

# THE DSCR PLAYBOOK

*A–Z Guide to Building a Georgia Rental Portfolio Without Income Requirements. No Tax Returns, W-2s, Pay Stubs, or Conventional Lending Limits*

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## SECTION 1

# What Is a DSCR Loan?

A DSCR (Debt Service Coverage Ratio) loan is a non-QM (non-qualified mortgage) designed exclusively for real estate investors. Unlike conventional mortgages, DSCR loans qualify based on the income the property generates — not the borrower's W-2 income, tax returns, or employment history.

## The Core Difference

A conventional loan asks: 'Can YOU afford this mortgage?' A DSCR loan asks: 'Can this PROPERTY afford this mortgage?'

## Why DSCR Loans Exist

Conventional mortgage lending was designed for homeowners buying a primary residence. It was never built for investors. The DTI rules, the 10-loan Fannie/Freddie cap, and the personal income verification requirements all work against the investor whose taxable income has been legitimately minimized through write-offs and depreciation. DSCR lending solves this by evaluating the investment on its own merits.

## What DSCR Eliminates vs. What Still Applies

FEATURE	CONVENTIONAL LOAN	DSCR LOAN
Personal income needed?	Yes — W-2s, pay stubs, tax returns required	NO — property income only
DTI calculation?	Yes — max 45-50% debt-to-income	Not applicable
Property loan count cap?	Yes — 10 financed properties max	Unlimited — no cap
Tax returns required?	Yes — 2 years personal + business	NO
Employment verification?	Yes — employer calls required	NO
LLC borrowing allowed?	NO — personal name only	YES — required in Georgia
Typical close time?	45-60 days	15-25 business days

### Georgia-Specific: LLC Required by Law

In Georgia, DSCR loans are classified as business-purpose loans. ALL DSCR loans in Georgia MUST close in an LLC, Corporation, or LLP. Personal name borrowing is not permitted. Brand new LLCs are completely fine — you can even start the loan process before your entity is formed, as long as it is in good standing by closing day.

## SECTION 2

## The DSCR Formula &amp; Ratio Tiers

## The Formula

$$\text{DSCR} = \text{Monthly Gross Rent} \div \text{Monthly PITIA}$$

**PITIA** = Principal + Interest + Taxes + Insurance + HOA (if any). Every dollar going out the door each month. All five components count in the denominator.

## Live Example — Gwinnett County, Georgia

PROPERTY DETAILS		DSCR MATH	
Property	3BR/2BA Single Family	P&I	\$1,693/mo
Market	Gwinnett County, GA	Property Taxes	\$265/mo
Purchase Price	\$310,000	Insurance	\$165/mo
Down Payment (20%)	\$62,000	HOA	\$0
Loan Amount	\$248,000	TOTAL PITIA	\$2,123/mo
Interest Rate	7.25% — 30-year fixed	Market Rent (1007)	\$2,450/mo
		DSCR	1.15 ✓ APPROVED

## DSCR Ratio Tiers

DSCR RATIO	LABEL	WHAT IT MEANS
Below 0.75x	Challenging	Property significantly cash-flow negative. Most programs decline. Some specialty lenders work at 65% max LTV with 6-12 months reserves.
0.75x – 0.99x	Workable	No-Ratio zone. Max LTV 70-75%. Requires 6+ months reserves. No STRs. No first-time investors. No vacant property refis.
1.00x – 1.09x	Good — Break Even	Most standard programs approve here. 20-25% down typical. Property covers its debt service exactly.
1.10x – 1.24x	Very Good	Positive cash flow. Better rates, more lender options. Most solid Georgia deals land in this tier.
1.25x +	Excellent — Sweet Spot	Best rates, maximum leverage, smoothest approval. Required for loans under \$150K.

## The Actual vs. Market Rent Trap

When your property has an active tenant, lenders use the LOWER of your actual lease amount or the appraiser's market rent (Form 1007). If you collect \$2,500/month but market rent is \$2,200, your DSCR is calculated on \$2,200. A 12% haircut can drop you from 1.30x to 1.16x. Always pull rental comps before ordering the appraisal.

## SECTION 3

## The Three-Factor Qualification Model

DSCR lending requires three factors working together. Think of them as an arch: weaken one pillar and the others must compensate — or the structure fails.

### Factor 1 — Property Cash Flow (DSCR)

The primary income qualifier. Monthly rent ÷ monthly PITIA. Replaces all personal income verification — no W-2s, no tax returns, no DTI calculation.

### Factor 2 — Credit Score

Minimum 620 FICO (severely restricted). Standard: 680+ at 75-80% LTV. STR income requires 720+. Best pricing: 720+. DSCR loans require higher credit standards than conventional because there is no income file to verify.

### Factor 3 — Down Payment & Reserves

Typically 20% down. Some programs allow 15% with strong DSCR and credit. PLUS: 3-6 months of PITIA in liquid reserves AFTER closing. These are funds that remain in your account — they are not spent at closing.

## How the Factors Trade Off

YOUR SITUATION	HOW THE SYSTEM COMPENSATES
<b>DSCR below 1.0x</b>	Lower LTV (more down payment needed). 6-12 months reserves required. No STR income. No vacant property refinancing.
<b>Credit score below 680</b>	Max LTV drops to 65-75%. Higher rate tier. More reserves may be required. STR income not accessible below 720.
<b>Insufficient reserves</b>	Loan cannot be approved regardless of DSCR or credit score. Reserves are a hard requirement with no flexibility.
<b>First-time investor</b>	Max 75% LTV. No STR income qualifying. No blanket/portfolio loans. Must already own a primary residence.
<b>Strong 1.35x+ DSCR with 720+ credit</b>	Maximum leverage (80% LTV), lowest rate tier, lowest reserve requirements, all property types eligible.

## SECTION 4

## Documentation Checklist

The documentation advantage of DSCR lending is dramatic. Here is a complete side-by-side of what you need versus what conventional lenders require.

✗ CONVENTIONAL — WHAT YOU NEED	✓ DSCR — WHAT YOU NEED
2 years W-2 income forms	Photo ID (driver's license or passport)
2 years personal tax returns	2 months bank statements (down payment + reserves)
Business tax returns if self-employed	Credit report pull — 620+ min / 660+ ideal
Pay stubs (30 days)	Signed lease agreement (if property is occupied)
Employer verification / VOE	1007 Rent Schedule from appraiser (if vacant)
Full debt-to-income calculation	AirDNA report (for STR/Airbnb properties)
Employment history (2 years)	LLC/Corp/LLP entity docs (REQUIRED in Georgia)
Years of landlord experience	Purchase contract or property address

### Entity Documentation Requirements for Georgia Borrowers

- Articles of Organization (from Georgia Secretary of State)
- Operating Agreement — MUST explicitly authorize borrowing and encumbering real property
- Certificate of Good Standing — dated within 30-90 days of closing. Order at [sos.ga.gov](https://sos.ga.gov) (~\$10, 24-48 hours)
- EIN Confirmation Letter from IRS
- All members with 20%+ ownership must sign personal guarantees

#### Operating Agreement Warning

The single most common LLC documentation failure: generic operating agreement templates downloaded from the internet frequently omit the language authorizing the LLC to 'borrow money and secure such borrowings with real property.' If this language is missing, your file cannot close. Review your operating agreement before applying.

## SECTION 5

## The DSCR Threshold Hierarchy

DSCR loans operate on a tiered system. Your ratio determines your maximum leverage, interest rate tier, reserve requirements, and eligible property types.

DSCR TIER	WHAT YOU GET	RESTRICTIONS & REQUIREMENTS
<b>0.75x (Absolute Floor)</b>	Some programs accept. Max 65% LTV. Higher rate.	6-12 months reserves. No STR income. No first-time investors. No vacant property refis. No rural properties.
<b>0.75x – 0.99x (Sub-1.0)</b>	Max LTV 70-75% purchase/refi. 65-70% cash-out.	Mandatory 6-month reserves. No STR income. Limited property types.
<b>1.00x – 1.09x (Break-Even)</b>	Most standard programs. 75% LTV standard.	Mandatory reserves. 20-25% down typical. Rate premium.
<b>1.10x – 1.24x (Positive)</b>	Better rates, 75-80% LTV, more lender options.	Standard reserves (3-6 months). Good program access.
<b>1.25x (Sweet Spot)</b>	Best rates, 80% LTV where available, top pricing.	Required for loans under \$150K. Full program access.
<b>1.35x+ (Premium)</b>	Top pricing tiers. Some no-reserve programs.	Required in rent-control states. Opens portfolio loan options.

### Short-Term Rental (Airbnb / VRBO) Income Rules

- **720+ FICO required** to use STR income — higher than the 680 standard threshold
- **20% expense haircut** applied to gross annual revenue — \$60,000 STR income is underwritten as \$48,000
- **60% minimum occupancy** required from AirDNA projections (purchases) or 12-month actual statements (refis)
- **5% LTV reduction** from standard guidelines — STR properties capped at 70-75% max LTV
- **1.15x – 1.25x DSCR minimum** for STR programs (higher than the 1.0x standard for long-term rentals)
- **First-time investors excluded** — must have owned at least one investment property for 12+ months

## SECTION 6

## Reserves: The Safety Net Lenders Demand

Cash reserves are the liquid assets you must have remaining AFTER your down payment and closing costs are paid. They are not spent at closing — they are the cushion the lender verifies in your accounts.

### How Many Months Do You Need?

BORROWER SCENARIO	RESERVE REQUIREMENT
DSCR 1.25x+, 720+ FICO, experienced investor	As low as 0-3 months with some lenders
Standard program (DSCR 1.0x – 1.24x)	3-6 months of PITIA — most common requirement
Sub-1.0x DSCR	Minimum 6 months — automatic trigger
Short-term rental property	6-12 months — elevated due to income variability
Foreign national borrower	12 months — mandatory regardless of DSCR
First-time investor	Higher reserves often required by lender policy

### What Counts as Acceptable Reserves?

ASSET TYPE	CREDIT %	NOTES
Checking / savings accounts (FDIC)	100%	Most straightforward verification
Money market accounts	100%	Standard verification
Brokerage accounts (stocks, bonds)	100%	Statement within 30 days
CDs (Certificates of Deposit)	100%	Early withdrawal penalty may apply
401(k) / IRA / SEP-IRA (retirement)	60-70%	Tax penalty haircut applied
Cash-out refinance proceeds	50%	Of net cash received after payoffs
Cryptocurrency (Bitcoin/ETH)	60%	Must be on Coinbase; verified within 30 days
HELOCs / Lines of Credit	NOT ACCEPTED	Cannot be used for reserves
Cash deposits (undocumented)	NOT ACCEPTED	Cannot be sourced or seasoned

#### The Source & Seasoning Trap

Large deposits appearing in your bank accounts within 60 days of closing must be fully documented. Cash deposits, even from legitimate sources, are nearly impossible to document acceptably. If you plan to use recently liquidated assets, deposit them in a U.S. bank account at least 60 days before applying.

## SECTION 7

## The LLC Requirement in Georgia

### Georgia Law

In Georgia, DSCR loans are classified as business-purpose loans under state law. ALL DSCR loans in Georgia MUST close in an LLC, Corporation, or LLP. Personal name borrowing is not permitted. Georgia is one of only a handful of states with this requirement.

### Frequently Asked Questions

QUESTION	ANSWER
<b>Do I need an existing LLC before I apply?</b>	No. You can start the loan process before the LLC is formed. Most lenders accept 'To Be Formed' entity applications. The LLC just needs to be in good standing before closing day.
<b>Can I use a brand new LLC?</b>	Yes. A freshly formed LLC is completely acceptable. There is no seasoning requirement on the entity.
<b>Does the LLC need to own the property before the loan starts?</b>	No. You'll deed the property into the LLC at closing. The purchase contract can be in your personal name and assigned to the LLC at closing.
<b>Do I still personally guarantee the loan?</b>	Yes. The LLC is the legal borrower, but all members with 20%+ ownership sign personal guarantees.
<b>Can a trust be a member of the LLC?</b>	Generally no — most DSCR lenders prohibit trusts as LLC members. The LLC should be owned directly by individual investors.

### How to Form a Georgia LLC — Quick Reference

- Visit [sos.ga.gov](https://sos.ga.gov) — Corporations Division
- File Articles of Organization online — approximately \$100 filing fee
- Processing time: 24-48 hours typically
- Obtain EIN from [IRS.gov](https://irs.gov) — free, takes minutes online
- Draft Operating Agreement with real estate borrowing language
- Order Certificate of Good Standing within 30-90 days of closing

## SECTION 8

## Property Types & Eligibility

ELIGIBLE PROPERTY TYPES	NOT ELIGIBLE
Single-family homes (1 unit)	Owner-occupied primary residences
2-4 unit residential (duplex, triplex, quad)	Commercial properties (office, retail, industrial)
Condos — warrantable and select non-warrantable	Manufactured/mobile homes
Short-term rentals (Airbnb/VRBO) — see STR rules	Single-room occupancy (SRO)
Long-term rentals (12-month leases)	Raw land / vacant lots
BRRRR refinances post-stabilization	Motels / hotels / hospitality
5-10 unit properties (select lenders)	Properties with active title litigation
LLC / entity-owned investment properties	Properties rated C5-C6 condition

### Condition Requirements

Properties must be in rentable condition — rated C1 through C4. C5 or C6 properties (major deferred maintenance, structural issues, non-functional systems) are ineligible until repairs are completed. No escrow holdbacks are permitted for deferred repairs on DSCR loans.

### Vacant Property Rules

- Vacant properties CAN be financed — no tenant required
- Appraiser completes Form 1007 Market Rent Schedule for DSCR calculation
- Purchase transactions: 100% of market rent used for DSCR
- Refinance of vacant property: only 75-90% of market rent credited
- Vacant property refinances: additional 5% LTV reduction applied
- Pro tip: pull 3 rental comps before appraisal to anticipate Form 1007 outcome

## SECTION 9

# Georgia Market Intelligence

## Why Georgia Is a DSCR Investor's Dream Market

- Population surpassed 11.2 million, growing ~1.5%/year — one of the fastest in the nation
- Consistently top 5 most moved-to state — inbound migration from NY, CA, IL fuels rental demand
- Fortune 500 HQs: Coca-Cola, Home Depot, UPS, Delta Air Lines, Southern Company
- 'Hollywood of the South' — #1 film & TV production state, drives corporate relocation demand
- Port of Savannah expansion + Hyundai Metaplant (Bryan County) = tens of thousands of new jobs
- Landlord-friendly laws: no rent control, streamlined eviction process
- No state income tax on passive rental income — investors keep MORE
- Georgia has NO mortgage tax and NO prepayment penalty restrictions

## Georgia Market-by-Market Breakdown

MARKET	KEY NUMBERS	INVESTOR INTELLIGENCE
<b>Atlanta Suburbs (Gwinnett, Cherokee, Henry, Cobb, Paulding)</b>	Avg Home: ~\$445K Avg Rent: ~\$2,050 Vacancy: ~4.8%	Best plays in workforce housing suburbs — NOT Buckhead/Midtown (yields too thin). Corporate relocation demand strong.
<b>Augusta</b>	Avg Home: ~\$245K Avg Rent: ~\$1,590 Vacancy: ~3.2%	Ft. Eisenhower military demand = low vacancy, BAH-backed tenants. Best entry-level DSCR ratios in Georgia.
<b>Savannah</b>	Avg Home: ~\$398K Avg Rent: ~\$1,925 STR: \$292/night avg	Port + Hyundai = multi-year job growth. Top Airbnb market in Southeast. Pooler & Bryan County best entry prices.
<b>Athens (UGA)</b>	Avg Home: ~\$359K Avg Rent: ~\$1,850 Vacancy: ~1.5%	47,000 students = year-round rental demand. Lowest vacancy in Georgia. STR yields peak during football season.
<b>Macon</b>	Avg Home: ~\$211K Avg Rent: ~\$1,460 Appreciation: +7.4%	Lowest acquisition cost in GA = highest natural DSCR ratios. Best pure cash-flow deals in the state.
<b>Columbus</b>	Avg Home: ~\$234K Avg Rent: ~\$1,520 Appreciation: +8.1%	Ft. Moore military demand. Strong appreciation. Excellent entry market for new investors.

### Georgia Insurance Note

Georgia's exposure to severe weather means hazard insurance averages \$1,950/year — above the national average. Coastal properties pay more. Always get insurance quotes before the appraisal — higher premiums directly reduce your DSCR by increasing PITIA.

## SECTION 10

## Real Georgia Deal Examples

Four actual Georgia market deal structures with complete DSCR math. Use these as templates when analyzing your own deals.

## Deal 1 — Gwinnett County SFR (Bread &amp; Butter)

PROPERTY DETAILS	
Property	3BR/2BA Single Family
Market	Gwinnett County, GA
Purchase Price	\$310,000
Down Payment (20%)	\$62,000
Loan Amount	\$248,000
Rate	7.25% — 30-year fixed

DSCR MATH	
P&I	\$1,693/mo
Property Taxes	\$265/mo
Insurance	\$165/mo
HOA	\$0
TOTAL PITIA	\$2,123/mo
Market Rent (1007)	\$2,450/mo
DSCR	1.15 ✓ APPROVED

## Deal 2 — Augusta Military Market (Entry Investor Play)

PROPERTY DETAILS	
Property	3BR/2BA Near Ft. Eisenhower
Market	Augusta, GA
Purchase Price	\$195,000
Down Payment (20%)	\$39,000
Loan Amount	\$156,000
Rate	7.50% — 30-year fixed

DSCR MATH	
P&I	\$1,091/mo
Taxes + Insurance	\$280/mo
HOA	\$0
TOTAL PITIA	\$1,371/mo
Military BAH Rent	\$1,650/mo
DSCR	1.20 ✓ STRONG
Cash-on-Cash	~7.5%

### Deal 3 — Athens STR / Airbnb (High-Income Play)

PROPERTY DETAILS	
Property	4BR/2BA Near UGA Campus
Strategy	Airbnb / Short-Term Rental
Purchase Price	\$385,000
Down Payment (25% STR)	\$96,250
Loan Amount	\$288,750
Rate	7.75% — STR premium

DSCR MATH	
P&I	\$2,064/mo
Taxes + Insurance + HOA	\$480/mo
TOTAL PITIA	\$2,544/mo
AirDNA Annual Revenue	\$46,000
After 20% haircut	\$36,800/yr = \$3,067/mo
DSCR	1.21 ✓ APPROVED
Annual Cash Flow	~\$6,300 after PITIA

### Deal 4 — BRRRR Cash-Out Refinance (Portfolio Scaling)

PROPERTY DETAILS	
Strategy	Buy-Rehab-Rent-Refinance-Repeat
Original Purchase	\$155,000 (hard money)
Renovation Cost	\$35,000
Total Invested	\$190,000
After-Repair Value	\$275,000
DSCR Refi LTV (75%)	\$206,250 loan

DSCR MATH	
P&I on New Loan	\$1,449/mo at 7.5%
Taxes + Insurance	\$305/mo
TOTAL PITIA	\$1,754/mo
Market Rent	\$2,100/mo
DSCR	1.20 ✓ APPROVED
Capital Returned	\$206,250 – \$190,000 = +\$16,250
Monthly Cash Flow	\$346/mo after PITIA

## SECTION 11

## The BRRRR Strategy & DSCR

BRRRR — Buy, Rehab, Rent, Refinance, Repeat — is one of the most powerful portfolio-building strategies available. DSCR lending is the engine that makes the Refinance step actually work at scale.

STEP	WHAT HAPPENS
<b>BUY</b>	Purchase a distressed property using hard money, private money, or cash. Target 60-70% ARV purchase price to ensure strong post-renovation DSCR.
<b>REHAB</b>	Renovate to rental-ready condition (C1-C4). Focus on items that drive rent: kitchens, bathrooms, flooring. Do not over-improve beyond neighborhood comparable rents.
<b>RENT</b>	Place a qualified tenant at market rent. A signed lease at time of refinance strengthens your DSCR file.
<b>REFINANCE</b>	Pull a DSCR cash-out refinance at 70-75% of appraised ARV. No DTI calculation. No income verification. The property's rent qualifies the loan.
<b>REPEAT</b>	Use the cash returned from the refinance as the down payment on the next property. The cycle continues with no Fannie/Freddie cap.

### Why DSCR Makes BRRRR Work at Scale

Conventional lenders cap you at 10 financed properties AND factor your existing mortgages into your DTI — making it harder to qualify for each subsequent refinance. DSCR has no property cap and no DTI. Deal number 15 is underwritten exactly the same as deal number 1. That's the compounding power of DSCR for portfolio builders.

## SECTION 12

## DSCR vs. Conventional Loans

FEATURE	DSCR LOAN	CONVENTIONAL INVESTMENT
<b>Income Verification</b>	Property rental income ONLY	Full personal income — W-2s, tax returns, pay stubs
<b>DTI Calculation</b>	Not used	Max 45-50% debt-to-income
<b>Tax Returns Required</b>	NO	YES — 2 years personal + business
<b>Max Properties Financed</b>	UNLIMITED — no cap	10 (Fannie/Freddie limit)
<b>LLC Borrowing Allowed</b>	YES — required in Georgia	NO — personal name only
<b>Typical Close Time</b>	15-25 business days	45-60 days
<b>Rate vs. Conventional</b>	~0.5% to 1.5% premium	Base conforming rate
<b>Prepayment Penalty</b>	Typical 3-5 year step-down	Usually none
<b>Min Credit Score</b>	620 (660+ preferred)	620 (740+ for best rates)
<b>Min Down Payment</b>	15-25% (deal-dependent)	15-25%
<b>Landlord Exp. Required</b>	NO for long-term rental	No

**The Rate Premium Is the Cost of Freedom**

DSCR rates run 0.5% to 1.5% above conventional. In exchange: no tax return scrutiny, no DTI ceiling, no 10-property cap, LLC ownership, faster closing, and the ability to do deal #50 exactly like deal #1. Most serious investors consider this the best trade-off in real estate finance.

## SECTION 13

## 7 Myths About DSCR Loans — Busted

MYTH	THE TRUTH
<b>MYTH 1: Only experienced investors qualify.</b>	FALSE. No landlord experience required for long-term rental DSCR. You need to own a primary residence, and first-time investors face 75% LTV cap — but experience as a landlord is not required.
<b>MYTH 2: You need perfect credit.</b>	FALSE. 620 is the floor. 660+ is competitive. 680 unlocks 75-80% LTV. 720+ for STR and premium rates — but most investors qualify below that.
<b>MYTH 3: The rates are too high.</b>	FALSE. Rates run 0.5-1.5% above conventional in exchange for no tax returns, no DTI ceiling, no 10-property cap, faster closing. Most investors say it's the best trade-off they've made.
<b>MYTH 4: You can only do a few DSCR loans.</b>	FALSE — and this is the most important myth. There is NO cap on DSCR loans. Each property qualifies independently. 10, 20, 50 properties — there is no ceiling.
<b>MYTH 5: The property has to be rented.</b>	FALSE. Vacant properties qualify. The appraiser completes Form 1007 market rent analysis. No lease required. (Note: refis on vacant properties face modest LTV reduction.)
<b>MYTH 6: Your LLC won't qualify.</b>	COMPLETELY FALSE — and in Georgia it's the opposite. DSCR loans must close in an LLC or entity by Georgia law. DSCR is purpose-built for entity-owned investment properties.
<b>MYTH 7: DSCR is a risky alternative product.</b>	FALSE. Licensed, regulated non-QM mortgage loans. Same closing table, same title company, same deed of trust documentation, same legal protections. Only the income qualification differs.

## SECTION 14

## Common Pitfalls to Avoid

PITFALL	HOW TO PREVENT IT
<b>Rent appraisal comes in lower than projected</b>	Pull 3 rental comps from Zillow Rentals or Apartments.com BEFORE ordering the appraisal. Adjust deal structure if comps suggest rent won't support your target DSCR.
<b>Operating Agreement missing encumbrance language</b>	Review your LLC operating agreement before applying. Ensure it explicitly authorizes borrowing money and securing loans with real property. A quick amendment takes a day.
<b>Deferred maintenance fails appraisal condition rating</b>	Walk the property with a critical eye before the appraisal. Roof issues, HVAC failures, and structural problems must be resolved before the appraiser visits.
<b>Insurance costs higher than modeled</b>	Always get insurance quotes BEFORE the appraisal, not after. Higher premiums directly reduce DSCR.
<b>Insufficient reserves after closing</b>	Plan for the down payment, closing costs, AND post-closing reserves (3-6 months PITIA). Deals die at underwriting over reserves, not DSCR.
<b>Undocumented large deposits</b>	Any large deposit within 60 days of closing needs a complete paper trail. Cash deposits are nearly impossible to document. Deposit and season funds 60+ days before applying.
<b>Certificate of Good Standing expired</b>	Order fresh from <a href="https://sos.ga.gov">sos.ga.gov</a> within 30-90 days of closing. Takes 24-48 hours, costs ~\$10. Don't let this be a last-minute surprise.
<b>Complex LLC structure</b>	Keep entity structure simple: one LLC, individual member(s), straightforward operating agreement. Layered LLCs and trusts as members create underwriting complications.

## SECTION 15

## Strategic Tips for Getting Approved

### Before You Apply

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- **Know your DSCR before you apply.** Run the formula yourself using rental comps. 1.25x is the sweet spot target.
- **Pull your credit report first.** Any 30-day late on a mortgage in the last 12 months = automatic decline. Dispute errors 60+ days before applying.
- **Document and season your funds.** Down payment and reserve funds need to be in verifiable accounts for at least 60 days.
- **Form or review your LLC early.** Have the entity in place with a compliant operating agreement before you need it.
- **Get insurance quotes early.** Before appraisal, not after. Higher insurance than modeled can kill a deal.

### Optimizing Your DSCR Ratio

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- **Increase down payment to reduce loan amount.** More down = lower PITIA = better DSCR. Sometimes 5% additional down moves a deal from 0.98x to 1.08x.
- **Buy in non-HOA communities.** HOA dues count directly against DSCR. Identical properties — one with a \$200 HOA, one without — calculate differently.
- **Use longer amortization.** 30-year vs. 25-year loans have meaningfully lower P&I payments, improving DSCR ratios.
- **Time the appraisal well.** Seasonal rent peaks can produce stronger 1007 market rent estimates.

### Strengthening Your Borrower Profile

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- **Aim for 720+ FICO** to unlock STR income, best rate tiers, and maximum leverage.
- **Build credit depth.** 3+ tradelines active for 12+ months. No mortgage lates in last 12 months (non-negotiable).
- **Establish investor experience early.** Your first investment property, held 12 months, unlocks STR programs and higher LTV on deal number two.
- **Plan reserves conservatively.** Underwriting reserves at 6 months (not 3) gives you buffer even when fewer months are required.

### Working with Multiple Properties

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- **Each DSCR loan stands alone.** Property 7 is evaluated exactly like Property 1. No accumulated DTI ceiling.
- **Explore portfolio/blanket loans at 3+ properties.** One loan, one payment, DSCR calculated across the whole portfolio. Often simplifies management and improves terms.
- **Use a dedicated DSCR lender partner.** Building a relationship reduces the discovery process on each new deal and speeds closings significantly.

## SECTION 16

## Your Next Steps

You've now got the complete picture — the formula, the qualification factors, the Georgia market intelligence, and the deal math. The next move is straightforward.

ACTION	DETAILS
<b>STEP 1 — Submit Your Loan Scenario</b>	Use the Apply button at our website. Tell us your deal — property type, purchase price, expected rent, credit range. We build a real quote with actual rates and payment numbers. Not an estimate — real numbers.
<b>STEP 2 — Book a Free Strategy Call</b>	Once your scenario is submitted, book a free 20-minute call to review your quote together, answer every question, and map out the fastest path to closing. You show up knowing your numbers — we spend the call on strategy.
<b>STEP 3 — Move on Your Deal with Confidence</b>	Pre-qualified investors make faster, better offers. With a pre-qual letter in hand and a lender who knows your file, you can close in 15-25 business days while competing investors are still gathering paperwork.

## Ready to Get Started?

Submit your scenario and get a custom quote & pre-approval letter — then book a free strategy call to discuss with Don at Xpert Home Lending.

**Visit <https://DonBethune.com/DSCR>**

Don Bethune NMLS #2833380 | DSCR Investor Lending Specialist | Xpert Home Lending NMLS #2179191 | Georgia

*This guide is provided for informational purposes by Xpert Home Lending Inc. Loan programs, guidelines, and market data are subject to change. All scenarios are illustrative — actual terms depend on individual qualification. Not a commitment to lend.*

NMLS Consumer Access: <https://www.nmlsconsumeraccess.org/EntityDetails.aspx/COMPANY/2179191>

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