

## Description

Provides lower pricing, additional loan proceeds, and a free Energy and Water Audit Report to finance smarter, greener property improvements. Eligible improvements include new ENERGY STAR® appliances, energy efficient HVACs, low-flow toilets, LED Lighting, and mor

## Benefits

Lower interest rate, free energy and water audit report, up to 5% more loan proceeds, increased net cash flow by underwriting projected energy and water cost savings, no minimum investment per unit, attract more investors with the market's only Green MBS

## Eligibility

All Asset Classes with at least 12 months of Stabilized Residential Occupancy; a Manufactured Housing Community is eligible only if a Solar PV system is selected as a required efficiency measure. Property owner must commit to property improvements that are projected to reduce the whole property's annual energy and / or water usage by at least 30%, of which a minimum of 15% must be attributable to projected savings in energy consumption. Improvements must be installed within 12 months of loan origination. Properties may be located anywhere in the U.S. Only Green Rewards loans that are projecting greater than 5% additional loan proceeds are Pre-Review.

## Lien Priority

- First lien loans, supplemental loans, and second supplemental loans.
- For a second supplemental, 100% of the loan proceeds must go towards green improvement costs.

## Availability of Additional Loan Proceeds

Up to 5% more than a conventional (non-green) DUS Loan.

## Energy and Water Audit Report

100% paid by Fannie Mae for Green Rewards Mortgage Loans if the High Performance Building Report determines that the Property is suitable for a Solar PV system and the Borrower elects to install a Solar PV system as a required efficiency measure

## Technical Solar Assessment

100% paid by Fannie Mae for Green Rewards Mortgage Loans if the High Performance Building Report determines that the Property is suitable for a Solar PV system and the Borrower elects to install a Solar PV system as a required efficiency measure

## Underwriting

75% of the owner and 25% of the tenant projected energy and water cost savings may be included in the Underwritten Net Cash Flow

## Execution Options

Green MBS

## Term

5 to 30 years

## Interest Rate

Fixed and variable rate options available

## Loan Amount

No minimum or maximum

## Maximum LTV

Varies by asset class and product type

## Minimum LTV

Varies by asset class and product type

## Prepayment Availability

Flexible prepayment options available including yield maintenance and declining prepayment premium

## Rate Lock

30- to 180-day commitments. Borrowers may lock the interest rate using the Streamlined Rate Lock option. The Energy and Water Audit Report must be approved by Fannie Mae five days prior to rate lock.

## Accrual

30 / 360 and Actual / 360

## Recourse

Non-recourse execution is available, with standard carve-outs for “bad acts” such as fraud and bankruptcy required

## Escrows

Costs for green investments escrowed at 125%

## Third-Party Reports

Standard third-party reports, including Appraisal, Phase I Environmental Assessment, and a Property Condition Assessment, are required. The Property Condition Assessment must include the High Performance Building module (Energy and Water Audit Report).

## Assumption

Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience

## Asset Management

Property improvements must be completed within 12 months. Lender will verify the completion of the agreed-upon property improvements. Borrower must report the Property’s annual Energy Performance Metrics, including ENERGY STAR score.