

BFS rental property—we're invested*

Have a self-employed client looking to purchase an investment property? No matter your client's scenario, we're committed to finding flexible solutions that meet real-life needs.

Read how Equitable Bank delivers in the details below.

Meet "Sharon"



Let's assume your client, Sharon, has long been interested in owning multiple properties and finally feels she's in a financial position to become an investor. She's a successful photographer and currently owns her home in North York. Sharon has found a property she'd like to purchase in downtown Toronto.

The property has two rental units: the main floor and a basement suite. Both units are currently tenanted with active lease agreements. Sharon has her own corporation and would like to make this purchase under the corporation's name, based on her accountant's suggestion.

Tip: These types of details are important to include on your application, as it helps our underwriters understand your client's full financial picture.

Note:

- **Equitable Bank allows rentals to be purchased under a corporation or holding company**
- **Equitable Bank can combine rental properties with our BFS program**
- **Gifted down payment can be considered on rental purchases**

Rental highlights

- 95% offset on non-subject rentals
- 95% add-back for subject rentals
- Must be a self-contained unit
- Purchase under a holding corporation considered

Income breakdown

You know Equitable Bank has a strong BFS program that can do rental purchases and refinances. Sharon's been a photographer for 8 years, is well-established, and busy year-round. You collect 12 months of business bank statements and her FICO Score of 647.

You total the annual business expenses and subtract that from your client's gross income to determine net income. This number goes at the bottom of the form and is used to qualify your deal. After review, you've determined that she currently earns about \$138k per year in net income.

Note: Check out our DOI credit scenario, so you know exactly how to complete it!

Rental income

At Equitable Bank, we have a competitive rental program. In this case, Sharon is purchasing a non-owner-occupied rental property; therefore, we can consider using a 95% add back.

Note: For a rental property to be considered, it must be a self-contained unit with a separate entrance, bathroom, and kitchen. We also require valid lease agreements for both units.

Since the rental income qualifies, you were able to get Sharon's ratios in line and submit the deal to Equitable Bank for review.

Now, let's fund this deal!

Are your ratios out of line?

We have flexible options for you and your client—**reach out to your Sales Representative** to see what solutions we can offer!

Want more credit scenarios or educational resources? Check out our [Resource Library](#).

Select documents required:

- Articles of incorporation or Master Business License
- 12 months business bank statements or business financials
- Signed and completed Declaration of Income form (DOI) highlighting all business expenses and business ownership
- Active lease agreements
- Any additional supporting documents

Terms, conditions, and interest rates are subject to change without notice. Additional documentation may be requested. Additional pricing or mortgage lending criteria may apply. This information is for the intended recipient only and not for distribution without written consent.

*For illustrative purposes only. Lending criteria subject to change without notice.

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Not sure if your client's scenario will fit with us? Contact your sales representative to find out

Ready to help your clients get started?

Browse the list of resources below and get in touch with your sales representative to discuss opportunities.



[Marketing Library](#)



[Approved appraisers list](#)

For more information, visit equitablebank.ca