

FIGURE

The ultimate guide to financing real estate investments



Introduction

Real estate is a proven path to building wealth. But here's what separates strategic investors from the rest: they don't treat financing as a one-time hurdle. They treat it as a tool that can unlock more buying power, better returns, and a faster path to scale.

Traditional loans often weren't built for investors. They rely heavily on personal income, come with rigid guidelines, and can limit how fast — or how far — you grow. You might get through your first deal fine, but then hit a wall. Debt-to-income caps. Qualification issues. Slow timelines.

Savvy investors do it differently. They structure their financing around their goals and their deals.

The right loan setup can:

- **Maximize your leverage and cash flow**
- **Help you qualify based on the property, not your paycheck**
- **Support multiple deals without running into income caps**
- **Make your equity work harder, through refinances or reinvestment**
- **Keep your exit options open**

A common pivot point

Picture this: An investor buys their first rental with a traditional mortgage. Then, when it's time to go after a second, they find out they don't qualify despite solid cash flow. Why? Because conventional loans don't count rental income the same way.

Now imagine they use a DSCR (Debt Service Coverage Ratio) loan instead, which qualifies based on the property's rental income. The next deal — and the one after — are suddenly back on the table.

That's not a workaround. That's a smarter strategy.

What you'll find inside

Whether you're buying your first rental or looking to scale a seasoned portfolio, this guide is here to help you think bigger — and move smarter.

Here's what we'll cover:

1. Today's common investor loan types

2. Real-world scenarios that align loan strategy with investment goals

3. A decision tree to help you choose the right tool for you

4. Advanced tactics using equity and flexible loan structures

5. A closer look at modern financing solutions built for investors

The goal? Help you structure financing that works with your strategy — not against it.

Master the building blocks of real estate financing

Before you can structure smarter deals, you need to speak the language. Real estate financing comes with its own set of terms and tools, but once you understand the basics, you'll be able to evaluate loans with confidence and strategy.

Term	What it means	Why it matters
Equity	The difference between your home's market value and what you still owe.	It's your ownership stake — and it can be tapped to fund new deals.
Loan-to-value (LTV)	A ratio that compares the amount of a loan to the value of a property.	The percentage of the property value a lender is willing to finance, often ~80%.
DSCR (Debt Service Coverage Ratio)	A metric that compares a property's net income to its debts.	It helps lenders assess the risk level of financing based on property cash flow.
HELOC (Home Equity Line of Credit)	A flexible, revolving credit line backed by your equity.	Use it to fund purchases, renovations, or bridge gaps — then re-borrow when needed.
Cash-out refinance	A refinance loan for more than you owe, where you pocket the difference.	Lets you convert equity into liquid capital for reinvestment.
Bridge loan	A short-term loan to close quickly on a property or buy time before refinancing.	Ideal for transitional periods or competitive markets.
Fix and flip loan	A short-term loan designed for buying and renovating distressed properties.	Offers fast access to funds for quick-turnaround projects.
BRRRR strategy	Buy, Rehab, Rent, Refinance, Repeat.	A popular method for scaling a portfolio using the same capital more than once.

Your investor readiness checklist

Use this as a quick-reference to prep for loan qualification — whether it's your first deal or your fifteenth.



Credit score

Aim for 680+ (though some products allow lower)



Income verification

- W-2 income for conventional loans or HELOCs
- Rental agreements for DSCR loans



Down payment funds

- Conventional loans or DSCR: typically 20–25%
- HELOC



Asset documentation

- Bank statements
- Lender-conducted appraisal or AVM (for HELOCs or cash-out refs)



Navigating the real estate financing landscape

Every smart investor knows: financing isn't just how you fund a deal, it's how you unlock scale, optimize cash flow, and position your portfolio for long-term growth. But with so many options, finding the right loan can feel overwhelming. These two tools help you cut through the noise.

Compare financing options at a glance

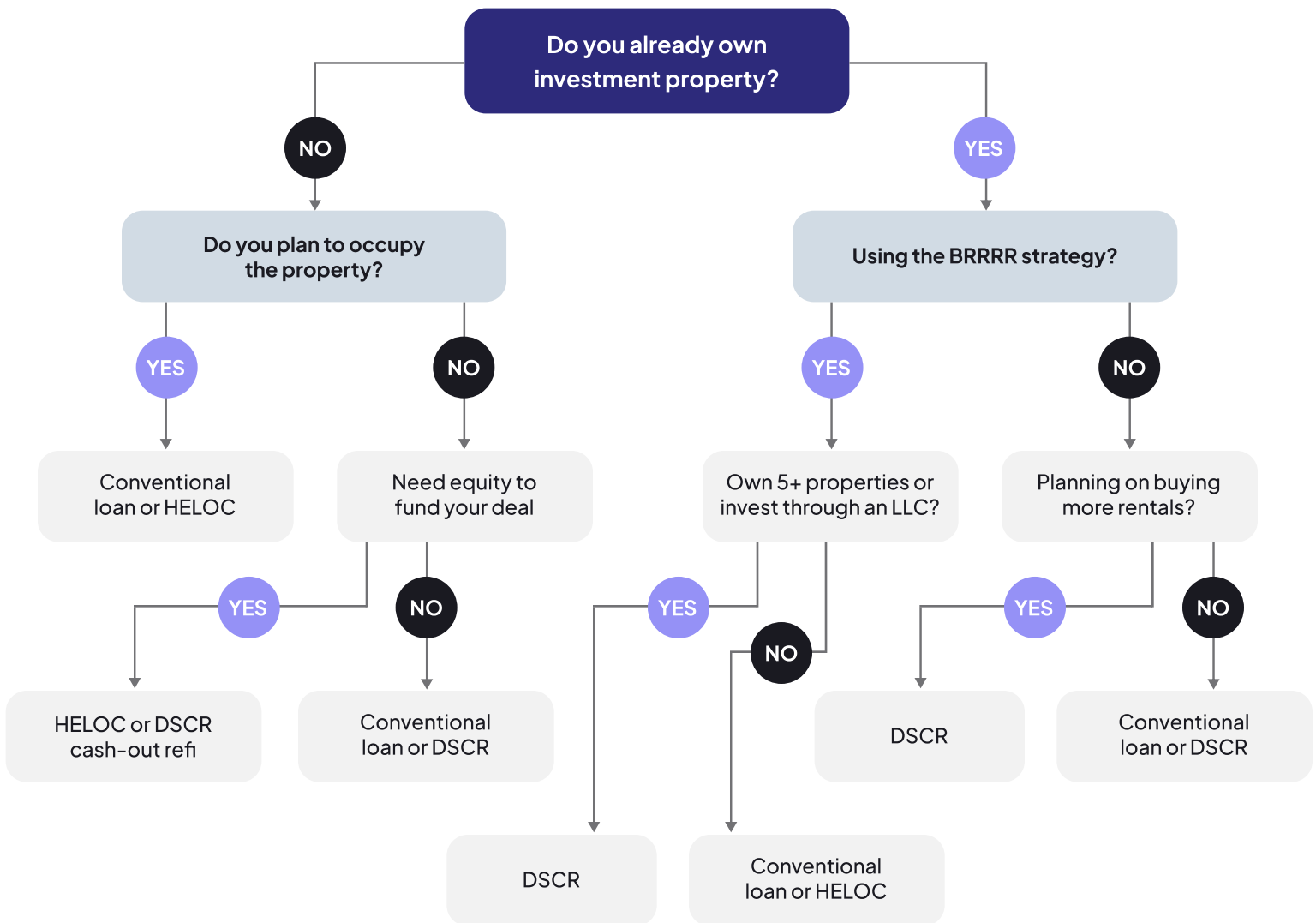
This side-by-side comparison of the most common real estate investor loan types is your financing cheat sheet. It breaks down what each option is best for, what to watch out for, and what you'll need to qualify.

Loan type	Best for	Pros	Cons	Requirements
Conventional	W-2 investors, limited properties	Low rates, stable	Income docs, limited growth	620+ credit, 20–25% down
DSCR	Rental income investors	Fast, asset-based, scalable	Slightly higher rates	DSCR ≥ 1.0, 680+ credit
HELOC	Equity-rich homeowners	Fast equity access	Variable interest rate Figure also has a fixed-rate HELOC¹	Equity, good credit
Bank statement	Self-employed investors	No tax returns	Higher rates, manual review	12–24 months of bank statements
Fix and flip	Rehab and resale investors	Fast funds, renovation-friendly	Short-term, higher costs	Asset-based approval
Bridge	Investors needing quick capital	Fast and flexible	Short-term, higher interest	Clear exit strategy

Choose the right path forward

Whether you're buying your first rental or scaling up with a dozen doors, the loan you choose should work hard for your strategy.

“What’s your investing situation?”



Real estate financing in action

Stories, strategies, and smart funding moves

There's no single "right way" to invest in real estate — just the strategy that works best for you. That strategy evolves over time, and so should your financing.

This section introduces six common investor profiles across the experience spectrum and shows how the right financing unlocks the next stage of growth. Use it to identify your current position and plan your next smart move.



The first-time investor

Steady job, good credit, limited capital — but big plans.

Smart strategies:

- **Conventional loan:** Solid if you've saved for 20–25%.
- **HELOC:** If you already own, use your equity to fund the next move.

Emma's story:

Emma bought her first duplex with a conventional loan, living in one unit and renting the other. After two years of steady cash flow, she tapped a HELOC on her primary home to fund a second rental. Her portfolio — and her confidence — started to grow.



The short-term rental host

High-income potential, flexible lifestyle, income that's tough to document.

Smart strategies:

- **DSCR loan:** Qualifies based on projected rental income, not W-2s or tax returns.

Jakes's story:

Jake, a freelance designer, bought his first Airbnb property using a DSCR loan based on income projections from similar rentals. Two years later, he owns four vacation properties and spends winters managing them from Bali.



The BRRRR builder

Hands-on, renovation-savvy, and focused on recycling capital.

Smart strategies:

- **Fix and flip loan → DSCR refinance:** Buy, renovate, rent, then refinance to get your cash back and do it again.

Laura's story:

Laura spotted a rundown triplex in a hot rental market. She financed it with a fix and flip loan, made value-boosting upgrades, and refinanced with a DSCR loan. Her original capital? Back in her pocket and already funding the next deal.



The portfolio pro

Already owns a few doors, ready to scale fast and efficiently — often via LLC.

Smart strategies:

- **Portfolio DSCR loans:** Unlimited scalability, minimal paperwork, LLC-friendly.

Michael's story:

After his fourth rental, Michael hit a wall with conventional lenders. Switching to DSCR loans let him qualify based on rental performance, not his personal income. Today, he owns 15 properties under his LLC.



The equity recycler

Owns real estate with strong equity and wants to keep deploying it.

Smart strategies:

- **HELOC or DSCR Cash-Out Refi:** Use built-up equity to fund your next acquisition—without selling or waiting.

Carlos's story:

Carlos pulled \$70K from a HELOC on a high-appreciation rental to purchase another duplex. Later, he refinanced both using DSCR loans, freeing up even more capital to keep expanding his portfolio — without touching his savings.



The self-employed strategist

Strong income, but tax returns don't tell the full story.

Smart strategies:

- **Bank statement loans or DSCR loans:** Qualify based on business cash flow or property income, no tax returns needed.

Rebecca's Story:

Rebecca runs a successful e-commerce brand, but her income varies month to month. A bank statement loan helped her purchase her first rental, and she used DSCR loans to scale. Today, she owns five units across two states.

Financing as a strategy

Strategic financing helps you fund more than your next deal — it builds momentum, flexibility, and future leverage. As your goals evolve, revisit this playbook to choose the financing tool that supports your next step.

From strategy to scale: Your next move starts now

You've explored the fundamentals, compared the tools, and seen how real investors use financing to scale smarter. Now, it's time to put that insight to work.

Whether you're gearing up for your first property or your fifteenth, the path forward is simple: choose the loan that works for your goals — not against them. That's where Figure comes in.

5 smart moves to get started

1

Audit your position

- Check your credit, income docs, and available equity.
- Get clear on your budget and borrowing capacity.

2

Define your goals

- Do you want to grow monthly cash flow? Expand into new markets?
- Outline your next move — and the one after that.

3

Match your financing

- Use this guide to help find the product that fits.
- Conventional loan? DSCR? HELOC? Choose based on your strategy.

4

Line up your lender

- Get prequalified so you can move fast when deals appear.
- Talk to a lending partner who understands investor needs (hint: Figure does).

5

Keep evolving

- Revisit your financing as your portfolio and the market shift.
- Refinance, reinvest, and restructure when it serves your long game.

Why Figure is built for investors

Traditional lenders weren't designed for real estate investors. Figure is.

Here's what makes us different:



Speed that closes deals

- HELOCs fund in as few as 5 days² vs traditional 45 days
- DSCR loans close in 10–21 days on average vs traditional 30–45 days³



Scalable by design

- No property count caps
- Perfect for long-term portfolio growth



Easy access to equity

- Tap into existing properties with a HELOC or DSCR cash-out
- Borrow, repay, and re-borrow as opportunities arise



100% digital application, 100% transparent

- Apply for a HELOC or DSCR loan online, get approval in 5 minutes²
- No in-person appraisals^{2,4} or notary² appointments in most cases

Make your move

You don't need perfect timing. You need the right tools, the right partner, and the confidence to act.

Figure gives you all three. Whether you're just starting or scaling fast, our digital platform, flexible loan options, and investor-first approach are built to move at your speed.

Explore Figure's DSCR and HELOC solutions.

Apply online in minutes. Get ready to fund your next deal — on your terms.

[Get started with Figure](#)

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1. The Figure Fixed Rate Home Equity Line is an open-end product where the full loan amount (minus the origination fee) will be 100% drawn at the time of origination. The initial amount funded at origination will be based on a fixed rate; however, this product contains an additional draw feature. As the borrower repays the balance on the line, the borrower may make additional draws during the draw period. If the borrower elects to make an additional draw, the interest rate for that draw will be set as of the date of the draw and will be based on an Index, which is the Prime Rate published in the Wall Street Journal for the calendar month preceding the date of the additional draw, plus a fixed margin.
2. For a Figure HELOC, approval may be granted in five minutes but is ultimately subject to verification of income and employment, as well as verification that your property is in at least average condition with a property condition report. Five business day funding timeline assumes closing the loan with our remote online notary, and where loan amounts are under \$400,000 which would not require an appraisal. Funding timelines may be longer for loans secured by properties located in counties that do not permit recording of e-signatures or that otherwise require an in-person closing, or that require a waiting period prior to closing, or where loan amounts exceed \$400,000.
3. For a Figure DSCR loan, five-business day funding timeline assumes active borrower engagement and opting-in to the use of third-party API underwriting tools. Funding timelines will be longer for loans requiring a full field appraisal.
4. An automated valuation model (AVM) report is required for DSCR loan amounts under \$400,000. A full appraisal is required for loans \$400,000 or more. A drive-by valuation may be required in some cases for DSCR loan amounts under \$400,000 if the AVM confidence score is low. If a drive-by valuation is not available in the state for loan amounts under \$400,000 a full appraisal will be required.