

## DUS® Student Housing Loan Program

Fannie Mae's Multifamily Mortgage Business provides financing options for student housing, which is defined as a conventional multifamily property where 20% or more of the units are leased to undergraduate and/or graduate students, or a property that is specifically built or leased for student housing.

### Benefits:

- Customized solutions
- Flexible financing
- Competitive pricing
- Certainty and speed in execution

### Eligibility:

- Existing, stabilized properties that because of design, tenancy, or location, are specifically marketed to student tenant bases
- Strong operators with a proven record of accomplishment in student housing
- Properties rented on a per-unit or per-bed basis

Description	Non-recourse, fixed and adjustable rate financing for the acquisition or refinance of stabilized Student Housing (20% to 80% student concentration) and Dedicated Student Housing properties (greater than 80% student concentration)
Loan Amount	Minimum \$3 million
Loan Terms	5-, 7-, 10- or 15-year balloon; 20-, 25- or 30-year fully amortizing
Amortization	25 or 30 years; Interest Only may be available based on leverage and loan terms
Loan to Value Maximum	Maximum 75% of appraised value, or, if a property has been purchased within the past 12 months, 75% or lower of appraisal or purchase price (and up to 3% of closing costs) plus value added renovation
Coverage Minimum	1.30x fixed rate / 1.05x adjustable rate (based on loan coupon plus 3%)
Borrower	Domestic single asset borrowing entity is required
Interest Rate	Risk-based "Tier" pricing, varying with LTV and DSC ratios
Prepayment	Yield Maintenance with no lockout
Third Party Reports	MAI Appraisal, Physical Needs Assessment, and Environmental Phase I Reports are required; Seismic Reports may be required for properties in Seismic Zones 3 and 4
Reserves	Tax and Insurance escrow are required; Funded Repair and Replacement escrow is required, based on Physical Needs Assessment; for loans less than 65% of value with no deferred maintenance, funding of repair and replacement reserve can be waived at Lender's discretion
Application Fees	\$15,000 to cover third party reports and processing/underwriting costs
Origination Fee	Fannie Mae requires a minimum origination fee equal to one percent of loan amount for loans of \$9 million or less; minimum fees decrease with increasing loan size; Origination Fee can be charged "outside" of the interest rate as a separate fee, or it can be built into the rate
Legal Fees	\$8,000-\$12,000, varying on characteristics of the deal
Timing	45-60 days from application to commitment, dependent on 3 <sup>rd</sup> party report timing and borrower's submission of due diligence
Rate Lock	Typically, lock occurs after commitment is issued; Early Rate Lock option is available, allowing rate lock within 3-4 weeks of application
Assumability	Loan is assumable, subject to lender approval of proposed replacement borrower; fees include one percent assumption fee, part of which is paid to Fannie Mae, and a \$3,000 processing fee to cover lender's underwriting expenses
Ineligible Property Characteristics	A property that offers food service and/or a property on college/university owned land
Requirements	(Not required for student concentration below 80%) <ul style="list-style-type: none"> <li>a) Pre-review requirement with Fannie Mae,</li> <li>b) Near a campus with at least 20,000 students,</li> <li>c) Within 2 miles of campus or on public/university transportation line,</li> <li>d) Parental lease guarantees or financially qualified students required, and</li> <li>e) Lease terms must be a minimum of 12 months</li> </ul>