

# Investment Property Refinance Comparison Chart

## CONVENTIONAL [aka "Residential"]

## COMMERCIAL [aka "LLC"]

	<i><b>"Pros"</b></i>	<i><b>"Cons"</b></i>
<b>Max LTV</b>	75%	65%-70%
<b>Interest Rate</b>	5.25% to 5.50%	6.75% to 7.75%
<b>Max Amortization</b>	30 years	20 years
<b>Loan Type</b>	Rate fixed for life of loan	Rate fixed for only 5 years
<b>Balloon Payments</b>	No balloon ever	May have at the end of 5 years
<b>Typical Points</b>	1 point	2-3 points
<b>Prepay Penalty</b>	Never	Usually
<b>Tenant</b>	In some cases, property need not be rented before refinancing.	Property must be rented before refinance can settle.
<b>Loan Processing Time</b>	30 days or less	45 days +
<b>Criteria for Qualifying</b>	Typically need 680 credit score and 6 months of reserves	Typically need 700+ credit score, high net worth, and at least 1 year investor experience
	<i><b>"Cons"</b></i>	<i><b>"Pros"</b></i>
<b>Title Requirements</b>	Must be in your personal name at the time of settlement	Can be in the name of your LLC (You still personally guarantee)
<b>Timeline on Refinancing</b>	Must wait 6 or 12 months from original purchase date to refi: 6 months if property is mortgaged; 12 months if not mortgaged.	Can refinance property as soon as it is completed/rehabbed and rented
<b># of Financed Properties</b>	<ul style="list-style-type: none"> <li>• If subject transaction is cash out: borrower may have no more than 4 financed properties.</li> <li>• If subject transaction is not a cash out up to 70% LTV: borrower can have up to 10 financed properties but must show 6 months PITI for all properties and have a 720 score.</li> </ul>	Borrower can have unlimited number of financed properties



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