Bankability Checklist

Strategy Area	Checklist Item	Action Steps	Completed	Expected Impact on DSCR / Bankability	Notes
Income Optimization	Increase rental income	Raise rents to market value or add amenities to justify increase		Higher NOI improves DSCR and cash flow	
Income Optimization	Add other income streams	Include storage, parking, laundry, pet fees, etc.		Higher NOI improves DSCR and cash flow	
Expense Reduction	Audit operating expenses	Eliminate unnecessary or inflated costs		Higher NOI improves DSCR and cash flow	
Expense Reduction	Negotiate better service contracts	Shop for insurance, landscaping, and property management alternatives		Higher NOI improves DSCR and cash flow	
Loan Structure	Seek longer amortization terms	Work with lenders offering 25-30 year amortizations		Reduces annual debt service, raising DSCR	
Loan Structure	Seek interest-only period	Negotiate initial interest-only period during lease-up		Lowers payments temporarily, boosting DSCR	
Loan Structure	Reduce Interest Rate	Negotiate for a lower interest rate but with the rate fixed for the length of your intended hold of the property - where possible		Lowers payments, boosting DSCR	
Creditworthiness	Identify Loan Guarantors	Banks usually require anyone with 20% ownership or more to personally guarantee the loan		Better guarantors = lower rates & better terms	
Creditworthiness	Improve personal credit score	Pay down credit cards, remove disputes/errors		Better terms and lower interest rates	
Creditworthiness	Reduce personal debt-to-income ratio	Limit personal liabilities on paper		Debt to income ratio	
Professionalism	Personal Financial Statement	Update your personal financial statement		Increases lender confidence	
Professionalism	Personal Real Estate Schedule	Update your Real Estate Schedule		Increases lender confidence	
Property Strength	Stabilize tenant base	Ensure 90%+ occupancy and collect rent consistently		Demonstrate reliability of lease income	
Property Strength	Demonstrate strong lease terms	Long-term, credit-worthy tenants preferred		Improves valuation and risk profile	
Documentation	Provide clean financials	Updated and accurate complete (3 years,), rent rolls and bank statements		Facilitates underwriting and builds trust	
Documentation	Explain add-backs clearly	Gather all the One-time expenses, CAPEX, etc.		Can boost adjusted NOI for underwriting	
Experience & Team	Partner with strong sponsor	Bring in a co-GP or KP with experience and financials		Improves lender confidence and terms	
Experience & Team	Leverage property manager credentials	Showcase licensed, local PM with proven track record		Reassures lender on ops management	
Structure	Use LLC structure with clear ownership	Prepare operating agreement showing responsibilities and identifying clearly who manages the property and who can sign on behalf of the business.		Streamlines underwriting	
Structure	Clarify equity raise strategy	Secure soft commitments before applying		Shows strength of capital stack	