

# The Bridge to Perm Playbook

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**Buy Distressed. Force the Equity. Hold Forever.**

The complete acquisition-to-portfolio framework – with real numbers.

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# The Empire-Building Framework

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The most powerful wealth-building strategy in residential real estate isn't flipping. It isn't buying turnkey rentals at retail. It's buying distressed assets at a discount, manufacturing equity through value-add renovation, stabilizing them as income-producing properties, and refinancing into long-term holds — pulling your capital back out to do it again. This is how portfolios compound. This is the bridge-to-perm strategy.

The single biggest risk in the strategy isn't the rehab. It isn't the bridge terms. It's refi uncertainty — not knowing whether the property will qualify for permanent financing until you're already committed to the bridge. Most investors don't find out there's a problem until 9 months in, when they're trying to refinance with a lender who's never seen the deal and doesn't care about what you built.

## THE CENTRAL THESIS

The #1 reason bridge-to-perm deals fail: the investor never confirmed whether the property would qualify for permanent financing before committing to the bridge. The fix is simple: underwrite the exit before you fund the acquisition. This playbook shows you how.

Running both legs through one lender eliminates the risk. When the same lender funds your bridge and writes your DSCR loan, they underwrite the exit before funding the acquisition. You know the permanent takeout works before you commit a dollar to the deal.

## Who This Playbook Is For

- First-time bridge-to-perm investors who want the complete roadmap before committing capital
- Active flippers who are tired of selling equity and want to start building a portfolio that compounds
- Mortgage professionals who need to understand the full product sequencing to package deals correctly

## Your Toolkit

Every phase of this strategy has dedicated tools built to execute it faster and with more precision:

- **RiSE** ([rise.revcaplending.com](https://rise.revcaplending.com)) — Model the full lifecycle: acquisition, rehab, hold costs, and DSCR qualification
- **PRISM** ([prism.revcaplending.com](https://prism.revcaplending.com)) — Validate your ARV and market rent assumptions before you make an offer
- **Bridge Loan** — Close in 7–14 days. Up to 90% LTV. Rehab draws built in.
- **DSCR Loan** — 30-year hold financing. No W-2s. No personal income. The property qualifies itself.

## BRIDGE TO PERM LIFECYCLE



01

## Engineer Your Exit First

The deal is won or lost before you submit an offer. Know the exit before you commit the capital.

Most investors fall in love with the acquisition. They make an offer based on the purchase price and rehab budget — then figure out the long-term financing later. That's backwards. The investors who build lasting portfolios start at the end: they know exactly how the property performs as a stabilized rental before they commit a single dollar to the acquisition. Run the DSCR math first. If the permanent financing doesn't work at the back end, the bridge loan is a trap, not a tool.

### The DSCR Pre-Qualification Checklist

Run through every item before making an offer:

- Rent vs. PITIA: Will stabilized rents support a 1.0x DSCR minimum? ( $\text{Monthly Gross Rent} \div \text{Monthly PITIA} \geq 1.0x$ )
- Property type eligible? SFR, 2-4 unit, 5-8 unit, condos, townhomes, mixed-use with >50% residential sqft and >60% residential income
- Location eligible? Not in ID, NV, ND, SD, UT, or VT. Not rural (population <25,000, <25% built-up, comps >5 miles away)
- FICO  $\geq$  680? RevCap's DSCR minimum. Bridge minimum is 660, but DSCR requires 680.
- Post-rehab condition C4/Q4 or better? Property must meet minimum property requirements after renovation
- 12-month lease eligible? Must be arms-length, no corporate leases, no family members
- Post-rehab appraised value supports target LTV? LTV varies by credit score, DSCR, loan type, and payment type
- No short-term rental income. RevCap DSCR does NOT accept Airbnb/STVR income. Must qualify on long-term market rents only.

#### TOOL TIP

Use RiSE to model the full lifecycle: acquisition cost + rehab budget + hold costs → projected stabilized value → DSCR qualification check. Use PRISM to validate your ARV and market rent assumptions before making an offer. To quickly stress-test your DSCR math, use the free DSCR Loan Calculator Suite at [revcaplending.com/rental-loans/](https://revcaplending.com/rental-loans/) — enter your loan amount, rate, and rent to see your ratio and cash flow instantly.

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#### MARKET REALITY

In high-cost markets like Southern California, 2-4 unit properties pencil significantly better for DSCR than single-family homes. Total rent from multiple units is higher relative to acquisition cost, making the 1.0x DSCR threshold achievable where an SFR cannot.

# 02

## Close Before Competition

While others are still arranging financing, you're at the closing table. Speed is the moat.

### Bridge Loan Parameters

In a competitive market, the deal goes to whoever can close fastest. The bridge loan is built for exactly that – close in 7–14 days with up to 90% LTV. Key parameters:

Parameter	Experienced (3+ flips)	New (1-2 flips)
Light Rehab Purchase (700+ FICO)	90% LTV / 90% LTC / 75% ARV	75% LTV / 75% LTC / 65% ARV
Light Rehab Purchase (<700 FICO)	85% LTV / 85% LTC / 70% ARV	75% LTV / 75% LTC / 65% ARV
Heavy Rehab Purchase	75% LTV / 75% LTC / 65% ARV Max Loan-to-Total-Cost: 85%	70% LTV / 70% LTC / 60% ARV Max Loan-to-Total-Cost: 80%
Term	12 months (24 with approval)	12 months (24 with approval)
Payment Type	Interest only	Interest only
Min Loan (SFR / 2-4 unit)	\$100K / \$150K	\$100K / \$150K
Max Loan	\$3M (exceptions considered)	\$3M (exceptions considered)
Min FICO	660 (660-679 gets -5% LTV adj.)	660 (660-679 gets -5% LTV adj.)
Rehab Draws	Up to 9, inspected before release	Up to 9, inspected before release

### Light vs. Heavy Rehab — Why It Matters

- Light Rehab: Budget >5% and ≤50% of as-is value, under \$150K, and not qualifying as Heavy. Higher leverage available.
- Heavy Rehab: Budget >50% of as-is value, OR >\$150K, OR condo conversion, OR >20% expansion of 750+ sqft, OR change of use, OR ARV >3x as-is. Lower leverage, more scrutiny.

### Liquidity Requirements

RevCap requires proof of the following liquid reserves at closing:

- 
- 6 months of interest-only debt service (calculated on max loan amount)
  - 10% of the rehab loan amount
  - Down payment + closing costs
  - Any equity gap not covered by the rehab escrow

### What You Need to Submit

- Business purpose certification / affidavit
- Borrower track record (for experienced classification)
- Appraisal (as-is and as-repaired values)
- Proof of liquidity (bank statements dated within 45 days)
- Credit report (2+ bureaus, within 90 days)
- Background check (litigation, criminal, lien searches)
- Title commitment
- Rehab budget (per Appendix D format)
- Entity documents (LLC articles, operating agreement, EIN)

#### PRO TIP

Have your LLC, insurance, and title company lined up before you find the deal. When the right property hits, submit same-day. The investor who closes first doesn't always pay the most — they're just the most ready. Certainty of close is the competitive moat.

# 03

## Force the Appreciation

You're not just renovating — you're manufacturing equity. Every dollar invested should return multiples.

Your 12-month clock started the day you closed the bridge. Every month of construction delay is a month of carrying costs with no rental income to offset it. But the real objective isn't just finishing on time — it's manufacturing equity. You bought a distressed asset at a discount. Now you're transforming it into something that generates cash flow and appraises at a number that changes your net worth.

### Managing the Draw Process

Rehab funding is released through inspected draws:

- Step 1: Complete the scheduled work per your approved rehab budget
- Step 2: Request a third-party inspection from RevCap's approved vendor
- Step 3: Submit a draw request on a Revolution-approved form
- Step 4: Funds released after satisfactory inspection (up to 100% of rehab cost)

Up to 9 future fundings are permitted. Budget under \$150K requires no project review. \$150K–\$750K requires a Standard Site Visit. Over \$750K requires an Engineer Project Review.

### Hitting the Stabilization Targets

What RevCap needs to see for the DSCR refi:

- Executed 12-month lease with an eligible tenant (arms-length, not borrower's family or related parties)
- Property in lease-ready or occupied condition (C1–C4 appraisal condition rating)
- Rent supported by market: RevCap uses the lesser of in-place lease rent or appraised market rent
- Vacant units at refi: 90% of appraised market rent (10% haircut)
- Minimum occupancy: 80% for ≤9 units; 90% for ≥10 units (3 consecutive months pre-closing)

#### MANUFACTURED EQUITY RULE

Don't over-rehab for the rental market. A flip-grade kitchen runs \$28K; a rental-grade kitchen runs \$15K. Identical monthly rent either way. Right-size your budget for a hold strategy, not a show home. Every dollar over-spent on finishes is a dollar that doesn't come back at the DSCR refi.

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## Timeline Targets

A well-executed bridge-to-perm deal follows this cadence:

- Months 0–1: Close bridge, begin rehab, first draw
- Months 2–4: Complete rehab, final draw
- Months 4–6: Market property, place tenant, execute 12-month lease
- Months 6–8: Stabilization period (tenant paying, building rent history)
- Months 8–10: Submit DSCR refi application to RevCap
- Months 10–12: Close DSCR, pay off bridge, cash-out, repeat

Extensions up to 24 months total may be approved if stabilization takes longer than expected – but don't plan on it. Build your timeline assuming the 12-month exit. Hitting it means you're already seeding the next deal while the first one is still paying carry.

# 04

## Convert to Cash Flow

One lender. One file. No re-explaining. The DSCR refi is a handoff, not a restart.

### The DSCR Loan: 30-Year Hold Financing

This is where the strategy pays off. The property is renovated, stabilized, and cash-flowing. You've manufactured equity from a distressed acquisition. Now you convert it into a 30-year hold – extracting the capital you deployed so you can put it to work on the next deal. No W-2s. No personal income verification. The property pays for itself.

#### Loan Purpose Options

- Cash-Out Refinance: Pay off the bridge + get cash back to recycle into the next deal
- Rate/Term Refinance: Pay off existing bridge debt + costs (no cash back)
- Delayed Purchase: If you bought with cash, get purchase terms if closing within 180 days of acquisition

#### Payment Options

- Fixed Rate P&I; (30-year): Predictable payments, fully amortizing
- ARM with I/O period: Lower initial payments during the interest-only phase
- 5/6 ARM: 5 years fixed I/O, then P&I; over remaining 25 years
- 7/6 ARM: 7 years fixed I/O, then P&I; over remaining 23 years
- 10/6 ARM: 10 years fixed I/O, then P&I; over remaining 20 years
- Index: 30-day SOFR | Margin: 5.25% | Lifetime cap: 5%

#### The DSCR Calculation

RevCap uses the PITIA method for simple properties (1–4 units, single property):

- Step 1: Determine monthly gross rent = lesser of in-place lease rent or appraised market rent
- Step 2: Calculate monthly PITIA = Principal + Interest + Taxes + Insurance + HOA/PM fee
- Step 3: DSCR = Monthly Gross Rent ÷ Monthly PITIA
- Step 4: Must be  $\geq 1.0x$
- I/O loans: Must ALSO qualify at 1.0x using theoretical P&I; debt service at note rate over 360 months

#### Key DSCR Parameters

Parameter	Detail
Min FICO	680
Min DSCR	1.0x (PITIA method)
Entity Required	LLC or Corporation (no natural persons)
Guaranty	Full "warm body" – at least one individual with ≥20% ownership
Subordinate Financing	Not permitted. RevCap must be in first lien position.
Loans Not Assumable	Correct
Escrows at Closing	12 months property tax + 2 months insurance holdback
Appraisal	≤1.5M: 1 full appraisal + CDA. >1.5M: 2 full appraisals. Within 120 days of note.
Ineligible States	ID, NV, ND, SD, UT, VT
No Rural Locations	Population <25K, <25% built-up, dirt roads, comps >5 mi away

## Prepayment Options

Prepayment penalties are negotiated at closing. Longer prepay = lower rate:

- No prepay (highest rate)
- 1-year: 3% in Year 1
- 2-year stepdown: 3% / 2%
- 3-year stepdown: 3% / 2% / 1%
- 5-year stepdown: 5% / 4% / 3% / 2% / 1% (lowest rate)

### THE ONE-LENDER ADVANTAGE

When you run both legs through one lender, the DSCR refi isn't a fresh application — it's a file update. Your appraisal, entity docs, track record, and property history are already on file. The lender already knows the deal. That's the compounding advantage of staying under one roof.

# 05

## Recycle & Build

The first deal funds the second. The second funds two more. This is how empires scale.

The first deal is the hardest. It takes the most capital, the most attention, and the most patience. But once it stabilizes and you pull cash out at the DSCR refi, something changes: you have proof of concept, a track record, and capital to redeploy. Deal two closes faster. Deals three and four close simultaneously. The question stops being 'can I do this?' and starts being 'how many can I do this year?'

### The Capital Recycling Loop

- Deal 1: Invest \$189K □ Cash-out refi returns \$52K □ \$280K equity held in the property
- Deal 2: Redeploy \$52K cash-out + savings □ Second bridge acquisition under contract
- Deals 3–4: Two stabilized cash-flowing properties seed the third and fourth simultaneously

### Your Track Record Compounds

Every deal you close builds something more valuable than equity: a track record. At 3+ completed flips in the last 3 years, you qualify as an *Experienced Borrower* — unlocking 90% LTV on your next bridge versus 75% for new borrowers. That's 15% less cash to close per deal, compounding your deployment speed with every acquisition.

### Portfolio Loan Option

Once you have multiple stabilized properties in the same county, RevCap offers portfolio DSCR loans:

- Cross-collateralized across all properties
- All properties must be in the same county
- Partial releases at 120% of par value
- Substitution not allowed

#### THE COMPOUNDING ADVANTAGE

Your second deal closes faster than your first — and your third faster than your second. Your entity docs, background checks, and operating history are already on file. Every deal you complete reduces friction on the next one. That's the compounding advantage of working under one roof from acquisition to long-term hold.

# Worked Example: Escondido Duplex

Every claim in this playbook needs proof. Here's a fully worked deal — an Escondido duplex, acquired distressed, renovated, stabilized, and refinanced. Real numbers. Actual lending parameters. The kind of deal that creates \$280,000 in equity and returns \$52,000 in cash to seed the next acquisition. We used a duplex deliberately: in high-cost markets like Southern California, 2–4 unit properties pencil far better for DSCR than SFR because total rent is higher relative to acquisition cost.

\$580K

Purchase Price

\$110K

Rehab Budget

\$780K

After-Repair Value

\$4,200/mo

Stabilized Rent

## The Property

- Location: Escondido, CA 92025 (North County Inland)
- Type: Duplex (2 units), each 2BR/1BA, ~1,800 sqft total, built 1968
- Condition: Dated interiors — needs moderate rehab both units
- Purchase Price: \$580,000
- As-Is Appraised Value: \$590,000

## Phase 1: Underwrite the Exit

- Rehab estimate: \$110,000 (\$55K per unit — kitchen, bath, flooring, paint, fixtures, landscaping)
- PRISM market rent: \$2,100/unit × 2 = \$4,200/month total
- PRISM ARV: \$780,000
- All-in cost basis: \$580,000 + \$110,000 = \$690,000

## DSCR Pre-Qualification at \$520K Loan (67% LTV)

Using a 7/6 ARM I/O at ~6.75%:

- Monthly I/O payment:  $\$520,000 \times 6.75\% \div 12 = \$2,925$
- Monthly taxes: ~\$600 | Monthly insurance: ~\$250
- Monthly ITIA:  $\$2,925 + \$600 + \$250 = \$3,775$
- DSCR (I/O):  $\$4,200 \div \$3,775 = 1.11x$

Theoretical P&I; check (note rate over 360 months):

- Monthly P&I: ~\$3,374 | PITIA: ~\$4,224
- DSCR (P&I):  $\$4,200 \div \$4,224 = 1.00x$  — right at the line

### Adjusting to \$500K loan (64% LTV) for more cushion:

- I/O at 6.75%: \$2,813/mo | ITIA: \$3,663 | DSCR: 1.15x
- Theoretical P&I: \$3,244/mo | PITIA: \$4,094 | DSCR: 1.03x

#### GO/NO-GO

Decision: Proceed at \$500K DSCR refi target (64% LTV). Both the I/O and theoretical P&I tests pass. The deal pencils for permanent financing — green light to acquire.

## Phase 2: Acquire with Bridge

- Borrower: **Experienced (4 flips in last 3 years), 720 FICO**
- Rehab classification: **Light rehab (\$110K = ~19% of as-is, under \$150K)**
- Initial loan request: **\$522,000 (90% LTV of \$580K)**
- Rehab escrow: **\$110,000**
- Max loan amount: **\$632,000**

ARV constraint check:  $\$632,000 \div \$780,000 = 81\%$  — exceeds 70% max ARV for 2–4 unit.

Adjusted (ARV-constrained):  $70\% \times \$780,000 = \$546,000$  max loan

- Initial loan:  $\$546,000 - \$110,000$  rehab =  $\$436,000$
- LTV check:  $\$436,000 \div \$580,000 = 75.2\%$   (within 90% limit)

### Borrower Cash to Close

Item	Amount
Down payment (\$580K – \$436K)	\$144,000
Estimated closing costs	\$15,000
Liquidity reserves (6 mo I/O + 10% rehab)	~\$30,000
Total cash needed	\$189,000

Monthly bridge I/O payment:  $\$436,000 \times 7.0\% \div 12 = \sim\$2,543/\text{month}$

## Phase 3: Rehab & Stabilize

- Rehab timeline: **4 months, 3 inspected draws**

Draw 1 (Month 1): Demo, rough plumbing/electrical, framing — \$40,000

Draw 2 (Month 2.5): Kitchen install, bath tile, drywall, paint — \$45,000

Draw 3 (Month 4): Flooring, fixtures, appliances, landscaping — \$25,000

- Tenant placement: **Both units listed at \$2,100/month in month 5, both leased by month 6**

### Hold Costs (6 months)

Item	Monthly	Total (6 mo)
Bridge interest (I/O)	\$2,543	\$15,258
Insurance	\$250	\$1,500
Property tax	\$600	\$3,600
Utilities (during rehab, 4 mo)	\$300	\$1,200
Total hold costs		\$21,558

### Phase 4: Refinance into DSCR

- Timing: **Month 9 (property stabilized, both tenants in place)**
- Post-rehab appraisal: **\$780,000**
- DSCR loan: **\$500,000 (64% LTV), 7/6 ARM I/O at ~6.75%**
- DSCR: 1.15x (I/O) / 1.03x (theoretical P&I) – **passes both tests** □
- Prepayment: **3-year stepdown (3/2/1%) selected for lower rate**

### Cash-Out Proceeds

Item	Amount
DSCR loan amount	\$500,000
Minus: Bridge payoff	(\$436,000)
Minus: Closing costs (est.)	(\$12,000)
Cash back to borrower	\$52,000

### Phase 5: The Numbers

Metric	Value
Total invested capital	\$189,000 + \$21,558 hold costs = \$210,558
Capital recovered (cash-out)	\$52,000

Metric	Value
Net capital in deal	\$158,558
Monthly net cash flow	\$4,200 rent – \$3,663 ITIA = \$537/mo (\$6,444/yr)
Cash-on-cash return	$\$6,444 \div \$158,558 = 4.1\%$
Equity position	\$780,000 value – \$500,000 loan = \$280,000
Next move	\$52K cash-out + reserves □ seed the next bridge deal

#### RATE ENVIRONMENT REALITY

DSCR is tight in today's rate environment in high-cost markets — and this playbook is honest about that. The duplex pencils where the SFR doesn't because total rent is higher relative to what you paid. If you're underwriting SFR in SoCal and the DSCR barely breaks 1.0x, run the same deal as a 2–4 unit. The math changes.

# Alternative Path: Ground-Up Construction to DSCR

For experienced builders, the same DSCR exit applies to ground-up construction. Instead of acquiring and rehabbing an existing property, you purchase land or a teardown, build new, stabilize with a tenant, and refinance into a 30-year DSCR hold. Higher potential returns, longer timelines, and more moving parts – but the same fundamental logic: engineer the exit before you break ground.

## Ground-Up Construction Parameters

Parameter	Tier 1 (5+ GUC in 3 yrs)	Tier 2 (2-4 GUC in 3 yrs)
Purchase LTV / LTC	75% / 75%	70% / 70%
Max ARLTV	70%	65%
Blended LTC	85%	80%
Term	12–24 months	12–24 months
Min FICO	680	680
Min Profit Margin (sale exit)	115% ARV/Total Cost	115% ARV/Total Cost
Min Rent Yield (hold exit)	10%	10%
Interest Reserve	Optional, up to +5% LTC	Optional, up to +5% LTC

## Contractor Requirements

- Minimum 5 ground-up construction projects completed in the last 3 years
- Experian contractor score  $\geq 25$
- \$1M general liability insurance

## Completion Milestones

RevCap requires inspections at each major milestone before releasing draws:

- Foundation  Framing  Weathertight  Drywall  Certificate of Occupancy

## GUC to DSCR Transition

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The same DSCR pre-qualification process applies: before you break ground, confirm the completed property will support a 1.0x DSCR on long-term market rents. Use RiSE to model total project cost (land + construction + soft costs + hold costs) against projected stabilized value and rental income.

ENGINEER THE EXIT FIRST — EVEN HERE

Ground-up offers higher potential returns but demands more from you: more experience, more capital, longer timelines. The DSCR exit test is identical — the finished property must stabilize with a tenant and hit 1.0x DSCR on long-term market rents. Run that math before you pull permits, not after.

# Product Comparison: Bridge vs. DSCR

Feature	Bridge Loan	DSCR Loan
Purpose	Acquire + rehab	Long-term hold
Term	12–24 months	30 years
Payment	Interest only	P&I; (fixed) or I/O (ARM)
Max LTV (experienced, 700+ FICO)	90% (light rehab purchase)	Per Guideline Matrix
Min FICO	660	680
Rehab draws	Yes (up to 9)	No
Prepayment	3–6 months	Negotiable (0–5 year)
Min loan (SFR)	\$100K	Per Guideline Matrix
Max loan	\$3M	Per Guideline Matrix
Entity required	Yes (LLC/Corp)	Yes (LLC/Corp)
Guaranty	Full recourse (≥51% owner)	Full “warm body” (≥20% owner)
Income verification	None	None (DSCR-based)
Property types	1–4 family	SFR, 2–4, 5–8 unit, mixed-use

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# 8 Mistakes That Kill Deals

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## 1. Not underwriting the DSCR exit before acquiring

The property doesn't qualify for permanent financing, and you're stuck with a maturing bridge and no clean exit. This is the most expensive mistake in the strategy – and the most avoidable. Run the DSCR math before you make an offer.

## 2. Over-rehabbing for the rental market

Flip-grade finishes cost 40–60% more than rental-grade and generate the exact same rent. You're building a cash-flowing hold asset, not a showroom. Right-size your budget for the strategy or every dollar over-spent is a dollar that doesn't come back at refi.

## 3. Underestimating stabilization time

Vacancy, tenant screening, and lease execution routinely take 2–3 months. That's 2–3 months of carry costs with no offsetting rental income. Budget for it before you close the bridge.

## 4. Ignoring the 10% rent haircut on vacant units

If any unit is vacant at the time of the DSCR refi, the underwriter uses 90% of appraised market rent – not the asking rent, not the projected rent. On a borderline DSCR, that 10% haircut can tip the deal below 1.0x and kill the refi.

## 5. Using Airbnb income in your DSCR underwrite

DSCR loans do NOT accept short-term rental income. Full stop. If you're underwriting based on Airbnb projections, you will not qualify. The property must support 1.0x DSCR on long-term market rents only, verified by appraisal.

## 6. Not having enough liquidity

Bridge requires 6 months of I/O reserves + 10% of rehab + down payment + closing costs – all liquid, all documented. DSCR has its own reserve requirements at close. Undercapitalization is the leading cause of deals collapsing mid-process.

## 7. Choosing the wrong property type for your market

In high-cost markets like Southern California, 2–4 unit properties pencil far better for DSCR than SFR. Total rent from multiple units is higher relative to what you paid. If the SFR doesn't hit 1.0x, the duplex likely will.

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## 8. Miscalculating rate lock timing

Submit the DSCR application while you're still in stabilization — not after. Appraisals must be within 120 days of the note date. If the appraisal expires before close, you're paying for a new one and potentially re-locking the rate.

# DSCR Pre-Qualification Worksheet

Run this before you make an offer. If the DSCR doesn't pass, adjust the loan amount, increase projected rents (add an ADU?), or walk away and find a better deal. The worksheet takes 10 minutes. A failed DSCR refi costs you 9 months.

Expected stabilized monthly rent: \$ \_\_\_\_\_

Estimated refi loan amount: \$ \_\_\_\_\_

Estimated monthly P&I; (use RiSE calculator): \$ \_\_\_\_\_

Monthly property taxes: \$ \_\_\_\_\_

Monthly insurance: \$ \_\_\_\_\_

Monthly HOA (if applicable): \$ \_\_\_\_\_

Total monthly PITIA: \$ \_\_\_\_\_

## YOUR DSCR RESULT

DSCR = Monthly Rent ÷ Monthly PITIA = \_\_\_\_\_ x

Pass (≥ 1.0x)?  Yes  No

If No: Reduce loan amount | Increase rents (add ADU?) | Choose a different property

## I/O REMINDER

For I/O ARM loans, you must ALSO pass the DSCR test using theoretical P&I; payments calculated at the note rate over 360 months. Run both calculations before committing.

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# Your First Deal Is the Hardest. Your Tenth Is the System.

Model the deal. Validate the exit. Submit when it pencils.

RiSE

Analyze Your Deal

[rise.revcaplending.com](http://rise.revcaplending.com)

PRISM

Validate Your Value

[prism.revcaplending.com](http://prism.revcaplending.com)

Get Funded

Submit a Loan Inquiry

[getfunded.revcaplending.com](http://getfunded.revcaplending.com)

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# Important Disclosures

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This playbook is provided by Revolution Realty Capital, LLC for informational and educational purposes only. It does not constitute financial, investment, tax, or legal advice.

All lending parameters, rates, and terms referenced in this document are based on Revolution Realty Capital's published guidelines as of December 1, 2024 (Bridge v2.1, DSCR v24.2, Ground-Up Construction v2.1). These parameters are subject to change without notice. Revolution reserves the right to waive any requirement or add additional requirements at any time.

Interest rates used in the worked examples (~6.50–7.00%) are estimates for illustrative purposes only. Actual rates are determined at the time of application and depend on market conditions, borrower qualifications, property characteristics, and other factors.

The worked deal example is hypothetical and for illustration only. Actual investment results will vary based on property-specific factors, market conditions, execution, and other variables. Past performance is not indicative of future results.

All loan approvals are contingent on Revolution's satisfactory review, mutual execution of the loan agreement, and the borrower being in good standing at the time of funding. Revolution reserves the right to decline any loan application for any reason.

Revolution does not make consumer loans. All loans are business purpose only. Borrowers are required to sign a business purpose affidavit confirming this.

This document is not an offer to lend. All loans are subject to credit approval and underwriting review. Contact Revolution Realty Capital for current rates, terms, and eligibility.

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