Investment Property Mortgages

Highlights

a) Extended Amortizations of up to 35 years, with Variable, Fixed and Adjustable Rate Mortgages Permitted

b) Very good rates, very close to the best if not the best

c) Up to 80% LTV for a 1-4 unit Rental Property

With the Investment Property Program, borrowers can:

a) Enjoy the convenience of one monthly payment and one mortgage, have the ability to purchase an investment property in a cost-effective way

b) Benefit from NO application fees and competitive interest rates

c) Enjoy the payment flexibility that comes with extending your amortization and refinance or purchase an investment property up to 80% LTV

Traditional - 20% Down Payment Investment Property Mortgages

Purchasers have a variety of options available to them when buying a rental or investment property when they put a minimum 20% down payment. With twenty percent down, the mortgage is conventional and therefore, no Mortgage Insurance is required.

Mortgage Rates

Typically, many lenders will offer their best rates.

Best Rental Product

If you have good income and good credit, and if you have 20% to put down, you also qualify for a 35 year amortization.

Net Worth

The requirement for a minimum net worth varies from one lending institution to another. Some require that you have a minimum $100,000 net worth per rental property, although, most lending institutions do not have a minimum net worth.

Debt Coverage Ratio

The ratio for debt coverage requirements varies from one lending institution to another. Certain institutions will use 1.10% debt coverage ratio, while others will rely on rental off set for qualifying purposes. The 1.10% debt coverage ratio is arrived at by dividing the Net Operating Income by the Debt Service.

Rental off set refers to when a lending institution uses seventy percent of rental income and off sets it against the P.I.T. Only the shortfall will be included in the Debt Ratio and if there is a rental surplus, it will be added to the client’s income. For example, assume a rental property with a rental income of $2000 and P.I.T of $1432. We will take 70% of the $2000 income, which equals $1400, and deduct this amount from $1432 P.I.T. Only the $32 shortfall will be added to the Debt Ratio.