



FREDDIE MAC® Green Rebate

Freddie Mac will offer a rebate on new property loans with an EPA ENERGY STAR® score.

Loan Amount	\$1,000,000 minimum.
Loan Term	5 to 10 years. Up to 30 years for fixed-rate loans if loan is not purchased for securitization.
Amortization	Up to 30 years. Interest-only options also available.
Minimum DSCR	1.25/1.30 if a 5 year deal.
Maximum LTV	7 year term or greater: 80%; 5 year term: 75%.
Rate Structure	Fixed and adjustable rate options available.
Eligible Properties	Multifamily
Eligible Borrower	All borrowers on first mortgages (does not include supplemental loans, Value-Add Loans, Lease-Up Loans, and Small Balance Loans).
Underwriting	ENERGY STAR Scores will not be re-underwritten by Freddie Mac; no credit or additional proceeds are given based on the energy efficient or the corresponding ENERGY STAR Score.
Green Rebate	For multifamily properties with greater than 20 units, a \$5,000 rebate for all borrowers reporting an ENERGY STAR Score; rebate will be provided at settlement after all obligations and requirements are met; there is no minimum score required to receive the rebate.
Getting ENERGY STAR Score	The ENERGY STAR Score is available through EPA's Portfolio Manager® energy and water benchmarking and tracking software tool; there is no charge to use the tool, and more information can be found at www.energystar.gov/benchmark .
Receive ENERGY STAR Score	Complete energy data: 12 full months, all fuels and must include residential and common areas. Property use details: Gross Floor Area, Number of Residential Living Units, Number of Residential Living Units in a low-rise setting (1-4 stories), Number of Residential Living Units in a mid-rise setting (5-9 stories), Number of Residential Living Units in a high-rise setting (10+ stories) and Number of Bedrooms.
ENERGY STAR Metrics & Cert	The ENERGY STAR Score is given on a 1 to 100 scale and indicates how a multifamily property performs compared to other similar property across the U.S. in terms of its energy performance; 50 represents median energy performance and 75-100 represents superior energy performance. Properties with a score of 75 or higher qualify for ENERGY STAR certification; for more information, visit www.energystar.gov/buildingcertification . There is no fee for certification from ENERGY STAR; however, property must have data verified by a Professional Engineer (PE) or Registered Architect (RA); if the property already has a PE or RA on staff, that person is permitted to verify and stamp the application.



Data Collection & Reporting	ENERGY STAR Scores will be collected by Freddie Mac on a voluntary basis. Add ENERGY STAR Score document to delivery package checklist. ENERGY STAR Scores will be reported in K-Deal offerings; individual ENERGY STAR Scores will be reported in securitization data tapes and weighted average ENERGY STAR Scores will be reported in offering document, much like how weighted average debt service ratios (DSRs) and loan-to-value (LTV) ratios are reported.
Tax & Insurance Escrows	Monthly deposits required. May be waived if certain criteria are met.
Replacement Reserves	Minimum \$250 per unit per annum. May be waived if certain criteria are met.
Recourse	Non-recourse with standard exceptions for fraud and misrepresentation.
Commercial Space	No more than 25% of effective gross income and no more than 25% of property's total square footage. Final determination by Freddie Mac.
Required Reports	Appraisal, Property Condition Assessment and Phase I Environmental, Zoning, Insect and Flood.
Prepayment	Defeasance for fixed rate loans. No prepayment premium for final 90 days of term.
Assumable	Subject to approval and 1%.
Subordinate Financing	Not allowed.
Pricing	Tiered Pricing Matrix. More favorable terms available for higher DSC and lower LTV.
Rate Lock	Standard 5 day rate-lock period. Early/index rate-lock options available.
Application Deposit	\$12,500. Covers all estimated underwriting costs (including application fee).
Legal/Closing Fee	Arbor's Counsel Fee to be determined at application.
Good Faith Deposit	2% of loan amount due at rate lock for early rate-lock transactions, but refundable post-closing.