LMD
CAPITAL PARTNERS

FANNIE MAE

# Fannie Mae Student Housing Loan Program

Non-recourse fixed- and adjustable-rate financing for the acquisition or refinance of existing, stabilized student housing where 40% or more of the units are leased to undergraduate or graduate students. Strong operators with a demonstrated record in student housing management are required, and properties may not sit on university-owned land unless they qualify as dedicated student housing.

## Indicative Terms

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| **LOAN TERM** | 5 to 30 years. |
| **AMORTIZATION** | Up to 30 years. |
| **LOAN TO VALUE MAXIMUM** | 75% of appraised value. |
| **COVERAGE MINIMUM** | 1.30x fixed rate; 1.05x adjustable rate. |
| **PREPAYMENT** | Flexible options. Yield maintenance on fixed-rate loans; declining prepayment premium on variable-rate loans. |
| **ACCRUAL** | 30/360 and Actual/360. |
| **THIRD PARTY REPORTS** | MAI appraisal, zoning report, physical needs assessment and Phase I environmental site assessment. |
| **ESCROWS** | Tax, insurance and replacement reserves are typically required. |
| **ASSUMABILITY** | Typically assumable, subject to review and approval of the new borrower's financial capacity and experience. |
| **APPLICATION FEE** | Quoted per transaction. |
| **ORIGINATION FEE** | Quoted per transaction. |
| **LEGAL FEES** | Quoted per transaction. |

## Eligible Properties & Sponsors

Dedicated student housing must sit near a campus with at least 10,000 students, more than half of them full time; be within two miles of campus or served by public or university transportation; have operated for a full school year from August or September through April or May and be in its second full year of operations; and carry 12-month lease terms with parental guaranties on at least 80% of leases, or be leased to students with demonstrated ability to pay. The key principal must have five or more years of dedicated student housing experience and operate another comparable property on college or university land.