

FREDDIE MAC OPTIGO®

Student Housing Loan

As a leader in the student housing finance sector, we offer extensive experience with this product type and can customize loans to fit your needs. Our expertise provides a robust understanding of student housing's specific attributes and a large breadth of familiarity with most universities across the country.

CUSTOM FINANCING FOR A SPECIFIC PURPOSE

ELIGIBLE BORROWERS	<ul style="list-style-type: none"> • 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 an SPE. • If the borrower is structured as a TIC, each tenant in common must be a SPE.
ELIGIBLE PROPERTY TYPES	<ul style="list-style-type: none"> • Purpose-built student housing properties; must have a minimum of one bathroom for every two bedrooms, and each apartment must have a separate full kitchen. • Stabilized garden, mid-rise and high-rise apartment properties that are greater than 50% occupied by student tenants. • Supporting college/university has 8,000 or more students; student housing properties located within close proximity to multiple schools that have a combined student body of 8,000 students or more will be considered. • Property is located less than two miles from college/university or on a public transportation route.
TERMS	5-10 years (up to 30 years for fixed-rate loans if loan is not purchased for securitization).
AMOUNT	Generally, \$5 million to \$100 million (larger and smaller loans will be considered).
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 (of nine months or more) will be considered.
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 other multiple occupancy rooms with a shared common bathroom and centralized food service areas or dining halls.
TAX AND INSURANCE ESCROW	Generally required.

In its prequalifying review, Lument will attempt to estimate both the loan amount and the fees and costs associated with the transaction. Actual loan amounts and actual fees and expenses may vary from the prequalifying estimates. A prequalifying estimate is not a commitment to make a loan.

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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; Optigo lenders should consult with their regional Freddie Mac representative to determine eligibility.
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.

Loan-to-Value (LTV) Ratios and Amortizing¹ Debt Coverage Ratios (DCR)²

STUDENT HOUSING BASE CONVENTIONAL MAXIMUM LTV AND MINIMUM DCR	FIXED-RATE/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% / 1.35x.	75% / 1.35x.	65% / 1.45x.
7-YEAR TERM	80% / 1.30x.	80% / 1.30x.	70% / 1.40x.
> 7-YEAR TERM	80% / 1.30x.	80% / 1.30x.	70% / 1.40x.

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

²Adjustments may be made depending on the property, product and/or market. For properties with less than 2 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 5 years for loans with terms greater than 5 years. Acquisition loans with 5-year terms may have up to 1 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.