

Arbor's DUS<sup>®</sup> Student Housing 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 that may or may not be readily convertible to conventional multifamily housing.

## Benefits

- Customized solutions
- Competitive pricing
- Certainty of execution
- Speed in processing and underwriting

## Eligibility

- Existing, stabilized properties that cater to a student tenant base because of design, tenancy, or location
- Strong operators with proven records of accomplishment in student housing
- Properties can be rented on a per-unit or per-bed basis

## Term

Five-30 years

## Amortization

Up to 30 years

## Interest Rate

Fixed and variable rate options available

## Maximum LTV

75%

## Minimum DSCR

- 1.30x for fixed-rate mortgage loans; and
- 1.05x for variable-rate mortgage loans, subject to a Fixed-Rate Test.

## Property Considerations

Cannot be located on university-owned land (except for a Dedicated Student Housing Property as described below).

## Supplemental Financing

Supplemental Mortgage Loans are available.

## Prepayment Availability

Flexible prepayment options are available. Mortgage loans may be voluntarily prepaid upon payment of yield maintenance or declining prepayment premium for fixed-rate mortgage loans and declining prepayment premium for variable-rate mortgage loans.

## Rate Lock

30- to 180-day commitments; Borrowers may rate lock using the Streamlined Rate Lock Option

## Accrual

30/360 and Actual/360

## Recourse

Non-recourse execution with standard recourse carve-outs required for "bad acts" such as fraud and bankruptcy

## Escrow

Replacement Reserve, tax, and insurance escrows are typically required

## **Third-Party Reports**

Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment

## **Assumption**

Mortgage Loans are typically assumable, subject to review and approval of the new borrower's financial capacity and experience

## **Dedicated Student Housing Properties**

Dedicated Student Housing Properties (i.e., 80% or more units leased to undergraduate or graduate students) require additional underwriting documentation. In addition, a Dedicated Student Housing Property must:

- Be near a campus with at least 10,000 full-time student enrollment;
- Be within two miles of a campus boundary line or on a college/university-owned transportation line;
- Have operated for at least 1 full school year (i.e., August/September through April/May), and be in its 2nd full year of operations; and
- At least 80% of all leases have 12 month lease terms with parental guaranties or be leased by students having the financial ability to pay for the required rent (whether through employment or other documented financial means)

A Dedicated Student Housing Property may be located on university-owned land if the Key Principal has had a minimum of five years of Dedicated Student Housing experience, and operates at least one other Dedicated Student Housing Property located on college- or university-owned land.