

DSCR Takeout Readiness Checklist



Planning to hold as a rental? Line up your DSCR refinance before your RTL matures. No surprises at the exit.

The play: You borrowed on a rehab or construction loan, the property is stabilized and rented, and now you want to refinance into a 30-year DSCR loan and hold long-term. Here's what needs to be true, and when to start.

PROPERTY READINESS

Rehab / construction 100% complete
DSCR lenders require a completed, habitable property. No open permits or active construction.

Certificate of Occupancy (CO) obtained (if new construction or major renovation)
Many DSCR lenders require CO before funding. Obtain well in advance of your refi target.

All permits closed
Open permits block appraisals and DSCR approvals. Pull permit status from the municipality now.

COMMON KILLER

Property in rent-ready condition
Deferred maintenance suppresses appraised value and can delay the refinance.

LEASE & RENTAL INCOME

Executed lease in place (or market rent documented for unleased)
DSCR = Monthly Rent ÷ Monthly PITIA. Both leased and unleased paths work at Upright.

COMMON KILLER

Rent amount supports DSCR (or as low as 0.75x)
Ask your Upright rep to model this before applying. We can tell you if you're there.

Lease is arm's-length; not rented to family at below-market rate
Related-party sub-market leases create DSCR underwriting issues.

Rental history documented (if prior rent history exists)
12 months of bank statements showing rental deposits strengthens the file. Required if qualifying off of short-term rents.

LOAN & FINANCIAL REQUIREMENTS

Current LTV within DSCR product guidelines
Upright DSCR: up to 80% LTV on purchase/rate-term refi (leased). Unleased refi: max 70% LTV.

Title is clear; no mechanic's liens from contractors
Collect lien waivers from your GC and subs as each draw is funded. Protects you at payoff.

Entity documentation current (if holding in LLC)
Same docs as preapproval. Must be in good standing at time of DSCR close.

Credit profile & performing loan status maintained
Avoid major new credit events or derogatory marks. DSCR pricing is very sensitive to your median FICO score. Clean VOM required.


Seasoning requirements understood
Some DSCR products require 3–6 months post-close. Ask your Upright rep about your timeline.

DSCR Readiness Timeline

When to start each step so your DSCR refinance closes cleanly before your RTL matures.

TIMELINE — WHEN TO START EACH STEP

Milestone	When to Act	Why It Matters
Close all open permits	60 days before refi	Municipal closure can take weeks
Obtain CO (if applicable)	30 days before refi	Required for most DSCR approvals on new construction
Place tenant / execute lease	30 days before refi	Leased properties get better pricing and higher LTV
Contact Upright about DSCR	60 days before RTL maturity	Time to structure, appraise, and close cleanly
Order appraisal	45 days before refi	Appraisals can take 2–3 weeks; don't wait
Request RTL extension (if needed)	45 days before maturity	Extensions available if requested proactively
DSCR application submitted	30–45 days before refi close	Full pipeline so nothing stalls

 Don't wait until 30 days before your RTL matures. The most common DSCR takeout problem is starting too late. If you're 60+ days from maturity, the conversation starts now.