



NON-QM | MLBWHOLESALE
Making Lives Better



GROW YOUR DSCR CORE PRODUCTION

A Broker's Playbook for Long-Term Rental Investors

Making Lives Better

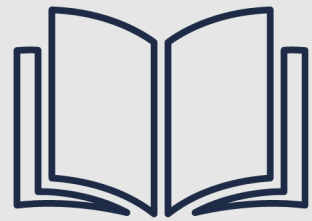
www.MLBWholesale.com/non-qm

🏠 NMLS #1101220

MLB Residential Lending, LLC, NMLS 1101220, is a Residential Mortgage Lender, located at 841 Mountain Ave, Suite 400, Springfield, NJ 07081. Phone 732-243-0140. MLB is licensed by NJ Department of Banking and Insurance, AL State Banking Department, AK Division of Banking & Securities, AR Combination Mortgage Banker-Broker-Service, AZ Department of Insurance and Financial Institutions, CA Department of Financial Protection and Innovation, CO Division of Real Estate, CT Department of Banking, DC Department of Insurance, Securities, and Banking, DE Office of the State Bank Commissioner, FL Office of Financial Regulation, GA Department of Banking and Finance, IA Division of Banking Finance Bureau, ID Mortgage Broker Lender License, IL Department of Financial & Professional Regulation, IN Department of Financial Institutions, KS Office of the State Bank Commissioner, KY Department of Financial Institutions, LA Office of Financial Institutions, MD Office of the Commissioner of Financial Regulation, ME Bureau of Consumer Credit Protection, MI Department of Insurance and Financial Services, MN Department of Commerce, MS Department of Banking and Consumer Finance, MO Division of Finance, MS Department of Banking and Consumer Finance, MT Division of Banking & Financial Institutions, NE Department of Banking and Finance, NV Division of Mortgage Lending, NH Banking Department, NC Commission of Banks Office, ND Department of Financial Institutions, NM Mortgage Loan Company License, NY Department of Financial Services, OH Division of Financial Institutions, OK Department of Consumer Credit, OR Department of Consumer and Business Services, PA Department of Banking and Securities, RI Department of Business Regulation, SC Board of Financial Institutions, SD Division on Banking, TN Department of Financial Institutions, TX Department of Savings and Mortgage Lending, UT Department of Financial Institutions, VT Department of Financial Regulation, VA Bureau of Financial Institutions, WA Department of Financial Institutions, WI Department of Financial Institutions, WV Division of Financial Institutions, WY Division of Banking. All Rates subject to change without notice. MLB, in no way, claims to represent or to conduct business on behalf of HUD or the Federal Government. EQUAL HOUSING LENDER



WHAT WE'LL COVER TODAY



**DSCR Core Product
Overview**



**Ideal LTR Borrower
Profile**



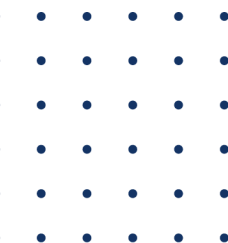
**Competitive
Advantages**



**Finding & Closing
Deals**



**Referral Growth
Strategies**





THE DSCR LOAN: A QUICK PRIMER

Debt Service Coverage Ratio

$$\frac{\text{Monthly Gross Rent}}{\text{PITIA}}$$

For Interest-Only loans, use ITIA

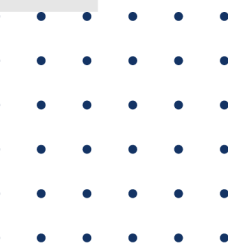
Calculator: mlbwholesale.com/non-qm

No Personal Income Verification Required

Qualification is based solely on the property's rental income vs. its debt obligation — no W-2s, tax returns, or pay stubs required.

Why Investors Love It

- ✓ No W-2s, tax returns, or pay stubs needed
- ✓ LLC and corporation vesting allowed
- ✓ Designed for residential rental investment properties
- ✓ Business purpose loan — faster, simpler process





DSCR CORE VS. DSCR PREMIUM

DSCR CORE

More Flexible

- ✓ Max Loan: \$3,000,000
- ✓ Min FICO: 640
- ✓ Min Loan: \$125,000
- ✓ Min DSCR: 0.75 or No Ratio
- ✓ Borrowers: US Citizens, Perm & Non-Perm Resident Aliens
- ✓ FT HB: Allowed (with conditions)
- ✓ STR: Yes (DSCR \geq 1.15)
- ✓ Property Types: SFR, PUD, 2-4 Units, Warrantable & Non-Warrantable Condos

DSCR PREMIUM

More Restrictive

- Max Loan: \$2,000,000
- Min FICO: 660
- Min Loan: \$150,000
- Min DSCR: 0.75 (No Ratio ineligible)
- Borrowers: US Citizens & Permanent Resident Aliens only
- ✗ FT HB: Ineligible
- STR: Refinance only, 12-mo history required
- Property Types: SFR, PUD, 2-4 Units, Warrantable Condos only

Core's higher loan limits, lower FICO floor, FT HB eligibility, and No Ratio option make it the go-to for most LTR investors





DSCR CORE: KEY PARAMETERS



\$125K – \$3M

Loan Amount Range



640

Minimum FICO Score



0.75

Minimum DSCR (or No Ratio)



Up to 85% LTV

Max LTV – Purchase (≥ 740 FICO, $\leq \$1M$)



SFR, PUD, 2–4 Units, Condos

Eligible Property Types



30-Yr Fixed, ARM, I/O

Available Loan Products





ELIGIBLE PROPERTY TYPES



Single Family (SFR)

Attached or detached. Up to 2 acres. ADU-eligible properties accepted.



PUD

Planned Unit Developments. Standard LTV guidelines apply.



2-4 Unit Properties

Residential use only. Refi:
 ≥ 1.00 DSCR = 75% LTV;
 < 1.00 = 70% LTV.



Condominiums

Warrantable & Non-Warrantable. FL condos: 75% LTV max. Condo LTV restrictions apply by FICO.


! Condo LTV Caps: ≥ 720 FICO Purchase/R&T = 80% max | < 720 Purchase/R&T = 75% max | ≥ 720 Cash-Out = 75% max | < 720 Cash-Out = 70% max





DSCR CALCULATION: LONG-TERM RENTALS

- 1 Determine Monthly Gross Rent**
 Use the LESSER of: Appraiser's market rent (Form 1007/1025) OR the actual lease rent
- 2 Exception: Higher Lease Rent**
 If actual rent > market rent, use lease amount with 2 months proof of receipt, up to 120% of market rent
- 3 Divide by PITIA**
 Principal + Interest + Taxes + Insurance + HOA. For I/O loans, use ITIA (no principal)
- 4 Result = DSCR**
 ≥1.00 = Strong | 0.75-0.99 = Eligible | No Ratio = No income calc needed

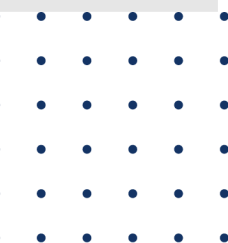
 Use the MLB DSCR Calculator at mlbwholesale.com/non-qm to pre-qualify in seconds

Example Deal

Market Rent (Form 1007)	\$2,200 / mo
Actual Lease	\$2,400 / mo
Rent Used (lesser)	\$2,200 / mo
PITIA	\$1,850 / mo

DSCR Result **1.19**

✓ Eligible — DSCR ≥ 1.00





RESERVES, CREDIT & TRADELINES

Reserves Required

DSCR \geq 0.75 Requirements

\$125K – \$1.0M Loan

6 Months PITIA

\$1.0M – \$2.0M Loan

9 Months PITIA

> \$2.0M Loan

12 Months PITIA

Cash-out proceeds may be used to satisfy reserve requirements

Credit Score Rules

Minimum FICO: **640**

- Use middle score of three; lower if only two scores
- Multiple borrowers: use the HIGHEST representative score
- LLC/Corp vesting: use score of member with highest ownership (\geq 25%)
- No frozen credit allowed

Tradeline Requirements

DSCR \geq 0.75 — One of:

- All borrowers have 3 scores
- 2 open trades reporting 24 months
- 3 open trades reporting 12 months
- 24-month mortgage rating on credit report

No Ratio:

2 trades in 24 months showing 12-month history; no delinquency in past 24 months





LLC & CORPORATE VESTING

Business-purpose investing made simple

Who Can Use Entity Vesting

- ✔ Title may be vested in an LLC or Corporation
- ✔ Entity must be in good standing in state of formation AND property state
- ✔ Any member with $\geq 25\%$ ownership must apply for the mortgage
- ✔ Applicants must represent at least 51% total ownership
- ✔ Layered structures: ONE level of ownership only (individual → holding company)
- ✔ Ultimate beneficial ownership: 4 or fewer natural persons

Permitted Structure

Individual Borrower(s)

↓ owns

Holding Company (LLC)

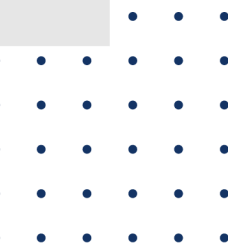
↓ holds title

Investment Property

Max 4 natural persons. No nested LLCs beyond one level.

Key Requirements

- Personal guaranty required from majority owners
- DSCR Premium: No nested LLCs, max 4 individual owners
- DSCR Core: Layered entities permitted with restrictions





GEOGRAPHIC RESTRICTIONS

Know before you submit — avoid deal fallout

DC Investment properties ineligible

IL Cook County: All properties ineligible

IN Indianapolis: Investment properties ineligible

MD Baltimore City: All properties ineligible

MS ARM products ineligible

NJ Paterson: Investment properties ineligible


PA ZIP 19121 & 19132 suspended; Philadelphia: Investment ineligible

FL Non-Perm Resident Aliens from PRC ineligible

NY Brooklyn: Investment ineligible; NYC all boroughs: STR ineligible; Orange County: All occupancies ineligible

TX Lubbock: Investment & refinances ineligible

TN Memphis: Transferred appraisals ineligible; field reviews required

 Always verify geographic eligibility before ordering an appraisal or making a borrower commitment



THE IDEAL DSCR CORE BORROWER

Six profiles to target in your database



The W-2 Investor

High earner with complex taxes. Can't show enough income on paper. DSCR bypasses income docs entirely.



The Portfolio Builder

Owens multiple rentals. Buying under an LLC. Needs up to \$3M with flexible LTVs.



The First-Time Landlord

FTHB eligible on Core. 660+ FICO, max \$1.5M. 6-month mortgage history required.



The Cash-Out Refinancer

Wants to pull equity to fund the next deal. Unlimited cash-out at $\leq 60\%$ LTV.



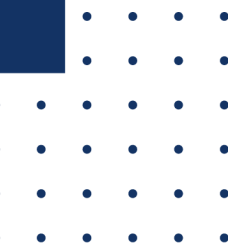
The Self-Employed Entrepreneur

Business owner with variable income. No tax returns needed. Qualifies on rent alone.



The Foreign National (Non-Perm)

Non-Permanent Resident Alien eligible on Core. Excluded from Premium.





WHO QUALIFIES? BORROWER PROFILE DEEP DIVE

DSCR CORE

DSCR Premium

Investor Experience

 **No experience required.** First-time investors are welcome.

 **12 months of proven ownership/management** within the last 24 months. Non-negotiable.

Housing History

 **Flexible:** 1x30x12 allowed with a 5% LTV reduction.

 **Zero Tolerance — 0x30x12 REQUIRED.** Any late payment eliminates Premium eligibility.

Minimum FICO

 **680 minimum.** Wider FICO range accepted.

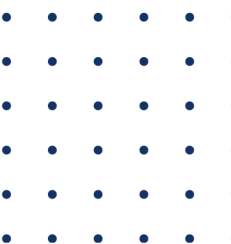
 **700 minimum.** Higher FICO floor — below 700 means CORE only.

Premium's strict requirements are non-negotiable — they are the primary filter for program eligibility.



WHY DSCR CORE WINS

- 1 Wider Borrower Net**
640 min FICO, FTHB eligible, Non-Perm Resident Aliens allowed — more clients qualify vs. Premium
- 2 Higher Loan Limits**
Up to \$3,000,000 vs. Premium's \$2,000,000 cap — serve larger portfolio investors
- 3 No Ratio Option**
Qualify with no rental income documentation — unique to Core, unavailable in Premium
- 4 Flexible Cash-Out**
Unlimited cash-out at $\leq 60\%$ LTV with 18 months reserves. \$1M max cash-out above 60% LTV
- 5 Broad Property Types**
Non-Warrantable Condos and 2-4 units accepted — Core handles deals Premium won't touch





REFERRAL GENERATION STRATEGIES

Build a pipeline of LTR investors



Real Estate Investors & Landlord Groups

Attend REIA meetings. Investors talk to investors — one deal becomes many.



Property Managers

They manage rentals for investors actively buying. A warm intro source often overlooked.



CPAs & Tax Advisors

Self-employed clients with rental income are perfect DSCR candidates. Partner with CPAs.



Real Estate Attorneys & Title Companies

They see investment closings daily. Educate them on your DSCR capabilities.

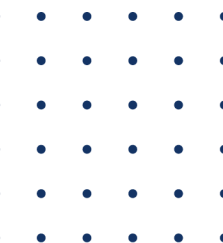
Convert Referrals to Deals

- ✓ Lead with "No W-2s or tax returns needed"
- ✓ Offer a free DSCR pre-qual using the MLB calculator
- ✓ Highlight LLC vesting for investors with portfolios
- ✓ Present cash-out refi as a strategy to scale their portfolio



DSCR Calculator & Resources

mlbwholesale.com/non-qm





BROKER TIPS: CLOSE MORE DSCR DEALS

Pre-Qualify Early

Run DSCR before ordering an appraisal. Use the MLB calculator. Know the rent, PITIA, and FICO before you proceed.

Set Reserve Expectations

Remind borrowers: \$1M+ loans need 9–12 months reserves. Cash-out can count — structure accordingly.

Verify Property Eligibility

Check geography restrictions, condo type (warrantable vs. non-warrantable), and acreage before submitting.

Use Cash-Out as a Growth Tool

Position DSCR cash-out refi as a strategy: pull equity from a performing rental to fund the next purchase.





CORE VS. PREMIUM: FULL COMPARISON

Feature	DSCR Core	DSCR Premium
Max Loan Amount	\$3,000,000	\$2,000,000
Min Loan Amount	\$125,000	\$150,000
Min FICO	640	660
Min DSCR	0.75 (or No Ratio)	0.75 only
FTHB Eligible	Yes (conditions apply)	No
Non-Perm Resident Aliens	Yes	No
Non-Warrantable Condos	Yes	No
STR Eligible	Yes (DSCR \geq 1.15)	Refi only
Reserves (\leq \$1M loan)	6 months PITIA	3 months PITIA
Cash-Out Max (>60% LTV)	\$1,000,000	\$500,000
Investor Experience Required	No	Yes (12 mo in 24 mo)
LLC/Corp Vesting	Yes (layered OK)	Yes (no nesting)





START SUBMITTING DSCR CORE DEALS TODAY

Your LTR investors are out there. Let's close them together.



Identify

Review your database for investors with rental properties or self-employed borrowers



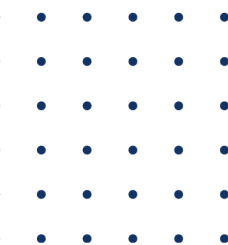
Pre-Qualify

Use the MLB DSCR Calculator at mlbwholesale.com/non-qm



Submit

Contact your MLB Account Executive to get started today





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READY TO WIN MORE DEALS?



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