



## DUS STUDENT HOUSING LOAN PROGRAM

### 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 \$3,000,000.

### LOAN TERMS

5, 7, 10 or 15 year balloon; 20, 25 or 30 year fully amortizing. 25 or 30 years; Interest Only may be available based on leverage and loan term.

### LOAN-TO-VALUE MAXIMUM

Maximum 75% of appraised value, or, if a property has been purchased within the past 12 months, 75% of 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, Defeasance, or fixed step-down prepayment schedules.

### THIRD PARTY REPORTS

MAI appraisal, Physical Needs Assessment, and Environmental Phase I Reports are required; Seismic Report is required for properties in Seismic Zone 4.

### RESERVES

Tax and Insurance escrow are required. Funded Repair and Replacement escrow is required, based on Physical needs assessment. For loans at less than 65% of value with no deferred maintenance, funding of repair and replacement reserve can be waived at lender's discretion.

### APPLICATION FEE

\$15,000 to cover third party reports and processing/underwriting costs.

*Continued on Reverse*



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### 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 3rd 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

Dedicated Student Housing Specific Requirements\*: Pre-Review requirement with Fannie Mae Near a campus with at least 20,000 students Within 2 miles of campus or on public/university transportation line Parental lease guarantees or financially qualified students required Lease terms must be a minimum of 12 months

\* Not required for student concentration below 80%