# THE FLORIDA INVESTOR FINANCING HANDBOOK

*A 2026 Guide to Hard Money, DSCR, and Private Lending for Florida Real Estate Investors*

Compiled July 2026

*Market data current as of Q2 2026 · Subject to change*

# Contents

# Introduction: Why Financing Strategy Matters in Florida

Florida remains one of the most active real estate investment markets in the United States, drawn by population growth, no state income tax, and enduring demand for both long-term rentals and short-term vacation properties. But 2026 has brought a more disciplined environment than the boom years of 2020–2022: mortgage rates remain elevated compared to the pandemic era, insurance premiums have surged, and lenders are pricing risk more carefully. Investors who understand their financing options, and who can move quickly with the right capital partner, are the ones capturing the best deals.

This handbook is designed as a working reference for Florida real estate investors evaluating private financing. It covers hard money and bridge loans, DSCR rental financing, fix-and-flip capital structures, current market statistics, and a practical framework for vetting private lenders.

| 19% | $339B | #1 |
|---|---|---|
| U.S. home sales to investors, Q1 2026 | Est. size of the U.S. private lending market in 2026 | Florida's national ranking for foreclosure filings in 2026 |

> **INVESTOR TIP Every** *deal is different. Use this handbook to understand the landscape and ask sharper questions, always confirm current rates, and terms, directly with a lender before committing.*

# Chapter 1 - Hard Money & Bridge Loans

## What They Are

Hard money loans are short-term, asset-based loans secured primarily by the value of the property rather than the borrower's income or credit profile. Because underwriting centers on the collateral and the deal's economics, hard money lenders can close in days rather than the 30-45 days typical of conventional mortgages. This speed makes hard money the standard tool for competitive acquisitions, distressed-property purchases, and time-sensitive renovation projects across Florida.

Terms are typically 12-24 months, interest-only, with the expectation that the investor will sell, refinance, or stabilize the property before the loan matures.

## Florida Hard Money Rates & Terms - Q2 2026 Snapshot

| Metric | Typical Range / Figure |
|---|---|
| Average interest rate | 9.8% - 10.5% |
| Typical rate range (published guides) | 8% - 15%, depending on program and risk |
| Origination points | 2 - 4 points |
| Average loan-to-value (LTV) | 65% |
| Average funded loan amount | $558,000 - $729,000 |
| Typical term length | 12 - 24 months, interest-only |
| Typical down payment (purchase) | 20% - 30% of after-repair value |

These figures are aggregated from private-lending data providers and active Florida hard money lenders, including data reported by Analytics Logics, Lightning Docs, Elementix, and lender-published rate sheets. Rates vary meaningfully by borrower experience, property condition, exit strategy, and lender program, so treat these as directional benchmarks rather than quotes.

## Commercial & Hybrid Bridge Products

Commercial hard money - used for multifamily (5+ units), retail, office, and mixed-use assets - typically runs higher than residential hard money, reflecting longer absorption periods and more complex underwriting. Hybrid bridge-to-DSCR products have also become common: an investor uses a short-term loan to acquire and stabilize a property, then rolls into permanent DSCR financing without a full refinance cycle.

| Product | Typical Rate | Typical LTV |
|---|---|---|
| Residential hard money / bridge | 9.5% - 12.5% | up to 65 - 70% |
| Bridge-to-DSCR hybrid (12–24 mo.) | 9% - 12% | varies by exit |
| Commercial hard money | 10% - 14% | 60% - 65% |

**INVESTOR TIP** *Ask every hard money lender for a full fee schedule up front - origination points, underwriting fees, draw-inspection fees, and prepayment terms can shift the true cost of capital significantly.*

# Chapter 2 - DSCR Loans for Rental Portfolios

## What They Are

A Debt Service Coverage Ratio (DSCR) loan qualifies a borrower based on the subject property's rental income rather than personal income, tax returns, or W-2s. The lender compares projected or in-place rent against the proposed mortgage payment (principal, interest, taxes, insurance, and association dues). This structure has become one of the most widely used financing tools for Florida investors, particularly out-of-state buyers, self-employed investors, and portfolio landlords who have exceeded conventional agency loan limits.

## How the Ratio Works

DSCR = Monthly Gross Rental Income ÷ Monthly Debt Obligation. A DSCR of 1.0 means the rent exactly covers the mortgage payment; most lenders prefer 1.15–1.25 or higher for the best pricing, though many Florida programs will approve deals down to 0.75x with a rate adjustment.

## Florida DSCR Guidelines - 2026

| Qualification Factor | Typical Florida Range |
|---|---|
| Interest rate (30-yr fixed) | 5.99% - 8.75% |
| Minimum credit score | 600 - 660 (best pricing at 720+) |
| Minimum DSCR accepted | 0.75x - 1.0x (varies by lender) |
| Maximum LTV, purchase | up to 85% |
| Minimum down payment | 15% |
| Loan amounts | $100,000 - $2,000,000+ |
| Documentation | No tax returns or W-2s; entity (LLC) ownership allowed |
| Typical closing timeline | 10 - 15 Days |

Short-term rental (Airbnb/VRBO) DSCR programs are widely available in tourism-driven Florida markets, though lenders that accept short-term rental income documentation typically apply a rate premium of roughly 0.25% to 0.50% over standard long-term rental pricing.

## Regional Notes

— Tampa Bay: comparatively affordable entry points, strong rent growth, and an expanding job base in tech, finance, and healthcare support solid DSCR ratios for typical single-family rentals.

— Orlando: strong short-term rental demand tied to the Disney/Universal tourism corridor, plus steady long-term rental demand from population growth.

— Jacksonville: among the strongest rent-to-value ratios in the state, favored by long-term buy-and-hold investors.

— Miami / South Florida: higher purchase prices generally compress cap rates, though luxury and short-term rental strategies can offset this for well-capitalized investors.

> **INVESTOR TIP** *DSCR rates are typically 0.75% - 1.5% higher than a conventional owner-occupied mortgage, reflecting the lender's added risk from not verifying personal income.*

# Chapter 3 - Financing Condos in Florida

Condos are a distinct financing category in Florida, and the building matters as much as the borrower. Since the 2021 Surfside collapse, the state has tightened structural inspection and reserve-funding law, and Fannie Mae and Freddie Mac have layered on their own stricter project-review rules, all of which directly affect whether a unit can get conventional financing at all.

## Warrantable vs. Non-Warrantable

A "warrantable" condo project meets Fannie Mae / Freddie Mac eligibility standards and can be financed with standard conventional, FHA, VA, or jumbo loans. A "non-warrantable" project — one with unresolved structural issues, weak reserves, high investor concentration, active litigation, or insurance gaps — falls outside those guidelines and typically requires Non-QM, portfolio, DSCR, foreign-national, or private/hard money financing at higher rates and larger down payments. Verifying a building's warrantability before making an offer is one of the most important steps a Florida condo investor can take.

## 2026 Lending Rule Changes Investors Should Know

| Change | Detail |
|---|---|
| Limited Review retired | For loan applications dated Aug. 3, 2026 or later, Fannie Mae's Limited Review and Freddie Mac's Streamlined Review are eliminated; most established projects now require a Full Review. |
| Reserve funding minimum raised | Fannie Mae is raising the minimum reserve allocation from 10% to 15% of annual budgeted assessments, effective Jan. 4, 2027. |
| Investor concentration cap eased | The prior 50% investor-concentration limit on certain established-project Full Review loans has been retired, easing financing for investor-heavy buildings. |
| Small-project review waiver expanded | Projects with 10 units or fewer may qualify for a Waiver of Project Review under certain conditions (5 - 10 unit projects must not be part of a larger master association). |
| Commercial space limit | Full Review conforming loans are unavailable if non-residential/commercial space exceeds 35% of a project's total square footage. |
| Delinquency threshold | No more than 15% of units may be 60+ days delinquent on regular HOA assessments for a project to remain eligible. |
| Ownership concentration cap | No single investor/entity may own more than 2 units in a 5 - 20 unit project, or more than 20% of units in a 21+ unit project. |

## Florida-Specific Structural & Reserve Law

State law (including the post-Surfside reforms and HB 913) now requires condo associations to complete Milestone Structural Inspections at defined building-age thresholds and to fund reserves for major structural components identified in a Structural Integrity Reserve Study (SIRS) associations can no longer waive or underfund these reserves. Typical SIRS preparation and update costs for a mid-size Florida association now run roughly $5,500 to $16,500 or more. Buildings that are behind on inspections or reserve funding face financing denials, insurance non-renewals, and a higher likelihood of large special assessments.

## Documents Every Investor Should Request Before Making an Offer

— HOA/condo questionnaire completed by the association or management company
— The last two years of association budgets
— The current Structural Integrity Reserve Study (SIRS)
— The most recent milestone structural inspection report
— Master insurance policy evidence, including deductibles and coverage limits
— A list of active or pending special assessments and any association litigation
— Owner delinquency rate on regular HOA assessments

## Financing Paths for Non-Warrantable Florida Condos

| Path | Best Fit |
|---|---|
| Non-QM / portfolio loan | Strong borrower, building fails a specific agency guideline |
| DSCR loan | Investor qualifying on rental income rather than personal income |
| Foreign national program | Non-U.S. resident investors |
| Private / hard money bridge loan | Buildings with active special assessments, ongoing inspections, or capital improvements where speed and flexibility outweigh rate |

**INVESTOR TIP** *Get the SIRS, milestone inspection report, and master insurance declarations before you write an offer, not during underwriting. A building's reserve health now drives financing eligibility as much as the borrower's own credit profile.*

# Chapter 4 - Financing for Foreign National Investors

Florida remains one of the top U.S. destinations for international real estate capital, and foreign nationals have the same property ownership rights as U.S. citizens, no visa or residency is required to buy. Financing, however, follows a different track than domestic lending: foreign national loans are non-QM products underwritten around passport identification, foreign income and asset verification, and larger reserves, rather than a U.S. credit score or Social Security number.

## Core Program Features

| Feature | Typical Terms |
|---|---|
| Down payment | 20% - 35% (most programs cluster at 25 - 30%) |
| Maximum LTV | up to 75–80%, program-dependent |
| Loan amounts | $150,000 up to $5,000,000+ (portfolio programs to $50M) |
| Identification | Valid passport plus visa or visa-waiver documentation; SSN generally not required |
| ITIN option | Individual Taxpayer Identification Number accepted in place of SSN on many programs |
| Income verification | Foreign bank/employer statements, accountant letters, or DSCR (rental income only) |
| Reserves | Several months of mortgage payments in seasoned, liquid U.S. or foreign accounts (60+ days seasoning typical) |
| Pricing | Priced as a specialized non-QM product; rate reflects down payment, reserves, documentation path, and property type rather than one published market rate |

## Loan Program Options

- Full documentation: complete proof of foreign income, employment, and assets, typically the best pricing among foreign national programs.
- Foreign national DSCR loans: qualify entirely on the property's rental income, with no foreign income documentation required, widely used by overseas investors building Florida rental portfolios.
- ITIN loans: for non-U.S. residents who file U.S. taxes under an ITIN rather than a Social Security number.
- Portfolio / blanket loans: finance multiple investment properties under a single loan, from roughly $1M up to $50M on some programs, suited to established international investors scaling a portfolio.
- Bridge loans: short-term, asset-based financing for foreign buyers who need to close quickly while longer-term financing or a related sale is arranged.

## FIRPTA: What Foreign Sellers Need to Know

The Foreign Investment in Real Property Tax Act (FIRPTA) requires the buyer in a transaction to withhold a percentage of the gross sales price whenever the seller is a foreign person, and remit it to the IRS at closing, this is a withholding on the sale price, not a final tax bill. It applies whenever a foreign national sells Florida investment property, so it belongs in every international investor's exit planning, not just the purchase side.

| Gross Sales Price | Standard FIRPTA Withholding |
|---|---|
| $300,000 or less (buyer will use as a residence, conditions apply) | Often exempt |
| $300,001 – $1,000,000 (buyer will use as a residence) | 10% |
| Over $1,000,000, or any investment/non-residence sale | 15% |

Withholding is calculated on the gross sales price, not the seller's actual gain, so a seller with a modest profit (or even a loss) can still have a large sum withheld at closing. Foreign sellers can apply in advance for an IRS withholding certificate (Form 8288-B) to reduce the withholding to more closely match actual tax liability, and 1031 exchange treatment can defer the underlying tax in qualifying transactions. Any excess withheld is reconciled, and potentially refunded, when the seller files a U.S. tax return for the year of sale.

> **INVESTOR TIP** *Line up FIRPTA planning, and, if applicable, a withholding-certificate application, well before closing on a sale. Waiting until the closing table can tie up a large share of proceeds for months while the IRS processes the return.*

# Chapter 5 - Fix-and-Flip & Rehab Financing

## LTV vs. LTC: A Critical Distinction

Many Florida fix-and-flip lenders quote loans as a percentage of after-repair value (ARV/LTV). This can be risky in a shifting market: if comparable sales soften mid-renovation, the projected ARV, and therefore the lender's funding cap, can drop, leaving an investor short on draw funds partway through a project. Loan-to-cost (LTC) structures, by contrast, anchor funding to the actual project budget (purchase plus rehab), which many 2026 lenders now favor for more predictable draw schedules.

## Typical Fix-and-Flip Structure

| Component | Typical Terms |
|---|---|
| Purchase financing | up to 80 - 85% of purchase price |
| Rehab financing | up to 100% of renovation budget, released in draws |
| Combined LTC cap | up to 85 - 90% of total project cost |
| Term | 12 - 24 months |
| Best-performing purchase band (2026 data) | $100,000 - $200,000 (highest average ROI band) |

## 2026 Market Conditions Investors Should Watch

- Foreclosure pipeline: Florida led the nation in foreclosure filings in 2026, with distressed inventory reported up roughly 20% year-over-year, a growing source of below-market acquisition opportunities.
- Insurance costs: Property insurance has become the single biggest underwriting variable in Florida deals. Skyrocketing premiums have been linked to a reported 12 - 19% pullback in investor activity across coastal metros in 2026, making insurability verification a mandatory step before acquisition, not after.
- Coastal vs. inland divergence: Inland and suburban Florida markets have shown more resilience than coastal metros, partly due to lower insurance exposure and steadier first-time-buyer demand for renovated exit inventory.
- Execution speed: With carrying costs elevated, investors completing renovations in under 120 days are best positioned to protect margin.

> **INVESTOR TIP** *Get a firm insurance quote before you close, not after. In many Florida coastal zip codes, insurance cost alone can turn a profitable flip into a break-even project.*

# Chapter 6 - Florida Investor Market Statistics

## National & State Context, 2026

| Statistic | Figure |
|---|---|
| U.S. investor share of home purchases, Q1 2026 | 19% (little changed year-over-year) |
| U.S. investor purchase volume, Q1 2026 | down 6% year-over-year - lowest since 2020 |
| Median investor capital gain on resale, Q1 2026 | $196,618 (+5.3% year-over-year) |
| Florida foreclosure ranking, 2026 | #1 nationally |
| Foreclosure inventory growth, 2026 | +20% year-over-year |
| Coastal metro investor activity change, 2026 | down 12% – 19% due to insurance costs |
| National 30-year fixed rate (primary residence), Apr. 2026 | 6.40% |

## Orlando Snapshot (April 2026)

- Out-of-state investors accounted for roughly 22% of investor purchases in the month, reflecting continued appeal to buyers seeking Florida rental exposure from other states.
- Absentee ownership (properties held but not owner-occupied) reached approximately 40.5%, notably higher than the out-of-state share, pointing to significant locally sourced but non-occupant investment capital.
- The $250,000–$400,000 price band captured about 41% of investor purchases; combined with the adjacent $400,000–$600,000 band, roughly 70% of investor activity concentrated in the mid-market.
- Corporate entities accounted for roughly 31% of purchases in the reporting period, concentrated in more affordable submarkets.

## What's Driving the Slowdown

Elevated borrowing costs, continued home-price growth in many submarkets, decelerating appreciation, and rising operating expenses (insurance, property taxes, maintenance) have combined to compress margins for both buy-and-hold and fix-and-flip investors relative to the outsized returns of 2020 - 2021. This has made disciplined underwriting, and the right financing partner, more important than ever.

# Chapter 7 - Choosing a Private Lender: A Vetting Checklist

## Questions to Ask Before You Sign a Term Sheet

— Is the loan priced on ARV/LTV or on total project cost (LTC)? Understand exactly how draws will be capped if valuations shift mid-project.

— What is the all-in cost of capital - rate, points, underwriting fees, draw-inspection fees, legal fees, and any prepayment penalty?

— What is the lender's actual average closing timeline in Florida, not just their advertised minimum?

— Does the lender fund short-term rental (Airbnb/VRBO) income for DSCR qualification, and at what rate premium?

— Is the lender a direct lender funding its own capital, or a broker placing the loan with a third party? Direct lenders typically offer more control over timeline and terms.

— What draw schedule and inspection process applies to rehab funds, and how quickly are draws typically released after a request?

— Is the lender licensed to originate in Florida, and can they provide references from recent Florida closings?

— What happens if the project runs past the loan term - is an extension available, and at what cost?

## Red Flags

— Upfront "application" or "commitment" fees required before any underwriting has occurred.

— Term sheets that omit points, fees, or prepayment terms - request everything in writing before you commit time to a deal.

— Rate quotes that seem far outside the ranges in this handbook without a clear explanation tied to your specific risk profile.

— Reluctance to provide references or verifiable proof of funds for a specific deal size.

> **INVESTOR TIP** *Compare at least three lenders on every deal. Rate alone rarely tells the full story - total cost of capital and reliability of execution matter more over a full project cycle.*

# Glossary of Key Terms

| Term | Definition |
|---|---|
| ARV | After-Repair Value - the estimated market value of a property once renovations are complete. |
| DSCR | Debt Service Coverage Ratio - a property's rental income divided by its total debt obligation, used to qualify rental-property loans without personal income documentation. |
| LTV | Loan-to-Value - the loan amount expressed as a percentage of the property's appraised value. |
| LTC | Loan-to-Cost - the loan amount expressed as a percentage of total project cost (purchase plus rehab). |
| Hard Money Loan | A short-term, asset-based loan secured by real property, priced primarily on collateral rather than borrower income. |
| Points | Upfront origination fees charged by a lender, expressed as a percentage of the loan amount (1 point = 1%). |
| Bridge Loan | Short-term financing used to "bridge" the gap between acquisition/stabilization and permanent financing or resale. |
| Draw Schedule | The staged release of rehab funds tied to verified completion of renovation milestones. |
| Absentee Owner | A property owner who does not occupy the property as a primary residence. |
| Warrantable Condo | A condo project that meets Fannie Mae / Freddie Mac eligibility standards, qualifying for standard conventional, FHA, VA, or jumbo financing. |
| Non-Warrantable Condo | A condo project that fails one or more agency guidelines (reserves, insurance, investor concentration, litigation, etc.), requiring Non-QM, portfolio, DSCR, or private financing. |
| SIRS | Structural Integrity Reserve Study -<br>a Florida-mandated engineering and financial study identifying required reserve funding for a condo building's major structural components. |
| Milestone Inspection | A Florida-mandated structural inspection required for condo buildings at defined age thresholds, intended to catch safety issues before they become critical. |
| Special Assessment | A one-time or scheduled charge levied by a condo or HOA on unit owners to cover costs not funded by regular dues or reserves. |
| Full Review (Condo) | The most thorough Fannie Mae / Freddie Mac condo project review, evaluating the association's budget, reserves, insurance, litigation, and eligibility - required for most established projects on applications dated Aug. 3, 2026 or later. |
| ITIN | Individual Taxpayer Identification Number - an IRS-issued number that lets non-U.S. residents without a Social Security number file U.S. taxes and, on many programs, qualify for a mortgage. |

| Term | Definition |
|---|---|
| FIRPTA | Foreign Investment in Real Property Tax Act - requires a buyer to withhold 10–15% of the gross sales price when purchasing property from a foreign seller, remitted to the IRS at closing. |
| Foreign National Loan | A non-QM mortgage program designed for non-U.S. citizens/residents, underwritten on passport ID, foreign income or asset verification, and larger reserves rather than a U.S. credit score. |
| Portfolio / Blanket Loan | A single loan financing multiple investment properties together, commonly used by investors - including foreign nationals - to scale a rental portfolio without separate loans per property. |

# Sources & Disclaimer

## Data Sources

Figures in this handbook were compiled from published rate data and market commentary from private lending industry sources, including: PrivateLenderLink.com (Analytics Logics, Lightning Docs, Elementix, Forecasa aggregated lender data), Crestmont Capital, Stratton Equities, SEP Capital, Gauntlet Funding, Bennett Capital Partners, Cambridge Home Loan, HomeAbroad, Future Home Loans, DSCR Finder, Interconnect Mortgage, The Advantage Lending, Mortgage.Shop, AHL Lending / ATTOM Data Solutions, iBuyer.com, HouseCashin, Stormfield Capital, Live South Florida Realty (citing Redfin data), InsuranceNewsNet / Bennett Capital Partners Mortgage, Mortgage Done Right, North Star Mortgage Network, Florida Realtors, Pegasus Lending, Florida Property Association Trust (FPAT), Heart Mortgage, NQM Funding, Griffin Funding, Make Florida Your Home, DAK Mortgage, EZ Funding Group, the National Association of Realtors (FIRPTA resources), Barnes Walker Title, Finberg Firm PLLC, and the Internal Revenue Service (FIRPTA withholding guidance), among others, current as of Q2 2026.

## Important Disclaimer

This handbook is provided for general educational purposes only and does not constitute financial, legal, or investment advice. Interest rates, loan terms, underwriting guidelines, and market statistics change frequently and vary by lender, borrower profile, and property. Always verify current terms directly with a licensed Florida lender and consult a qualified financial or legal advisor before making investment or financing decisions. This document is not affiliated with, endorsed by, or issued on behalf of any specific lender named above.

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