

FANNIE MAE GREEN REWARDS

Fannie Mae Multifamily offers Green Rewards, a product feature that 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, energyefficient HVACs, low-flow toilets, LED lighting, and more.

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.	ELIGIBILITY <ul style="list-style-type: none"> Conventional and Affordable Housing Multifamily, Seniors, Student, Military, and Cooperative 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
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. Report scope equivalent to ASHRAE Level 2 Energy Audit. Loan must close as Green Rewards.	
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 DSCR	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	BENEFITS <ul style="list-style-type: none"> 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
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.	

FANNIE MAE GREEN REWARDS, CONT'D.

ESCROWS	Costs for green investments escrowed at 100%.
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. Lenders will verify the completion of the agreed-upon property improvements. Borrower must report the Property's annual Energy Performance Metrics, including ENERGY STAR score.