

Carrying Capacity

How long you could carry what you owe if something goes wrong.

The stress being tested (income down 25 percent, one rental vacant, two rentals vacant, a \$30,000 repair, an insurance increase, an ARM adjustment, a family obligation)

Line	Base case	Under stress
Income / rental revenue		
Required debt service		
Taxes and insurance		
Other fixed obligations		
Monthly surplus or shortfall		
Reserves allocated to this stress		
Months of runway (reserves ÷ shortfall)		

Now combine them

Scenario	Monthly shortfall	Reserves remaining	Months of runway
Base			
Stress 1			
+ Stress 2			
+ Stress 3			

The number at the bottom right is the one that matters. It is not a guarantee, an underwriting standard, or a recommendation — it is how long you would have to make a deliberate decision instead of a forced one.