



Fannie Mae Student Housing Pilot DUS[®] and MBS/DUS Dedicated Student Housing Financing

Red Mortgage Capital, LLC is an approved Fannie Mae DUS (Delegated Underwriting and Servicing) mortgage lender that underwrites, funds and services first lien mortgage loans on multifamily rental properties nationwide. As a DUS Lender, **Red Mortgage Capital, LLC** is responsible for all underwriting and credit review and can sell mortgages of up to \$20,000,000 to Fannie Mae on an expedited, delegated basis with no time-consuming prior review on Fannie Mae's part.

Loan Amount: \$2,000,000 and up

Term & Amortization: 5, 7, or 10-year balloon maturities with 25-year amortization

Prepayment: Mortgages are subject to defeasance, yield maintenance, or fixed percentage prepayment premiums except (in most cases) for the 3-month period immediately prior to maturity. (Prepayment terms, yield maintenance requirements and prepayment premiums are specified by Fannie Mae and can vary by transaction and by mortgage term. Consult your **Red Mortgage Capital, LLC** representative for details.)

Loan to Value Ratios: Maximum 75%

Debt Coverage Ratios: Minimum 1.30

Features:

- Non-Recourse, with the exception of standard carve-outs for Borrower's inappropriate acts such as fraud and transfer without approval
- Assumable
- Fixed Interest Rate (variable rate options also available)
- Supplemental financing available on a case-by-case basis

Application Fee: Generally \$15,000 (non-refundable). Includes Architectural/ Engineering Report, Phase I Environmental Report, Appraisal Report and Property Inspection. All third party reports must be contracted by **Red Mortgage Capital, LLC**.

Pricing: Fees and interest rates are quoted daily. Contact **Red Mortgage Capital, LLC** for specific pricing.

Eligible Properties:

- Properties that specifically cater to or are designed for a student tenant base. Units must be apartments with kitchens and baths but may be rented by the bedroom. (Conventional multifamily properties with between 20% and 80% students can be financed under Fannie Mae's conventional multifamily products with special underwriting.)
- Undergraduate or Graduate students comprising at least 80% of their tenant base
- 90% occupied for the 3 months immediately preceding Loan Commitment. Occupancies between 85%-90% are eligible, subject to **Red Mortgage Capital, LLC** approval.
- Located within two-miles of campus or on a University sanctioned bus line
- Located at a University with at least 10,000 students, the majority of which are full-time
- Initial Lease Terms of 12 months with parental guarantee of leases or equivalent credit for employed students
- Food service is not permitted
- Properties rented by the bed or by the bedroom may be underwritten by the bed or by the bedroom. Rent including furniture may be included so long as it is considered in replacement reserves, etc. Other income categories can generally be underwritten so long as there is sufficient history to demonstrate the reliability of such income.
- Because of seasonal fluctuations common to this property type, newer properties must generally have at least one full year of stabilized operations and have been through two leasing cycles.



- Borrower:**
- Single Asset, Single Purpose Entities (some exceptions permitted)
 - Credit Enhancement of 501(c)3 bonds is not permitted
 - Sponsor and management must have demonstrated success in this property type

- Requirements:**
- Escrow Accounts for insurance, real estate taxes, special assessments
 - Replacement Reserve Account
 - Repairs must be completed within 12 months of loan closing

Territory Nationwide

For additional information visit www.redcapitalgroup.com or contact:

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In its prequalifying review, **Red Mortgage Capital, LLC** 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.

RED CAPITAL GROUP Offices

Columbus, OH_ Boston, MA_ Chicago, IL_ Charlotte, NC_ Dallas, TX_ Nashville, TN_ Newport Beach, CA_ Reston, VA_ San Diego, CA

