance. Model lower rent, higher insurance or taxes, a vacancy and a major repair. For illustration only, $2,500 qualifying monthly rent divided by $2,000 qualifying debt expense gives 1.25 coverage; the lender's actual formula and accepted income may differ. This simplified ratio is not net operating profit. A future refinance depends on then-current value, income and program eligibility and is not guaranteed.

Documentation to prepare

Start with the address, legal unit count, transaction purpose, purchase price or estimated value, requested loan amount, monthly rent and current occupancy. Add the purchase contract or existing debt information, leases and rent roll, operating history, insurance and tax figures, ownership/entity records and evidence of available funds. Explain any unusual property use, lease-up, credit event or closing deadline. Provide account statements and identity information through the secure process Karpata specifies rather than in a public inquiry. A complete first package makes it easier to identify the correct lane. Prepare residential and commercial leases, a unit and floor-area schedule, operating history and permitted-use information. Disclose tenant businesses, renewal options and responsibility for utilities, repairs and common-area expenses.

Limitations and questions to resolve

All published screens remain subject to borrower, property and program approval and may not apply together. Confirm current state availability, eligible loan purpose, pricing, fees, reserves, guarantees and conditions in a written quote. No minimum DSCR does not mean no underwriting. A business-purpose investment loan is not a consumer home mortgage. Confirm any requirement not specified here before committing funds or relying on a closing date. Final approved documents govern the transaction.

LET'S REVIEW YOUR NEXT RENTAL PROPERTY

Request a quote | KarpataFinance.com | 480-846-1001

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