



Fannie Mae®

Multifamily Selling and Servicing Guide

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TABLE OF CONTENTS

Part III Section 103 Dedicated Student Housing Property 3

 103.01 Eligible Property Characteristics 3

 103.02 Ineligible Property Characteristics 3

 103.03 Residential Leases 3

 103.04 Properties on College/University Land 4

 103.05 Additional Underwriting Documentation 4

GLOSSARY 6



Section 103 Dedicated Student Housing Property

103.01 Eligible Property Characteristics

Requirements

You must ensure that a Dedicated Student Housing Property:

- caters to a campus with at least 10,000 students, the majority of whom are full-time students;
- is
 - located within 2 miles of a campus boundary line, as determined by the local municipality, or
 - near a college/university-sponsored transportation line; and
- has operated for at least 1 full school year (i.e., August/September through April/May).

Guidance

The Dedicated Student Housing Property should have stabilized occupancy no later than the month preceding the start of the first semester/quarter of the second full school year.

103.02 Ineligible Property Characteristics

Requirements

Fannie Mae will not purchase any Mortgage Loan secured by a Dedicated Student Housing Property that offers food service.

103.03 Residential Leases

Requirements

You must ensure that at least 80% of the units in a Dedicated Student Housing Property are leased for a minimum term of 12 months.

Guidance

Each student lease agreement should have



- a parental guarantee of the rent, or
- student tenants with sufficient income or other documented financial means to pay the rent.

103.04 Properties on College/University Land

☒ Requirements

You must ensure that a Dedicated Student Housing Property located on college/university land meets the following:

- the Borrower has control over all economic decisions affecting the Property (such as financing, leasing, and management);
- the Key Principal
 - has at least 5 years of operating experience with Dedicated Student Housing, and
 - operates at least 1 other Dedicated Student Housing Property located on college/university land; and
- any Ground Lease complies with [Part II, Chapter 1: Attributes and Characteristics, Section 104: Ground Leased Properties](#).

103.05 Additional Underwriting Documentation

☒ Requirements

Your underwriting must include the following:

- name of the college/university and its current total enrollment;
- current enrollment percentages of full-time graduate and undergraduate students;
- location of the Property relative to the campus;
- whether the Property is part of the college/university's housing referral program;
- details of the Property's amenity package;
- whether the Property is convenient to a college/university-sponsored transportation line;
- detailed description of the related rental housing market, including
 - the amount of on-campus rental housing space occupied or available, and



- any future on- or off-campus rental housing planned or under construction;
- percentage of the Property's units pre-leased for the semester/quarter;
- percentage of the Property's tenants who are students;
- percentage of the Property's leases that have a term of less than 12-months;
- whether the Property is subject to a Ground Lease or master lease and, if so, the structure and terms of the lease; and
- whether parental guaranties are required for leases at the Property.



Glossary

B

Borrower Person who is the obligor per the Note.

Synonyms

- Borrowers
- Borrower's

D

Dedicated Student Housing Property Multifamily rental Property in which 80% or more of the units are leased to undergraduate or graduate students.

Synonyms

- Dedicated Student Housing

G

Ground Lease Contract for the rental of land, usually on a long term basis.

K

Key Principal Person who

- controls and/or manages the Borrower or the Property,
- is critical to the successful operation and management of the Borrower and the Property, and/or
- may be required to provide a Guaranty.

Synonyms

- Key Principals
- Key Principal's

M



Mortgage Loan

Mortgage debt obligation evidenced, or when made will be evidenced, by

- the Loan Documents, or
- a mortgage debt obligation with a Fannie Mae credit enhancement.

Synonyms

- Mortgage Loans
- Mortgage Loan's

P

Property

Multifamily residential real estate securing the Mortgage Loan, including the

- fee simple or Leasehold interest,
- Improvements, and
- personal property (per the Uniform Commercial Code).

Synonyms

- Properties
- Property's