

# Student Housing

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 (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 a 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, each apartment must have a separate full kitchen and bathroom
- 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

## LTV Ratios and Amortizing<sup>1</sup> DCR<sup>2</sup>

Student Housing Base Conventional Maximum LTV and Minimum DCR	Fixed-Rate and Floating-Rate <sup>3</sup> LTV/DCR		
	Amortizing	Partial-Term Interest-Only <sup>4</sup>	Full-Term Interest-Only

### Acquisitions and Refinances

≥5-Year and < 7-Year Term	75%/1.30x	75%/1.30x	65%/1.40x
≥7-Year Term	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 period uses an amortizing payment.

<sup>2</sup>Adjustments may be required depending on the property, product and/or market. For properties with less than two 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 five years. Acquisition loans with 5-year terms may have up to one 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.

## Terms

5-, 7- and 10-years

## Amount

Minimum \$5 million

<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 may be permitted with prior approval
<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 dormitories 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
<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 DCR of 1.40x or greater and a LTV ratio of 60% or less