



FANNIE MAE Green Financing[®]

Arbor's Fannie Mae Multifamily suite of green financing solutions includes options for acquisition, refinance and supplemental financing. Green Financing solutions create a "triple bottom line" by supporting increased cash flows, better quality housing, and reduced energy and water usage.

Great Incentives:

- Lower interest rate
- Fannie Mae pays 100% of energy and water audit report; loan must close as Green Rewards
- Up to 5% more in loan proceeds

MINIMUM LOAN AMOUNT	\$750,000
LOAN TERM	Up to 30 years
AMORTIZATION	Up to 30 years; interest-only options also available
MINIMUM DSCR	<ul style="list-style-type: none"> • Green Rewards: 1.25 conventional, 1.20 affordable • Green Building Certification pricing break: 1.25 conventional, 1.20 affordable
MAXIMUM LTV	Up to 80%
RATE STRUCTURE	Fixed- and adjustable-rate options available
ACCRUAL	30/360 and Actual/360
ELIGIBLE PROPERTIES	Conventional, affordable, seniors, military and cooperative properties nationwide are eligible (Manufactured Housing Communities are not eligible); borrower must commit to improvements 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
ELIGIBLE BORROWER	Single asset entity
OCCUPANCY REQUIREMENTS	85% physical occupancy for 90 days; 70% economic occupancy required
TAX AND INSURANCE ESCROWS	Monthly deposits required
REPLACEMENT RESERVES	Monthly deposits required; underwritten at a minimum \$250 per unit per annum; the cost of the agreed upon property improvements will be escrowed at 100% until completion
RECOURSE	Nonrecourse available, with standard carve-outs for "bad acts" such as fraud and bankruptcy
COMMERCIAL SPACE	Maximum 35% of net rentable area and maximum 20% of effective gross income
ASSUMABLE	Subject to approval and 1% fee



REQUIRED REPORTS	Appraisal, Property Condition Assessment, Phase I Environmental and a High Performance Building (HPB) report; Fannie Mae reimburses 100% of the cost for the HPB subject to the loan closing
PREPAYMENT	Yield maintenance and other declining prepayment options available
SUBORDINATE FINANCING	Not allowed without written approval
PRICING	Tiered pricing matrix; more favorable terms available for higher DSC and lower LTV
RATE LOCK	30- to 180-day commitments; early/extended rate lock options available
APPLICATION DEPOSIT	\$30,500; covers estimated processing and legal fees
ORIGINATION FEE	Minimum 1%; par pricing available
GOOD FAITH DEPOSIT	2% of loan amount, due at rate lock, but refundable
UNDERWRITING APPROACH	75% of the owner and 25% of the tenant projected energy and water cost savings may be included in the underwritten new cash flow
VERIFICATION OF PROPERTY IMPROVEMENTS	Property improvements must be completed within 12 months; lender will verify completion of the agreed-upon property improvements; borrower must report the property's annual energy performance metrics, including ENERGY STAR score