



Fannie Mae Student Housing

Financing for Student Housing Properties

Eligibility

- Existing, stabilized properties that cater to a student tenant base because of design, tenancy, or location.
- Strong operators with proven records of accomplishment in student housing.
- Properties rented on a per-unit or per-bed basis.
- More than 40% of the units must be leased to undergraduate or graduate students.

Term

5 – 30 years.

Amortization

Up to 30 years.

Interest Rate

Fixed- and variable-rate options available.

Leverage

Max. 75% LTV

Minimum DSCR

- 1.30x for Fixed-Rate.
- 1.05x for variable-rate, subject to a Fixed-Rate Test.

Property Considerations

Cannot be located on university-owned land (except for a Dedicated Student Housing Property as described below).

Supplemental Financing

Supplemental loans are available.

Prepayment Availability

Flexible prepayment options are available. Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate loans and declining prepayment premium for variable-rate loans.

Rate Lock

30- to 180-day commitments. Borrowers may lock a rate with the Streamlined Rate Lock option.

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Accrual	30/360 and Actual/360.
Recourse	Non-recourse execution with standard carve-outs required for “bad acts” such as fraud and bankruptcy.
Escrows	Replacement reserve, tax, and insurance escrows are typically required.
Third-Party Reports	Standard third-party reports required, including Appraisal, Phase I Environmental Site Assessment, and Property Condition Assessment.
Assumption	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.
Dedicated Student Housing Properties	<p>Dedicated Student Housing Properties (i.e., 80% or more units leased to undergraduate or graduate students) require additional underwriting documentation. In addition, a Dedicated Student Housing Property must:</p> <ul style="list-style-type: none"> • Be near a campus with at least 10,000 student enrollment (greater than 50% full time). • Be within 2 miles of campus boundary line or on a college/ university-owned transportation line. • Have operated for at least 1 full school year (i.e. August/September through April/May), and be in its 2nd full year of operations. • Have at least 80% of all leases be 12 month leases with parental guaranties or be leased by students having the financial ability to pay for the required rent (whether through employment or other documented financial means). <p>A Dedicated Student Housing Property may be located on university-owned land if the Key Principal has had a minimum of 5 years of Dedicated Student Housing experience, and operates at least one other Dedicated Student Housing Property located on college- or university-owned land.</p>