

Arbor's Student Housing financing product provides attractive terms and competitive prices for the purchase or refinance of properties that, because of construction and location, specifically cater to a student tenant base and may or may not be readily convertible to conventional multifamily housing.

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; 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 a single-purpose entity
- If the borrower is structured as a TIC, each tenant in common must be a single-purpose entity

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% occupied by student tenants
- The supporting college/university must have 15,000 or more students; student housing properties located within close proximity to multiple schools that have a combined student body of 15,000 students or more will be considered
- Property is located less than two miles from college/university or on a public transportation route

Loan Amount

\$5M to \$100M (larger and smaller loans will be considered)

Loan Terms

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

Maximum Amortization

30 years

Financing Options

Acquisition or refinance

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 at least nine months) will be considered

Lease Guaranty

Parental guaranty is preferred

Minimum DSCR

1.30x / 1.35x / 1.40x / 1.45x (Refer to: [Student Housing Loan \(freddiemac.com\)](https://www.freddiemac.com/student-housing/loan) for grid)

Maximum LTV

65% / 70% / 75% / 80% (Refer to: [Student Housing Loan \(freddiemac.com\)](https://www.freddiemac.com/student-housing/loan) for grid)

Tax and Insurance Escrows

Generally required

Replacement Reserve Deposit	Generally, a minimum of \$150 per bedroom or \$300 per unit
Recourse Requirement	Non-recourse except for standard carve-out provisions
Supplemental Loans	Available subject to requirements in the loan agreement and current Freddie Mac program and product requirements at the time of the supplemental loan request
Exclusions	Residence halls or other multiple occupancy rooms with a shared common bathroom and centralized food service areas or dining halls
Early Rate-Lock Options (For Fixed-Rate Loans)	Early rate lock and index lock options available
Refinance Test	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 60% or less
Application Deposit	Greater of \$2,000 or 0.1% of loan amount