

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 a case-by-case basis, 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 Amortizing¹ DCR²

Student Housing Base Conventional Maximum LTV and Minimum DCR	Fixed-Rate and Floating-Rate ³ LTV/DCR		
	Amortizing	Partial-Term Interest-Only ⁴	Full-Term Interest-Only
Acquisitions and Refinances			
≥5-Year and < 7-Year Term	75%/1.25x	75%/1.25x	65%/1.25x
7-Year Term	80%/1.25x	80%/1.25x	65%/1.25x
≥7-Year Term	80%/1.25x	80%/1.25x	70%/1.25x

¹The DCR calculated for the partial-term interest-only and full-term interest-only period uses an amortizing payment.

²Adjustments 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.

³Floating-rate proceeds are calculated based on the comparable fixed note rate.

⁴For partial-term interest-only loans, there must be a minimum amortization period of 2 years and a maximum maturity LTV of 70%, subject for adjustment for certain property and loan types.. All mortgages with less than two years of amortization must meet the requirements for full-term Interest-Only mortgages.

Terms

5-, 7- and 10-years

Amount	Minimum \$5 million
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	<ul style="list-style-type: none"> • 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 may be permitted with prior approval
Lease Guaranty	Parental guaranty is preferred
Recourse Requirements	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 dormitories with a shared common bathroom and centralized food service areas or dining halls
Tax and Insurance Escrow	Generally required
Replacement Reserve Deposit	Generally, a minimum of \$150 per bedroom or \$300 per unit
Application Fee	Greater of \$2,000 or 0.1% of loan amount
Early Rate-Lock Options (for Fixed-Rate Loans)	Early Rate-Lock and Index Lock options available
Other Options and Requirements	Please refer to the Fixed-Rate Loan or Floating-Rate Loan term sheets for additional information
Refinance Test	No Refinance Test is necessary if the loan has an amortizing DCR of 1.40x or greater and an LTV ratio of 60% or less