

## 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, energy-efficient HVACs, low-flow toilets, solar-energy systems, and more.



<b>Lien Priority</b>	First lien loans, supplemental loans, and second supplemental loans.  For a second supplemental, 100% of the loan proceeds must go towards green improvement costs.
<b>Availability of Additional Loan Proceeds</b>	Up to 5% more than a conventional (non-green) DUS Loan.
<b>Energy and Water Audit Report</b>	100% paid by Fannie Mae. Report scope equivalent to ASHRAE Level 2 Energy Audit. Loan must close as Green Rewards.
<b>Underwriting</b>	75% of the owner and 25% of the tenant projected energy and water cost savings may be included in the Underwritten Net Cash Flow.  All Green Rewards loans are Pre-Review.
<b>Execution Options</b>	Green MBS.
<b>Term</b>	5 to 30 years.
<b>Interest Rate</b>	Fixed and variable rate options available.
<b>Loan Amount</b>	No minimum or maximum.

### 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

- Conventional and Affordable Housing
- Multifamily, Seniors, Student, Military, and Cooperative
- Borrower must commit to installing capital improvements that target a 20% or more reduction to the whole property's annual energy or water use
- Improvements must be installed within 12 months of loan origination, or 36 months if part of a larger rehab
- Properties may be located anywhere in the U.S.

### For More Information

For more information on Green Rewards and other Green Financing solutions, go to:

[fanniemaegreeninitiative.com](http://fanniemaegreeninitiative.com)



<b>Maximum LTV</b>	Varies by asset class and product type.
<b>Minimum DSCR</b>	Varies by asset class and product type.
<b>Prepayment Availability</b>	Flexible prepayment options available including yield maintenance and declining prepayment premium.
<b>Rate Lock</b>	30- to 180-day commitments. Borrowers may lock the interest rate using the Early Rate Lock option. The Energy and Water Audit Report must be approved by Fannie Mae five days prior to rate lock.
<b>Accrual</b>	30/360 and Actual/360
<b>Recourse</b>	Non-recourse execution is available, with standard carve-outs for “bad acts” such as fraud and bankruptcy required.
<b>Escrows</b>	Costs for green investments escrowed at 100%.
<b>Third-Party Reports</b>	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).
<b>Assumption</b>	Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.
<b>Asset Management</b>	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.