

Rental Flex Advantage

Explore a no-ratio lane with a credible hold strategy.

ELIGIBLE NO-RATIO LANE | UP TO 75% LTV

Who it is for

Investors whose property cash flow misses a standard coverage test but who have equity and a workable long-term plan. A no-ratio option can change the qualifying test; it does not remove the need to fund ownership costs.

Ideal properties and transactions

A rental that merits a closer look because of its equity, borrower strength and repayment plan. Identify whether weak coverage is temporary, such as lease-up, or structural, such as a persistent gap between rent and total carrying costs.

Credit, experience and liquidity

The source describes a no-minimum-DSCR lane up to 75% LTV and an indicated credit screen of 620. Capacity is tailored. These screens apply only to an eligible lane, not to every borrower or rental property. 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 RENTAL SCENARIO

Property + rent + value + requested loan + ownership strategy

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

Rental Flex Advantage | Planning guide

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

Build a cash-flow model even when no minimum DSCR applies. Show the amount needed to cover any monthly shortfall, the source of that support and how long it can reasonably continue. A lower rent-to-payment ratio should be understood before selecting the loan.

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 the lender accepts the property type, occupancy and market. Explain current leases, vacancy and the condition required for funding. A no-ratio classification should not be interpreted as automatic approval for vacant, damaged or non-rentable collateral.

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. Include a shortfall budget, evidence of available liquidity and the reason a conventional coverage test does not fit. Ask whether the no-ratio lane changes pricing, reserves, maximum advance or prepayment terms.

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

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