DSCR

Last Updated: June 10, 2026

Silver Hill Capital

Agenda

- Correspondent Lending
- Define DSCR
- Review program Highlights and Details
- Review documentation requirements
- Navigate through resources
- Q&A

Correspondent Lending Structure

Correspondent Lending

Lakeview

AGENCY PRODUCTS

- FNMA/FHLMC
- FHA
- HFA/Affordable Lending
- USDA
- VA

Silver Hill Capital

NON-AGENCY PRODUCTS

- Agency Investor Plus
- Bank Statement
- DSCR
- Jumbo AUS
- Jumbo ARMs
- Conforming (2nd Home/NOO)
- Medical Professionals (MedPro)

Correspondent Lending

Key Contacts	Lakeview	Silver Hill Capital
Client Services	clientservices@lakeview.com	clientservices@silverhillcap.com
Scenario Help Desk	underwritingquestions@lakeview.com	nonagency@silverhillcap.com
Loan Servicing	LoanCare, LLC originationsserviceroversightteam@lakeview.com	Rushmore Servicing bvcmservicing@silverhillcap.com
Client Manager Contacts	Regional Assignments See the Quick Reference Guide	nonagencyclientmgt@silverhillcap.com

Product Support

We make subject matter experts available from beginning to end to support a flawless execution.

- Your credit teams will have access to a dedicated group to assist your credit teams with scenarios, single loan variances, and guideline expertise.

nonagency@silverhillcap.com	Utilized for all pre-close questions and scenarios
nonagencyclientmgt@silverhillcap.com	Utilized to answer your post-closing, pre-purchase questions regarding loan status, suspense conditions, escalations and rebuttals.

Investor Products

Investor Products

Agency Investor

Agency Investor Plus (AIP)

DSCR

AIP and DSCR are business purpose only loans

Our Jumbo and Bank Statement products also offer investor occupancy options

Defining DSCR

Investor Products

Definition of our DSCR or Debt Service Coverage Ratio product:

Secured by real estate owned by an individual or a business

For business purposes only and are attested by the Borrower(s) and/or Guarantor(s) via a Business Affidavit

Properties cannot be occupied by the Borrower(s) and/or Guarantor(s)

Product Benefits

- Underwrite based on the debt of the property and not individual debt
- Less documentation needed
- Business entity can be the borrower
- Maximum loan sizes
- Cross-collateralized mortgage options
- Fixed rate and interest-only options
- The DSCR ratio on an I/O loan can be calculated using the ITIA

Product Details and Highlights

Program Details

- Investment properties only
- Minimum Fico is **660**
- Best Efforts & Bulk/Mandatory delivery options
- Maximum LTV/LTC is **80%**
- Standard underwriting
- **30**-year fixed
- Cross-collateralized
- **10**-year **Interest Only** option available, calculated using ITIA payment
- Minimum DSCR is **.75** (1.0 for Cross-collateralized)
- Minimum loan amount - **$100,000**
- Maximum Loan amount - **$2,000,000** (Standard) - **$2.5 million** (2-4 units), - **$6.25 million** (Cross-collateralized)

Borrower Eligibility

Eligible

- Natural Borrower
- Legal Business Entities Including:
  - LLCs
  - LPs
  - Partnerships
  - Corporations
- All business entity loans require at least one full recourse warm body personal guaranty
- Borrower/Guarantor(s) must:
  - Be a US Citizens or Non-US Citizen(s) lawfully present in the United States
  - Have a valid Social Security number

Ineligible

- Life Estates
- Irrevocable Trusts
- Blind Trusts
- Guardianships
- Community Land Trusts
- Land Trusts
- Foreign Nationals
- Non-profit organizations, 501(c)(3) and501(c)(4)
- Trusts or LLCs whose members include other LLCs, corporations, partnerships, trusts, or where a Power of Attorney is used.
- Borrower/Guarantor with diplomatic immunity status.

Borrower Eligibility, continued

Experienced Investor

- Having a history of owning and managing:
  - Commercial or non-owner occupied residential real estate for at least 12 consecutive months in the most recent three (3) years, or
  - Three or more properties each over the past 24 months

Inexperienced Investor

- Inexperienced borrowers must meet the additional criteria:
  - Currently owns a primary residence for at least one year
  - Minimum DSCR of 1.0
  - Maximum LTV 75%
  - Minimum loan amount of $150,000 and maximum loan amount of $1 million

Entity Requirements

Business Entity must:

- Be a legal entity domiciled in the United States, including LLCs, LPs, partnerships, and corporations
- Be an entity with natural person members
- Be a U.S.-based entity in Good Standing

Suggestion or encouragement of the formation of an Entity is prohibited

Entity Requirements

Personal Guarantor requirements:

- Any owner of 25% or more of the borrowing entity must be a personal guarantor
- At least 51% of the ownership of the underlying entity must be personal guarantor(s)
- If no owner represents 25% or more ownership interest, the majority owner of the underlying entity must be a personal guarantor
- Any “managing member” or “controlling holder” of the business entity must be a Personal Guarantor for the loan

Underwriting Criteria

- Manual underwrite

- Simultaneous submissions - do not need to be underwritten simultaneously

- Fraud Report and Background check requirements include:
  - Compliance with OFAC and the Exclusionary List policy
  - Third-party background check/fraud detection report for all borrowers/guarantors dated within 90 days of loan origination
  - Background search dated within 90 days of loan origination. Lender must address all “high-level” and “red flag” alerts on the report.
  - Verification that all parties are not citizens of or reside in a country identified by Financial Action Task Force (FATF) as being a high-risk jurisdiction
  - Must include a liens and judgement search

Borrower Eligibility, continued

Eligible

- 1-4 unit residential
- Attached or detached
- Planned Unit Developments (PUDs)
- Leaseholds
- Condominiums (both warrantable As defined in product matrix and non-warrantable, follow guidelines in product matrix)
- Legal or Legal non-conforming use
- ADU
  - Rental income is not permitted

Ineligible

- Assisted living or nursing homes
- Community Land Trusts
- Cooperatives
- Condotels or time-shares
- Lease with option to purchase
- Manufactured/Mobile Homes
- Mixed use
- Model home leasebacks
- Multi-family (5+ units)
- Appraisal notes Rural or environmental issues

(**Note:** For a full list of ineligible properties please refer to the DSCR guidelines)

Appraisal Requirements

- **Appraisals:**
  - A Market Rent Comparable Schedule (FNMA 1007 or 1025) must be provided
- **Valuation Requirement**

- **Collateral Desktop Analysis (CDA)** from Clear Capital, or
- **Consolidated Collateral Analysis (CCA XP)** from Consolidated Analytics, or
- **RicherValues Oversight Report** or
- **Collateral Underwriter (CU)** with a score of 2.5 or less in lieu of a CDA, CCA XP, or RicherValues Oversights

- **Second Appraisal Requirement:**
  - Property Flips as defined in the product matrix
    - The increase in value should be documented with commentary from the appraiser as well as show recent comps
  - For Loan amounts >$2M

Occupancy

- Cannot be occupied by any borrowers or guarantor or their immediate family
- All tenants on leases must be natural persons
- Occupied/Leased Property:
  - A property that has at least the following number of occupied/leased units

Single Family	= 1/1
Two-Family	= 2/2
Three-Family	= 2/3
Four-Family	= 3/4

Reserve Requirements

- DSCR ≥ 1.0: 6 months PITIA for subject property
- DSCR < 1.0: 9 months PITIA for subject property
- Inexperienced Investor: Minimum 12 months PITIA for subject property
- Simultaneous Closings: Total reserve requirements are cumulative and are the sum of the minimum reserve requirements for each closed loan
- Gift funds are not permitted to meet reserve requirements
- Funds utilized for down payment and closing costs cannot be included in reserve funds
- Cash out may be utilized for reserves if FICO is > 700
- Interest Only: Reserves permitted to be based on the ITIA payment

LTV/LTC Restrictions

Standard Loan Restrictions

- Short-term Rental Standard – Maximum 60% LTV/LTC
- Reduce LTV by 10% for non-warrantable condominiums with a maximum of 70% LTV/LTC.
- Maximum LTV/LTC of 75% for the inexperienced investor

Cross-collateralized Loan Restrictions:

- Max 60% LTV/LTC for all Cross-collateralized loans where 25% or more of the properties are short-term rentals
- 10% LTV/LTC reduction for following:
  - Non-warrantable condos
  - 25% per more properties in the Cross-collateralized loan have individual DSCRs between .75 and .99
  - Vacant Cross-collateralized transactions

Calculating the DSCR

- **DSCR is calculated as the gross rents divided by PITIA** (**P**rincipal, **I**nterest, **T**axes, **I**nsurance, **A**ssociation)
  - Use the note rate to calculate PITIA

- **Interest-only loans may use the ITIA payment for the DSCR calculation**
  - DSCR is program minimum as determined by individual loan characteristics plus .10

Minimum DSCR is .75 Standard (1.0 Cross-collateralized)

Short Term Rentals Calculations

- **DSCR Calculation**
  - Monthly gross rent (as determined by transaction type – see below) multiplied by 80%(to account for costs associated with operating a short-term rental property) divided by PITIA (or ITIA for IO loans) = DSCR

- **Short-term Rental Requirements**
  - Maximum 60% LTV for all Standard and Cross Collateralized (Cross-collateralized) transactions using short-term rental income to qualify
  - Minimum DSCR 1.25
  - Interest-only permitted
    - DSCR program minimum as determined by individual loan characteristics plus .10
    - Qualify on ITIA
    - Inexperienced investors not permitted to qualify via short-term rental

Documentation Requirements

Documentation

- Complete Application and Credit Package (See Delivery Checklist)
- 1-4 Family Rider
- Business Purpose Affidavit
- Interest-only Rider (if applicable)
- Interest-only Note (if applicable)
- Pre-payment Penalty Rider (if applicable)
- A clear OFAC check for all individuals with 25% or more ownership of the entity as confirmed by a current listing of ownership interests (if closing in LLC)

Gross Rent Documentation

STANDARD PURCHASE

- 1007 or 1025 Comparable Rent Schedule survey reflecting long-term or short-term market rents

STANDARD LEASE

- Must be fully executed by both the borrower/guarantor and an Eligible Tenant
- Landlord is the borrower/guarantor or their verified property manager.
- Rental rate and terms consistent with other properties in the area.
- Lease agreement is a form that is standard to the property location and complies with all applicable legal requirements.
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- Covers 100% of the unit's square footage

INELIGIBLE TENANTS

- Any affiliate of the borrower In/guarantor
- Any holder of a direct or indirect interest in borrower such affiliate, any office, director, executive employee, or manager of the borrowing entity
- And any family member (spouse, siblings, ancestors, and lineal descendants)

Gross Rent Documentation

SHORT-TERM RENTAL - PURCHASE

- 1007 or 1025 Comparable Rent Schedule survey reflecting long-term or short-term market rents
- AIRDNA Rentalizer and Overview reports

SHORT-TERM RENTAL - REFINANCE

- Most recent 12-month rental history statement from a third-party rental management service not to exceed 125% of market rent.
- Most recent 12-month bank statements from the borrower evidencing rental deposits not to exceed 125% of market rent.
- If no rent received, use zero for that month.
- Borrower must provide rental records for the subject property to support monthly deposits

Gross Rent Documentation

Product	Standard Document Type	Interest Only Note (when applicable)	Business Purpose Affidavit	Personal Guaranty Agreement	Additional Riders Possibly Needed	Cash-out Explanation Required (may be combined w/ Business Purpose Affidavit)
DSCR	Residential Paper (FNMA/FHLMC) Standard DSCR only	Yes	Yes	Yes (if a business entity borrower)	IO, PPP, 1-4 Family Rider, Personal Guaranty	Yes, if natural borrower
DSCR	Commercial Paper	Yes	Yes	Yes (if a business entity borrower)	IO, PPP, 1-4 Family Rider, Personal Guaranty	Yes, if natural borrower

Resources and Training

LakeviewCorrespondent.com

Questions?