

ASSET UNDERWRITING / BORROWER FIELD GUIDE

Student housing underwriting guide

Model beds, academic-year leases, concessions and the annual turnover cycle.

Student housing turns an academic calendar into a cash-flow and execution calendar. A strong preleasing percentage is not enough unless signed contracts, collections, turnover readiness and financing dates align. Prepare the evidence by bed and lease period, while keeping property units and program classifications distinct.

Reconcile beds, units and leases

Identify rentable beds, legal units, by-bed leases, whole-unit leases and any master lease. Report preleasing on a clearly stated denominator and date. Distinguish applications, signed leases, deposits, guaranties and cash collections. A canceled or contingent contract is not the same as a paying resident, and a bed-level occupancy metric should not be silently converted into a unit-level program test.

Model the academic-year cash pattern

Map lease commencement, payment installments, summer occupancy and concessions to the actual calendar. Schedule the concentrated turnover period, cleaning, repairs, furniture and marketing costs before the next rent cycle. Annual income may look adequate while the turnover month requires a material cash advance. Maintain a case for delayed opening or weaker final leasing without assuming all vacant beds fill at the start of term.

Document demand and execution fit

Support the demand case with relevant institution, enrollment, transportation and competing-supply evidence rather than relying on a nearby campus name. Fannie Mae distinguishes student-housing categories and additional documentation in its program materials; the model does not determine that classification. Confirm current program criteria, actual operating history and lender acceptance before using a student-housing execution in the funding plan.

Use this guide with the matching Excel model. Illustrative assumptions are editable; no lender approval, market quote or universal threshold is represented.

FIELD GUIDE / 02

What the lender needs to understand

Preparation questions and evidence to resolve them. Actual requests and acceptance standards depend on the lender and transaction.

01 / What does the preleasing percentage actually count?

Dated bed and unit inventory, signed lease register and cancellations.

02 / When do signed leases produce collected cash?

Lease installment schedules, deposits, guaranties and collection history.

03 / What must be completed before move-in?

Turnover work plan, vendor commitments and readiness checklist.

04 / How dependent is demand on a specific institution?

Relevant enrollment, campus access and competing-supply evidence.

05 / What happens if the leasing cycle misses its target?

Delayed occupancy, concession and turnover-cash scenario.

06 / Which program classification applies?

Lender review of current rules, property facts and operating history.

Turn the request list into an evidence ledger

For each material question, record the document and date, the responsible owner, the unresolved fact, the party who can accept it, and the financing consequence if it remains unresolved. A file delivered to a lender is not necessarily an accepted answer.

Evidence state: requested / received / reconciled / accepted / still conditional. Preserve the lender response and avoid treating an unanswered question as approval.

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Document checklist: cash flow and collateral

Use a consistent cutoff date. Mark missing items, conflicts and explanations rather than simply counting files.

Cash flow and operations

Document / evidence request	Received / open
Bed and unit roll with lease type and occupancy definitions.	[] _____
Executed leases, guaranties, deposits and payment schedules.	[] _____
Preleasing history, cancellations and conversion to actual collections.	[] _____
Monthly operating statements organized around the academic cycle.	[] _____
Turnover, furniture, cleaning and repair costs by timing.	[] _____
Marketing, utility and management expenses with contract support.	[] _____

Property and collateral

Document / evidence request	Received / open
Plans and legal unit/bed inventory with actual-use evidence.	[] _____
Condition assessment and concentrated turnover work scope.	[] _____
Furniture and equipment ownership and replacement schedule.	[] _____
Transportation/access evidence used in the demand or program case.	[] _____
Environmental and other required third-party reports.	[] _____
Construction or major renovation readiness evidence where applicable.	[] _____

Reconciliation note

The schedules should agree with the source documents or identify the exact reason for a difference. Keep the source amount, the adjustment and the lender-accepted amount visible as separate fields.

FIELD GUIDE / 04

Document checklist: sponsor and closing

Confirm who provides the money, when it is available and what evidence permits the transaction to fund.

Sponsor and execution

Document / evidence request	Received / open
Sponsor and manager experience with academic-year leasing and turnover.	☐ _____
Ownership, borrowing authority and guarantor documents.	☐ _____
Liquidity after other academic-cycle and portfolio commitments.	☐ _____
Turnover vendor capacity and contingency arrangements.	☐ _____
Portfolio debt and guarantees relevant to available support.	☐ _____
Equity authorization for delayed leasing or move-in.	☐ _____

Closing and funding

Document / evidence request	Received / open
Written lender classification and required documentation list.	☐ _____
Closing schedule aligned with leasing, turnover and move-in milestones.	☐ _____
Reserve and holdback conditions with acceptable readiness evidence.	☐ _____
Insurance, title and payoff requirements.	☐ _____
Material management or institutional agreement consents.	☐ _____
Dated funding plan through the lowest-cash point of the school-year cycle.	☐ _____

Before committing the next dollar

- ☐ State the denominator and date on every leasing statistic.
- ☐ Fund turnover before counting the next semester's collections.
- ☐ Confirm the selected program using current criteria and actual property history.

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Use the model and reconcile the result

student-housing-underwriting-model.xlsx | Summary, Assumptions, Academic Leasing, Operations, Debt and Funding, Review

- 1. Use Assumptions!D5 for Base (1) or Downside (2), and the labeled scenario input rows. Enter source data in Academic Leasing!D10:L21; preserve formula cells and an untouched workbook copy.
- 2. The example uses the summer paying fraction in May-July and the academic fraction in other months; this is an illustrative calendar. Turn concessions and physical turn costs are separate. Reconcile the bed/unit denominator and actual collection periods.
- 3. Reconcile Operations to Summary. Apply the entered lender adjustment separately to the modeled cash flow. Sizing uses amortizing debt service, while first-year payments reflect the entered interest-only period.
- 4. In Assumptions, replace illustrative value, LTV, DSCR, debt yield, rate, amortization and requested ceiling with the intended scenario. Review capacities in Debt and Funding. The smallest modeled capacity does not establish eligibility or approval.
- 5. Closing equity includes the entered opening cash and restricted reserves. Additional operating cash need is measured after that opening cash, so do not add it twice. Inspect monthly cash and remaining principal at maturity.
- 6. Read Review for model conventions and limitations. Save each scenario with its supporting evidence and date; actual lender definitions, legal rights and professional findings control the transaction.

Worked example: editable teaching assumptions

Illustrative Base / Downside inputs: Property value \$6,000,000 / \$5,200,000; Annual note rate 6.50% / 8.00%; Maximum LTV 65.00% / 60.00%; Minimum sizing DSCR 1.25 / 1.3; Minimum debt yield 9.00% / 10.00%; Amortization after IO (years) 25 / 25; Initial interest-only months 6 / 6.

Illustrative result	Base	Downside
Modeled revenue / contribution	\$963,900	\$824,135
NCF after reserve	\$658,593	\$497,690
NCF used for sizing	\$658,593	\$472,690
Modeled loan	\$3,900,000	\$3,120,000
Binding sizing constraint	LTV	LTV
First-year debt service	\$284,748	\$269,284
Required closing equity	\$2,000,000	\$2,780,000
Equity left / (closing gap)	\$500,000	-\$280,000
Additional operating cash need	\$0	\$0
Equity left / (combined gap)	\$500,000	-\$280,000
Principal at modeled maturity	\$3,574,328	\$2,907,601

Base NCF used for sizing is \$658,593. The modeled loan is \$3,900,000, with LTV binding. Closing uses of \$5,900,000 less that loan require \$2,000,000 of equity. Available equity is \$2,500,000; the signed combined surplus/gap is \$500,000 after any additional operating cash need. Downside changes the loan to \$3,120,000 and the combined result to -\$280,000.

Dollar results rounded to the nearest dollar; the workbook retains precision. Signed funding surplus is negative for a shortage. A positive funding surplus remains subject to actual source availability.

FIELD GUIDE / 06

Review the risks and the evidence

- An application or deposit is not automatically a signed, collectible lease.
- A by-bed occupancy percentage is not interchangeable with a unit-based eligibility test.
- Do not spread concentrated turnover spending evenly when cash is due before move-in.
- A missed academic leasing window can alter the timing of recovery, not merely the annual occupancy average.

Sources and applicability

These references support the stated asset and risk context. The questions and document lists are preparation tools, not a statement that every lender requires or accepts the same package. Actual contracts, applicable rules and the chosen lender determine the transaction requirements.

1. Fannie Mae - Student Housing | Frequently Asked Questions: property types, documentation and operating history | Checked 2026-10-21

Source-specific context; numerical examples and decision workflow are original hypothetical analysis.

<https://multifamily.fanniemae.com/financing-options/student-housing>

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Student-housing preleasing and debt-coverage timing

Multifamily concessions, delinquency and lender income recognition

Discuss a financing scenario with Jaken Finance Group

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Education and analysis do not establish a financing offer, appraisal, legal opinion or program eligibility. Confirm the current source, actual contract terms and professional advice relevant to the transaction.