

# Freddie Mac Conventional Student Housing Mortgage Loan

GREYSTONE



## Description

Financing for the acquisition or refinance of purpose-built student housing. May consider shorter student lease terms and combined student body of multiple schools to meet eligibility requirements.

## 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
- Supporting college / university has 10,000 or more students; student housing properties located within close proximity to multiple schools that have a combined student body of 10,000 students or more will be considered
- 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%

## Minimum Coverage

1.30x

## 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, Physical Needs Assessment, and Environmental Phase I Assessment are required, plus Seismic Report may be required for properties in Seismic Zones 3 and 4

## Tax, Insurance, & Replacement Reserves

Tax and insurance escrows are generally required. Funded Repair & Replacement escrow is generally a minimum of \$150 per bedroom or \$300 per unit.

## Recourse Requirements

Non-recourse except for standard carve-out provisions

## 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

## Origination Fee

Competitive

## Legal Fees

\$8,000 to \$12,000 varying with characteristics of the deal

## 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 \$5,000 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