

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
- Increased net cash flow by underwriting projected energy and water cost savings
- No minimum investment per unit

Minimum Loan Amount	\$750,000
Loan Terms	Up to 30 years
Amortization	Up to 30 years; interest-only options available
Minimum DSCR	<ul style="list-style-type: none"> • Green Rewards: 1.25x conventional, 1.20x affordable • Green Building Certification: 1.25x conventional, 1.20x affordable
Maximum LTV	Varies by asset class and product type
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. A manufactured housing community is eligible only if a solar PV system is selected as a required efficiency measure. Borrower must commit to improvements projected to reduce the property’s annual energy and/or water usage by at least 30%, of which a minimum 15% must be attributable to projected savings in energy consumption. Improvements must be installed within 12 months of loan origination
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 \$200 per unit per annum; costs for green efficiency improvements escrowed at 125%
Recourse	Non-recourse available, with standard carve-outs for “bad acts,” such as fraud and bankruptcy
Commercial Space	Maximum 35% of total space and EGI (after applying 10% vacancy factor); underwritten commercial income to be no more than 20% EGI
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
Pre-payment	Yield maintenance and other declining pre-payment 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
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
Good Faith Deposit	2% of loan amount, due at rate lock and refundable at closing
Origination Fee	Minimum 1%; par pricing available