

Freddie Mac Conventional Student Housing Mortgage Loan

GREYSTONE

Description

Financing for the acquisition or refinance of purpose-built student housing. Newly built properties or assets with less than two years of stabilized operating history may require DSCR / LTV adjustments. Pre-leasing reserve requirement could be applicable during specific time periods and pre-leasing levels.



Eligible Properties

- 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% occupied by student tenants
- Focused on colleges / universities with increasing enrollment trends
- Property is located less than two miles from college / university or on a public transportation route

Exclusions

Residence halls or other multiple occupancy rooms with a shared common bathroom and centralized food service areas or dining halls

Ground Lease

Ground lease for land owned by a college or university may be permitted with prior approval

Lease Parameters

Individual tenant lease by the apartment, bedroom, or by the bed. Rent under a master lease may be permitted with prior approval.

Lease Terms

12 month lease is preferred, although a shorter lease (of nine months or more) will be considered

Lease Guaranty

Parental guaranty is preferred

Loan Amount

Generally, \$5 to \$100 million (larger and smaller loans will be considered)

Loan Term

5-10 years (up to 30 years for fixed-rate loans if loan is not purchased for securitization)

Max Amortization

30 years

Max Loan to Value

80%, varying with loan term and interest-only

Minimum Coverage

1.30x, varying with loan term and interest-only

Borrower

- Borrower may generally 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, REIT's 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 \$5M, upon Borrower's request, a Borrower other than a TIC may be a Single Asset Entity (SAE) instead of an SPE
- If the Borrower is structured as a Tenancy in Common (TIC), each Tenant in Common must be a SPE

Interest Rate

Risk-based pricing, varying with LTV, DSC ratios, and geographic location

Third Party Reports

MAI Appraisal, Zoning Report, Physical Needs Assessment, and Environmental Phase I Assessment.

Tax, Insurance, & Replacement Reserves

Tax and insurance escrows are generally required. Replacement Reserve Deposit is generally a minimum of \$150 per bedroom or \$300 per unit.

Lender Application Fee

\$15,000; covers 3rd party reports and processing / underwriting costs

Freddie Mac Application Fee

Greater of \$2,000 or 0.1% of loan amount

Rate Lock

Early rate-lock and Index Lock options available

Assumability

Loan is assumable, subject to lender approval of proposed replacement Borrower. Fees include 1% assumption fee, part of which is paid to Freddie and a processing fee to cover Lender's underwriting expenses.

Supplemental Loan Availability

Yes, subject to requirements specified in the Loan Agreement and current Freddie Mac Program and product requirements at the time of the supplemental loan request

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