I created these interactive Debt Sizing Matrices after I observed that my colleagues and I were continually running the same calculations when trying value a property and/or size a loan.

DSCR Matrix

For the DSCR Matrix I took a step back one day and realized that the inputs we were often wrestling with (Cap Rate, LTV, Amortization, DSCR, Interest Rate) could all be succinctly displayed in a matrix that can serve as both a DSCR check and a lookup table.

To use the table:

1. Set the Rate (Cell H2) the loan will be priced at
2. Set the Amortization (Cell I2) that the loan would need
3. Then you can use the LTV/Cap Rate lookups to understand where the loan would have to be in order to meet minimum Debt Service Coverage
    - >1.25 = White
    - 1.01-1.25 = Yellow
    - <1.01 = red

Percent of Loan Request

I created the Percent of Loan Request Matrix so that we can quickly give a broker feedback of just how much in proceeds we would feel comfortable with – the broker can then give us guidance of whether to keep working or not.

1. The table is quite easy to use:
2. Set the Cap Rate the broker is using in the request
3. Set the LTV the broker is using in the Request
4. Using the Cap Rate column, find where you would be comfortable valuing the property
5. Using the LTV row find the leverage that you would be comfortable at
6. The percentage displayed at the intersection is the percentage of requested proceeds
    a. E.G. if you get 89% and the request is for $10,000,000, the proceeds offered would be $8,900,000