Financing an Airbnb: Short-Term Rental Loans Explained

How to finance a vacation rental — DSCR loans that count Airbnb income, second-home rules, and what Florida STR investors need to know before buying.

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Florida is the short-term rental capital of America — Orlando alone hosts tens of millions of visitors a year, and a well-run vacation rental near the parks or the beach can gross two or three times what a long-term lease would. The catch has always been the financing: traditional lenders don't know what to do with Airbnb income. The wholesale market does.

The Three Financing Lanes

Lane	How it works	Best for
DSCR for STR	Qualifies on the property's rental income — including short-term revenue — not yours. ~20–25% down.	Pure investment purchases, LLC ownership, portfolio builders
Second-home loan	10% down, near-primary rates — if the home is genuinely for your use, with rental when you're away.	A vacation home you'll actually use that also earns
Foreign national + DSCR	No SSN or U.S. credit needed; property income qualifies the deal.	Buyers living abroad wanting U.S. vacation-rental income

The second-home rule, honestly. Second-home loans require genuine personal use and prohibit management-company control — misrepresenting occupancy to get the cheaper loan is fraud. If it's really an investment, DSCR is the honest lane, priced for exactly that. We'll tell you plainly which side of the line your plan falls on.

How Lenders Count Airbnb Income

On a DSCR loan, the property must cover its own payment. For short-term rentals, lenders establish income from:

- **Existing STRs:** 12 months of actual revenue (Airbnb/VRBO statements) — usually averaged, sometimes with a haircut
- **New purchases:** the appraiser's market-rent figure, or third-party projection data (e.g., AirDNA) with lenders that accept it — often the long-term market rent sets the floor

Because rules differ sharply by lender — some average 12 months, some cap at long-term rent, some take AirDNA outright — the same property can qualify at one shop and fail at another. This is broker territory.

The Non-Financing Homework (Do This First)

1. **Local rules.** Some Florida cities and HOAs restrict or license short-term rentals; metro Atlanta rules vary block by block. Verify the address is STR-legal *before* contract — zoning kills more deals than financing does.
2. **Real expense math.** STRs gross more but spend more: management (20–30% if outsourced), cleaning, utilities, furnishing, platform fees, insurance riders. Model the net, not the Airbnb screenshot.
3. **Seasonality.** Orlando and beach markets swing hard by season — reserves matter more than with a 12-month tenant.
4. **Taxes.** STR income has its own tax personality (lodging taxes, and different IRS treatment for short average stays). A CPA who knows STRs is part of the team.

> A couple in Atlanta bought a $380,000 pool home near Kissimmee as a pure investment: DSCR loan, 20% down ($76,000), in their LLC. The lender qualified it on the appraiser's rent figure; their actual first-year Airbnb revenue ran well above it. The property covers its payment with margin — and their tax returns were never part of the conversation.

Start with the Address

Send us the listing before you offer. We'll check which lenders' STR rules fit it, what the DSCR math looks like under each, and whether second-home or foreign-national structures apply to your situation — in English, Portuguese, or Spanish.

Let's Talk About Your Mortgage

Our team serves you in English, Portuguese, and Spanish — no cost, no obligation.

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