

# DSCR Loan Market Analysis

## FL vs. Nationwide

A 2026 underwriting framework for real estate investors deploying capital across Florida and benchmark national markets — yield, expense, regulation, and discipline.



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WHITEPAPER

MAY 2026



## DSCR RENTAL PROGRAM

### SINGLE PROPERTY

FSF's flagship 30-year fixed DSCR program for non-owner-occupied 1-4 family rental properties. Closes in 7-14 business days, qualifies on property cash flow only — no personal income or DTI required.

#### LOAN CRITERIA

<b>Collateral:</b>	Non-Owner Occupied 1-4 Family Real Estate
<b>Rates:</b>	Starting at 6.375%* *Interest charged on outstanding balance
<b>Term:</b>	30 Years
<b>Loan Amount:</b>	\$100k – \$2M Subject to Increase Based on Location
<b>Credit Score:</b>	660 Minimum, Foreign Nationals Eligible
<b>Prepayment Penalty Options:</b>	PPP Mo: 60, 48, 36, 24, 12, 0 Structures: 5% Step Down, 5% Flat, 3% Flat

#### LEVERAGE AND REQUIREMENTS

PARAMETER	MAXIMUM LOAN-TO-VALUE	LOAN TYPE	DSCR MINIMUM
680+ FICO	Up to 80% of As-Is Value	Purchase	0.75x
660 – 679 FICO	Up to 75% of As-Is Value	Refinance	1.00x
Foreign National	Up to 75% of As-Is Value	Refi (720+ FICO)	0.75x
Cashout	Up to 75% of As-Is Value		

LOAN PURPOSE	ELIGIBILITY NOTES
<b>Purchase</b>	Lesser of Purchase Price and As-Is Value used for LTV.
<b>Delayed Purchase</b>	Free and Clear properties, purchased within 180 days of closing.
<b>Rate/Term Refi</b>	Refinances of existing loan. No seasoning requirements.
<b>Cashout Refi</b>	Refinances of existing loan. 90 day seasoning period required.

## The DSCR Opportunity in 2026

DSCR loans are now ~28-29% of all non-QM mortgage originations and one of the fastest-growing investor-finance categories in the U.S. By qualifying based on a property's cash flow rather than the borrower's W-2, DSCR unlocks scalable portfolio growth. The 2026 backdrop is the most investor-friendly DSCR environment in three years: rate par near 6.1%, Florida insurance finally relenting, and STR regulation stable.

### DSCR = Net Operating Income ÷ Annual Debt Service

DSCR > 1.0 = cash flow positive. FSF accepts purchase DSCR ratios as low as 0.75x — meaningfully below most balance-sheet competitors — to support thin-coverage deals in lease-up, post-renovation stabilization, or STR ramp.

## The Florida Inflection

Insurance has been the single largest underwriting friction in Florida for the better part of a decade. That is now changing. In late 2025 and early 2026, statewide tort reform — including the elimination of one-way attorney fees and curbs on assignment-of-benefits abuse — combined with declining reinsurance costs, drove the first sustained rate relief in years. Citizens Property Insurance announced an 8.7% statewide average rate decrease at Spring 2026 renewals, with Miami-Dade and Broward seeing 13.9% and 14.1% reductions respectively. Seventeen new insurers have entered the state, and Citizens' policy count has dropped roughly 50% year-over-year to its lowest level in 14 years.

STR investors remain protected by Florida Statute 509.032(7)(b), which preempts municipal bans on vacation rentals (except where ordinances were grandfathered pre-June 2011). Senate Bill 280 — which would have imposed a centralized statewide registry — was vetoed in June 2024 and has not been re-enacted. The result is a stable operating environment for STR investors in markets like Naples, Tampa, Orlando, and Miami.

## Florida vs. Nationwide at a Glance

Dimension	Florida	Nationwide Benchmark
<b>Dominant Rental Strategy</b>	STR / tourism-driven	LTR with selective STR
<b>Gross Yield Range</b>	8% – 12% (STR markets)	6% – 9% (Sun Belt / Midwest)
<b>Income Variability</b>	Seasonal, weather-sensitive	Stable year-round
<b>Annual Insurance (SFR)</b>	\$3,500 – \$11,000+ (declining)	\$1,200 – \$2,500
<b>Property Tax (effective)</b>	0.8% – 1.2%	0.9% – 1.5%
<b>STR Regulation</b>	State preemption (F.S. 509.032)	Varies; less restrictive in most metros
<b>Climate Exposure</b>	Hurricane / flood / sea-level	Generally lower
<b>DSCR Sensitivity</b>	High — expense compression	Lower — predictable

## Two Case Studies — How FSF Underwrites

The two illustrative cases below show how FSF's DSCR Rental Program structures real deals in current (May 2026) market conditions. Both are non-owner-occupied 1-4 family residential properties; both qualify on property cash flow without W-2 verification. All figures are estimates for educational purposes only and not commitments to lend.

<b>CASE 1   NAPLES, FL — STR (4BR/3BA Gulf SFR)</b>	<b>CASE 2   COLUMBUS, OH — LTR (3BR/2BA SFR)</b>
<p><b>Purchase / Loan:</b> \$1.25M / \$812.5K (65% LTV)</p> <p><b>FICO Tier:</b> 680+ — eligible for 80%; structured at 65% for STR discipline</p> <p><b>Rate:</b> 7.25% / 30-yr Fixed</p> <p><b>UW Income (24-mo Airbnb, 15% haircut):</b> \$125,000</p> <p><b>Operating Expenses:</b> (\$52,750) — ins, tax, HOA, mgmt, CapEx</p> <p><b>NOI:</b> \$72,250</p> <p><b>Annual Debt Service:</b> \$66,531</p> <p><b>DSCR: 1.09x — Cash Flow Positive</b></p> <p><b>Stress Test (–20% income):</b> 0.87x (above 0.75x purchase floor)</p> <p><b>Close Timeline:</b> 11 business days</p>	<p><b>Purchase / Loan:</b> \$215K / \$172K (80% LTV)</p> <p><b>FICO Tier:</b> 680+ — qualifies for max 80% LTV</p> <p><b>Rate:</b> 6.625% / 30-yr Fixed</p> <p><b>UW Income (executed lease + 1007):</b> \$22,800</p> <p><b>Operating Expenses:</b> (\$8,100) — ins, tax, mgmt, CapEx</p> <p><b>NOI:</b> \$13,788</p> <p><b>Annual Debt Service:</b> \$13,216</p> <p><b>DSCR: 1.04x — Cash Flow Positive</b></p> <p><b>Stress Test (–10% income):</b> 0.92x</p> <p><b>Close Timeline:</b> 9 business days</p>

Florida coastal STR works in 2026 — but only with disciplined LTV (65%), verified trailing income, and post-reform insurance quoting. Midwest LTR delivers thinner yield, but materially more predictable DSCR coverage and lower expense volatility. Both deals close in single-digit to low-double-digit business days under FSF's standard underwriting — a result of FSF's AI-native loan-document infrastructure (IC aiGENT™) that compresses the time from submission to wire.

## Strategic Frameworks

### When Florida Makes Sense

- STR operational experience or established 24+ month management track record.
- Documented Airbnb / VRBO performance data for the target submarket.
- Insurance re-quoted at current market rates and stress-tested at 2024 peaks.
- Conservative underwriting at 60–75% blended occupancy — not peak projections.
- Loan sized to clear DSCR with at least 10% buffer above FSF's 0.75x purchase floor.

### When Nationwide Markets Win

- Priority is consistent monthly cash flow with low income variability.
- Portfolio scaling — covenants require higher DSCR at facility level.
- Insurance and climate exposure are explicit risk-budget concerns.
- Target metros: Phoenix, Charlotte, Greenville, Indianapolis, Columbus, Kansas City, Memphis, Birmingham, DFW submarkets.

**FSF's Recommended Underwriting Discipline by Market**

<b>Underwriting Factor</b>	<b>Florida (STR / Coastal)</b>	<b>Nationwide (LTR Markets)</b>
<b>Income Source</b>	Verified STR platform data + 15% UW haircut	Executed lease or market rent (1007 / 1025)
<b>Vacancy / Occupancy Applied</b>	60 – 75% blended	4 – 7%
<b>Insurance Method</b>	Full vendor quote required	Standard estimates acceptable
<b>DSCR Floor (recommended)</b>	0.85x on STR; 0.75x program minimum	0.80x; 0.75x program minimum
<b>Stress Test</b>	20% income reduction	10% income reduction

## Why Foundation Specialty Finance

FSF is a nationwide private lender purpose-built for real estate investors. Our underwriting philosophy is simple: evaluate deals the way active investors do — on property cash flow, not personal income paperwork. That orientation is reinforced by an institutional infrastructure most private lenders do not have.

<p><b>Speed &amp; Execution</b></p> <p>Close in 7–14 business days. AI-enabled document ingestion, automated valuation pre-screening, and a connected tech stack from intake to funding — no surprises at the closing table.</p>	<p><b>Underwriting Discipline</b></p> <p>FSF's IC aiGENT™ — a proprietary AI-native underwriting agent — produces consistent, auditable IC memos on every deal. The same discipline that supports our institutional capital partners is applied to every \$100K DSCR loan.</p>	<p><b>Florida Expertise</b></p> <p>Insurance quoting, flood-zone diligence, STR ordinance review, and hurricane-resilience underwriting are core competencies, not exception items. We have closed across every major Florida metro.</p>
<p><b>Flexible DSCR Floors</b></p> <p>DSCR ratios from 0.75x on purchase, credit-flexible programs, no income docs required, and STR support via verified Airbnb / VRBO platform data — designed to fund deals balance-sheet competitors cannot.</p>	<p><b>Entity &amp; FN Friendly</b></p> <p>LLCs and Corporations are the standard, not the exception. Foreign National borrowers are eligible. Programs are built for investors scaling beyond Fannie / Freddie's conforming caps.</p>	<p><b>Nationwide Coverage</b></p> <p>Licensed across the continental United States, excluding direct licensing in NY, VT, and MN. Programs are consistent regardless of state — the underwriting calibrates to the local market.</p>

## Ready to Fund Your Next Deal?

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[foundationspecialtyfinance.com/dscr](https://foundationspecialtyfinance.com/dscr)

NMLS ID 2260234 | Nationwide DSCR Lending Solutions

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