

# DSCR Lender Comparison Worksheet



To systematically compare the loan offers you've received, employ our mortgage comparison template. This template is designed to help you evaluate the key aspects of each mortgage offer.

## BASIC LOAN INFORMATION

	MORTGAGE 1	MORTGAGE 2	MORTGAGE 3	MORTGAGE 4	NOTES
<b>Type of Mortgage</b> (Fixed, ARM, etc.)					
<b>Loan Term</b> (Years)					
<b>Interest Rate</b>					
<b>Annual Percentage Rate</b> (APR)					
<b>Loan-to-Value Ratio</b> (LTV)					
<b>Monthly Mortgage Payment</b>					

## DSCR SPECIFICS

<b>Minimum DSCR Ratio Required</b>					
<b>Credit Score Requirement</b>					
<b>Minimum Down Payment Required</b>					
<b>Cash Reserves Requirement</b>					
<b>Investment Experience Requirement</b>					
<b>Rental Income Assessment Method</b>					

# FEES

	MORTGAGE 1	MORTGAGE 2	MORTGAGE 3	MORTGAGE 4	NOTES
<b>Origination/ Underwriting Fee</b>					
<b>Appraisal Fee</b>					
<b>Document Preparation &amp; Recording Fees</b>					
<b>Credit Report Fee</b>					

# ARM

<b>If applicable</b>					
<b>Rate Adjustment Frequency</b>					
<b>Rate Cap Details</b>					
<b>Index for Rate Adjustment</b>					

# FLEXIBILITY & TERMS ADJUSTMENT

<b>Terms Negotiation Possibilities</b>					
<b>Prepayment Penalties</b>					
<b>Lock-in Agreement Terms</b>					
<b>Allowance of Extra Principal Payments</b>					

# CUSTOMER SERVICE ASSESSMENT

<b>Responsiveness &amp; Clarity</b>					
<b>Ongoing Support &amp; Assistance</b>					

# DIGITAL ACCESSIBILITY

	MORTGAGE 1	MORTGAGE 2	MORTGAGE 3	MORTGAGE 4	NOTES
Online Application Process					
Digital Account Management					

## ADDITIONAL CONSIDERATIONS


Before diving into the comparison, let's understand what each field in the template represents and what to ideally look for.

### Basic Loan Information:

- ⦿ **Type of Mortgage:** There are two types of mortgages: fixed-rate and adjustable-rate (ARM). Fixed-rate mortgages offer fixed interest rates and mortgage payments throughout the loan term, while ARMs may have lower initial payments, but interest rates change, and so do your mortgage payments.
- ⦿ **Loan Term:** The duration of the loan. Shorter loan terms mean higher mortgage payments but less interest over time. You should choose based on your cash flow and investment strategy.  
Interest Rate: The interest rate at which you will repay the loan.
- ⦿ **Annual Percentage Rate (APR):** The APR is the yearly cost of the loan, including fees, which provides a more comprehensive view of the loan's expense.
- ⦿ **Loan-to-Value Ratio (LTV):** This represents the loan amount against the property's value. For example, if you borrow \$80K for a \$100k property, your LTV is 80%.
- ⦿ **Monthly Mortgage Payment:** The amount you will need to pay each month. You should plan your loan terms to make sure the monthly payments are affordable and align with your investment's cash flow.

### DSCR Specifics:

- ⦿ **Minimum DSCR Ratio Required:** The DSCR represents a property's income against its mortgage payments, taxes, insurance, and HOA. Ideally, lenders require a DSCR of 1, but the higher the DSCR, the better the loan terms.
- ⦿ **Credit Score Requirement:** The minimum credit score needed for the DSCR loan approval.
- ⦿ **Minimum Down Payment:** The upfront payment you need to pay. 20% of the property's purchase price is the standard down payment, but pay higher if you could to get better loan terms.
- ⦿ **Cash Reserves Requirement:** Some lenders require cash reserves enough to pay for the property's mortgage and other obligations.
- ⦿ **Investment Experience Requirement:** Some DSCR lenders might require you to have experience in managing real estate investments to offer better terms.
- ⦿ **Rental Income Assessment Method:** Depending on how the lender assesses the property's rental income, you should be able to provide the required proof and follow the lender's process.

## Fees:

- **Origination/Underwriting Fee:** The cost of processing the loan application. Lower fees are preferable but look for other hidden fees and overall loan costs. Some lenders offer lower fees to attract clients but add hidden loan fees or higher rates.
  - **Appraisal Fee:** Your lender will order a property appraisal to assess its current market value; you'll pay for the appraisal.
  - **Document Preparation and Recording Fees:** Legal and administrative costs.
  - **Credit Report Fee:** To get your credit score.
  - **Other Fees:** Any additional costs. Be wary of lenders with excessive additional fees.
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## Adjustable-Rate Mortgage Specifics (If applicable):

- **Rate Adjustment Frequency:** How often does the rate change?
  - **Rate Cap Details:** Limits on how much the rate can increase. Lower frequency and reasonable caps are ideal to protect against sudden significant increases in payments.
  - **Index for Rate Adjustment:** The benchmark for rate changes.
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## Flexibility and Terms Adjustments:

- **Terms Negotiation Possibilities:** The lender's openness to negotiate loan terms. Greater flexibility can be a significant advantage.
  - **Prepayment Penalties:** The cost you'll incur if you pay the loan early. Avoid or minimize prepayment penalties according to your investment strategy.
  - **Rate Lock-in Agreement Terms:** This refers to the agreement with the lender to fix the interest rate for a certain period, protecting you from rate increases while your loan is being processed.
  - **Allowance of Extra Principal Payments:** This is about the flexibility to make additional payments towards the principal balance of your loan, which can help you pay off your loan faster and save on interest. The best scenario is a lender that allows extra payments without any penalties or restrictions.
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## Customer Service Assessment:

- **Terms Negotiation Possibilities:** The lender's openness to negotiate loan terms. Greater flexibility can be a significant advantage.
- **Prepayment Penalties:** The cost you'll incur if you pay the loan early. Avoid or minimize prepayment penalties according to your investment strategy.
- **Rate Lock-in Agreement Terms:** This refers to the agreement with the lender to fix the interest rate for a certain period, protecting you from rate increases while your loan is being processed.
- **Allowance of Extra Principal Payments:** This is about the flexibility to make additional payments towards the principal balance of your loan, which can help you pay off your loan faster and save on interest. The best scenario is a lender that allows extra payments without any penalties or restrictions.

## Digital Accessibility:

- ⦿ **Online Application Process:** The ease and efficiency of the application process.
  - ⦿ **Digital Account Management Tools:** Tools for managing your loan online. Look for lenders offering user-friendly online platforms, as they can simplify the management of your loan.
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After carefully evaluating each field in the template, you'll have a comprehensive understanding of the differences between the loan offers, enabling you to make an informed decision.

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## Check out more useful resources:

[DSCR Loan Guide](#)

[Latest DSCR Loan Interest Rates](#)

[DSCR Loan for Airbnb](#)

[DSCR Calculator](#)