

# FREDDIE MAC STUDENT HOUSING LOAN

- Ability to achieve up to 80% LTV
- Interest-only loans available and can vary by loan term and leverage levels
- Ability to obtain a supplemental loan within one year of financing
- All dedicated student property types are eligible for financing, including garden, cottage, mid-rise and high-rise properties
- Newly built properties or assets with less than 2 years of stabilized operating history may require DCR/LTV adjustments
- Pre-leasing reserve requirement could be applicable during specific time periods and pre-leasing levels

<b>TERMS</b>	5-10 years (up to 30 years for fixed-rate loans if loan is not purchased for securitization)
<b>AMOUNT</b>	Generally, \$5 million to \$100 million (larger and smaller loans will be considered)
<b>MAXIMUM AMORTIZATION</b>	30 years
<b>FINANCING OPTIONS</b>	Acquisition or refinance
<b>GROUND LEASE</b>	Ground lease for land owned by a college or university may be permitted with prior approval
<b>LEASE PARAMETERS</b>	<ul style="list-style-type: none"> <li>• Individual tenant lease by the apartment, bedroom, or by the bed</li> <li>• Rent under a master lease may be permitted with prior approval</li> </ul>
<b>LEASE TERMS</b>	12-month lease is preferred, although a shorter lease (of nine months or more) will be considered
<b>LEASE GUARANTY</b>	Parental guaranty is preferred
<b>RECOURSE REQUIREMENTS</b>	Non-recourse except for standard carve-out provisions
<b>SUPPLEMENTAL LOANS</b>	Available subject to requirements in the Loan Agreement and current Freddie Mac program and product requirements at the time of the supplemental loan request
<b>EXCLUSIONS</b>	Residence halls or other multiple occupancy rooms with a shared common bathroom and centralized food service areas or dining halls
<b>TAX AND INSURANCE ESCROW</b>	Generally required
<b>REPLACEMENT RESERVE DEPOSIT</b>	Generally a minimum of \$150 per bedroom or \$300 per unit
<b>APPLICATION FEE</b>	Greater of \$2,000 or 0.1% of loan amount
<b>EARLY RATE-LOCK OPTIONS (FOR FIXED-RATE LOANS)</b>	Early rate-lock and Index Lock options available; Optigo® Sellers should consult with their regional Freddie Mac representative to determine eligibility

## ELIGIBLE BORROWERS

- Borrower may be a limited partnership, corporation, limited liability company, or a tenancy in common (TIC) with 10 or fewer tenants in common
- General partnerships, limited liability partnerships, real estate investment trusts (REITs) and certain trusts may also be acceptable in limited circumstances, subject to additional requirements
- Borrower must generally be a Single Purpose Entity (SPE); however, on loans less than \$5 million, upon borrower's request, a borrower other than a TIC may be a Single Asset Entity instead of an SPE
- If the borrower is structured as a TIC, each tenant in common must be a SPE

## ELIGIBLE PROPERTY TYPES

- Purpose-built student housing properties; must have a minimum of one bathroom for every two bedrooms, and each apartment must have a separate full kitchen
- Stabilized garden, mid-rise and high-rise apartment properties that are greater than 50 percent occupied by student tenants
- Supporting college/university has 8,000 or more students; student housing properties located within close proximity to multiple schools that have a combined student body of 8,000 students or more will be considered
- Property is located less than two miles from college/university or on a public transportation route

# FREDDIE MAC STUDENT HOUSING LOAN, cont'd.

<b>OTHER OPTIONS AND REQUIREMENTS</b>	Please refer to the Fixed-Rate Loan or Floating-Rate Loan term sheets for additional information
<b>REFINANCE TEST</b>	No Refinance Test is necessary if the loan has an amortizing debt coverage ratio (DCR) of 1.40x or greater and a loan-to-value (LTV) ratio of 65% or less; all partial-term interest-only loans must pass the Refinance Test

## LOAN-TO-VALUE (LTV) RATIOS AND AMORTIZING<sup>1</sup> DEBT COVERAGE RATIOS (DSCR)<sup>2</sup>

Student Housing Base Conventional Maximum LTV and Minimum DCR	Fixed-Rate/Floating-Rate <sup>3</sup> LTV/DCR		
	Amortizing	Partial-Term Interest-Only <sup>4</sup>	Full-Term Interest-Only
<b>ACQUISITIONS AND REFINANCES</b>			
<b>≥ 5-Year and &lt; 7-Year Term</b>	75% / 1.35x	75% / 1.35x	65% / 1.45x
<b>7-Year Term</b>	80% / 1.30x	80% / 1.30x	70% / 1.40x
<b>&gt; 7-Year Term</b>	80% / 1.30x	80% / 1.30x	70% / 1.40x

<sup>1</sup> The DCR calculated for the partial-term interest-only and full-term interest-only periods uses an amortizing payment.

<sup>2</sup> Adjustments may be made depending on the property, product and/or market. For properties with less than 2 years of leasing operations, subtract 5% from the LTV and add 0.05 to the DCR.

<sup>3</sup> Floating-rate proceeds are calculated based on the comparable fixed note rate.

<sup>4</sup> For partial-term interest-only loans, there must be a minimum amortization period of 5 years for loans with terms greater than 5 years. Acquisition loans with 5-year terms may have up to 1 year of partial-term interest-only. For terms of 10 years or more, loans may have interest only in an amount equal to no more than half of the loan term.