



CANADA MORTGAGE AND HOUSING CORPORATION

CMHC MULTI-UNIT STUDENT HOUSING

PROVIDES MORE OPTIONS FOR THE FINANCING OF STUDENT HOUSING PROJECTS.

CMHC Mortgage Loan Insurance enables Approved Lenders to offer flexible loans for the construction, purchase and refinance of purpose-built student housing projects.

FEATURES

- Available for new construction, purchase and refinance transactions of purpose-built student housing projects.
- Insured financing of up to 85% loan-to-value ratio is available.
- Approach that recognizes potential revenues.
- Greater flexibilities offered when guarantee is provided by the educational institution.

BENEFITS

- More Flexibility** – Borrowers can obtain mortgage financing up to 85% of the lending value of the property.
- Lower Interest Rates** – CMHC insured financing provides access to competitive interest rates for the life of the mortgage.
- Reduced Renewal Risk** – CMHC Mortgage Loan Insurance offers product features that meet project financing needs and facilitate renewals.
- Availability** – Available for properties that support the housing needs of Canadian publicly funded educational institutions, including universities and colleges.

CMHC MULTI-UNIT STUDENT HOUSING

Loan Purpose	Purchase, refinance, take-out and new construction with insured progress advances.		
Loan-to-Value Ratio	<ul style="list-style-type: none"> Up to 85% of the lending value, as determined by CMHC. On a new structure, loan may be advanced up to the lesser of 75% of value or cost during construction. Increases to the lesser of 85% of lending value or 100% of agreed costs when rents are stabilized. 		
Debt Coverage Ratio Requirements	<p>Minimum DCR of 1.40 (term less than 10 years)</p> <p>Minimum DCR of 1.30 (term 10 years or more)</p>		
Interest Rate	Fixed interest rate or floating (with ceiling rate)		
Insurance Premiums <i>(For a detailed list of fees and insurance premiums, please refer to "CMHC Multi Unit Fees and Premiums" fact sheet – OPIMS 66798)</i>	Loan-to-Value Ratio		% of Loan
	Up to and including 65%		1.75%
	Up to and including 70%		2.00%
	Up to and including 75%		2.25%
	Up to and including 80%		3.50%
	Up to and including 85%		4.50%
Premium Surcharge	1% of the loan amount except when the publicly funded university/college is the borrower or when it provides a full guarantee (over and above the loan covenants and personal or corporate guarantees) for the full duration of the loan.		
Amortization	Up to 25 years. A longer amortization will be considered if the educational institution is the direct borrower or if it provides 100% guarantee for the full duration of the loan.		
Security Type	First, second and pari passu mortgages are permitted		
Market Assessment	<ul style="list-style-type: none"> A market demand study will be required to support the long term financing of the student housing project. Project must be located on campus or within walking distance from campus 		
General Guidelines for Eligible Housing Forms	<ul style="list-style-type: none"> Purpose built student housing projects Atypical unit (not self-contained or 4+ bedrooms) eligible only if located on campus Furnished suites will only be considered if located on-campus and a replacement reserve will be required 		
General Guidelines for Borrower Eligibility	<ul style="list-style-type: none"> Property Management Experience - Borrower must have a minimum of 5 years experience in operating similar types of projects. Borrower Net Worth – In addition to standard requirements on borrower net worth for construction loan(s), the borrower must have the financial capacity to sustain one full year of debt @ 100% vacancy if project is not ready at beginning of school year. 		
Cash Flow	<ul style="list-style-type: none"> Revenues will be assessed using rent per bedroom. It is the lender's responsibility to ensure the cash flow is adequately secured through, for example, pre-paid leases, parental guarantee or leases signed on a joint and several basis by all students. 		

See the Reference Guide for Multi-Unit Properties (OPIMS # 63885) for standard Mortgage Loan Insurance terms and conditions.