



# Fannie Mae Green MBS At-A-Glance

*Global Leader in Multifamily Green Financing*

In 2017, Fannie Mae issued \$27.6 billion in Green MBS and \$3.4 billion in Green MBS-backed GeMS tranches.

The projected “**Triple Bottom Line**” impact of the Fannie Mae Green Financing \$31B portfolio\* includes:

**Financial:** \$49,000 average energy and water cost reduction annually per property

**Social:** \$131 average annual energy and water cost savings per family (in over 248,000 units)

**Environmental:** Enough electricity and water saved annually to power 80 million cell phones and fill 42 billion glasses, respectively

\*Green Rewards loans originated through year-end 2017

The mission of Fannie Mae’s Multifamily Green financing business is to target positive, measurable impacts to environmental, social, and financial metrics, also known as the “Triple Bottom Line.” Since launching its first Multifamily Green Mortgage Loan product in 2011, the Green financing portfolio has grown to over \$31 billion as of year-end 2017.

**Fannie Mae’s Green Mortgage Loan products offered through its Multifamily Delegated and Servicing (DUS®) business:**

- 1 Green Rewards**  
Rewards owner’s initiative to rehab or retrofit existing multifamily property, including workforce and seniors housing
- 2 Green Building Certification**  
Distinguishes owner’s initiative to achieve a nationally- or internationally-recognized certification
- 3 Green Preservation Plus**  
Provides owner’s with incentives to rehab or retrofit existing multifamily affordable property

Fannie Mae securitizes these loans and issues them to the market as Green Mortgage-Backed Securities (MBS). Fannie Mae also re-securitized a portion of the Green MBS volume as REMICs through its Guaranteed Multifamily Structures (GeMS™) program. Fannie Mae’s FNA 2017-M15 A2, a \$495 million Green tranche backed by Green Building Certified MBS, is included in the Bloomberg Barclays MSCI Green Bond Index. Recently, Fannie Mae received a “Light Green” second opinion from CICERO and an “Approved” bond rating by Oekom.





# Fannie Mae Green Bond Requirements

Requirements	Green Rewards & Green Preservation Plus	Green Building Certification
<b>Eligibility</b>	<p><b>Green Rewards:</b> Borrower must commit to making property improvements that are projected to save 25% or more on energy consumption or 25% or more on water consumption over the property's prior 12 months of energy or water consumption.</p> <p><b>Green Preservation Plus:</b> Borrower must commit to energy- and water-saving property improvement expenditures that equal at least 5% of the original mortgage loan amount.</p>	<p>Borrower's property must be awarded a valid green building certification recognized by Fannie Mae prior to locking the loan interest rate.</p>
<b>Verification of Eligibility</b>	<p>Borrower must have a High Performance Building (HPB) Report completed on the property prior to the loan's delivery to Fannie Mae.</p> <p>The HPB Report must adhere to the requirements of an ASHRAE Level II Energy Audit and to additional requirements set forth in Fannie Mae <a href="#">Form 4099</a> "Instructions for Performing a Multifamily Property Condition Assessment (PCA)", Section 5.08. MODULE: High Performance Building Assessment.</p> <p>The property must have an ENERGY STAR 1-100 Score and an EPA Water 1-100 completed with the HPB Report.</p>	<p>Lender must submit a copy of the certification to Fannie Mae prior to the loan's delivery to Fannie Mae.</p> <p>Fannie Mae recognizes <i>select</i> certifications from the below organizations per Fannie Mae <a href="#">Form 4250</a>:</p> <ul style="list-style-type: none"> <li>• Build It Green</li> <li>• Enterprise Community Partners</li> <li>• Green Building Initiative</li> <li>• Home Innovation Research Labs</li> <li>• International Living Future Institute</li> <li>• Passive House Institute</li> <li>• Passive House Institute US (PHIUS)</li> <li>• Southface</li> <li>• U.S. Environmental Protection Agency</li> <li>• U.S. Green Building Council</li> </ul>
<b>Management of Proceeds</b>	<p>Funds for energy- and water-saving improvements are put in escrow at 100% of capital cost at time of loan close.</p> <p>Improvements must be made within 12 months of loan close.</p> <p>Funds are released from escrow by the loan servicer once evidence is provided that the energy- and water-saving improvements have been purchased and installed.</p>	<p>Not applicable.</p>
<b>Annual Reporting</b>	<p>Borrower must sign loan document (Fannie Mae <a href="#">Form 6241</a>) committing to report to Fannie Mae the property's ENERGY STAR Score and Source Energy Use Intensity annually for life of loan.</p> <p>EPA Water Score and Water Use Intensity to be required starting in 2019.</p>	<p>Borrower must sign loan document Fannie Mae <a href="#">Form 6241</a> committing to report to Fannie Mae the property's ENERGY STAR Score and Source Energy Use Intensity annually for life of loan.</p> <p>EPA Water Score and Water Use Intensity to be required starting in 2019.</p>
<b>Disclosure</b>	<ul style="list-style-type: none"> <li>• Fannie Mae disclosure as "Green Financing/Green Rewards" or "Green Financing/Green Preservation Plus"</li> <li>• Bloomberg Green Bond Flag</li> </ul>	<ul style="list-style-type: none"> <li>• Fannie Mae disclosure as Green Building Certification/Name of Certification</li> <li>• Bloomberg Green Bond Flag</li> </ul>