FREDDIE MAC OPTIGO®

Student Housing Loan

CUSTOM FINANCING FOR A SPECIFIC PURPOSE

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 an 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 seperate 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 2 miles from college/university or on a public transportation route.
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	• 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 shorter leases 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 debt coverage ratio (DCR) of 1.40x or greater and a loan-to-value (LTV) ratio of 60% or less.

LTV Ratios and Amortizing[1] DCR[2]

STUDENT HOUSING MAXIMUM LTV AND MINIMUM DCR[2]	FIXED-RATE AND FLOATING-RATE[3] LTV/DCR			
	Amortizing and Partial Interest Only[4]		Full-Term Interest-Only	
	Minimum Amortizing DCR	Maximum LTV	Minimum Amortizing DCR	Maximum LTV
≥ 5-YEAR AND < 7-YEAR TERM	1.30x.	75%	1.30x.	65%
7-YEAR TERM	1.30x.	80%	1.30x.	65%
>7-YEAR TERM	1.30x.	80%	1.30x.	70%

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

[2]Adjustments may be made 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.

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

[4]For 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 <2 years of Amortization must meet the requirement for full-term Interest Only Mortgages.