



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

<b>MINIMUM LOAN AMOUNT</b>	\$750,000
<b>LOAN TERM</b>	Up to 30 years
<b>AMORTIZATION</b>	Up to 30 years; interest-only options also available
<b>MINIMUM DSCR</b>	<ul style="list-style-type: none"> <li>• Green Rewards: 1.25 conventional, 1.20 affordable</li> <li>• Green Building Certification pricing break: 1.25 conventional, 1.20 affordable</li> </ul>
<b>MAXIMUM LTV</b>	Varies by Asset Class and product type
<b>RATE STRUCTURE</b>	Fixed- and adjustable-rate options available
<b>ACCRUAL</b>	30/360 and Actual/360
<b>ELIGIBLE PROPERTIES</b>	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 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. Improvements must be installed within 12 months of loan origination.
<b>ELIGIBLE BORROWER</b>	Single asset entity
<b>OCCUPANCY REQUIREMENTS</b>	85% physical occupancy for 90 days; 70% economic occupancy required
<b>TAX AND INSURANCE ESCROWS</b>	Monthly deposits required
<b>REPLACEMENT RESERVES</b>	Monthly deposits required; underwritten at a minimum \$250 per unit per annum; costs for green efficiency improvements escrowed at 125%
<b>RECOURSE</b>	Non-recourse available, with standard carve-outs for "bad acts" such as fraud and bankruptcy



<b>COMMERCIAL SPACE</b>	Maximum 35% of net rentable area and maximum 20% of effective gross income
<b>ASSUMABLE</b>	Subject to approval and 1% fee
<b>REQUIRED REPORTS</b>	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
<b>PREPAYMENT</b>	Yield maintenance and other declining prepayment options available
<b>SUBORDINATE FINANCING</b>	Not allowed without written approval
<b>PRICING</b>	Tiered pricing matrix; more favorable terms available for higher DSC and lower LTV
<b>RATE LOCK</b>	30- to 180-day commitments; early/extended rate lock options available
<b>APPLICATION DEPOSIT</b>	\$30,500; covers estimated processing and legal fees
<b>ORIGINATION FEE</b>	Minimum 1%; par pricing available
<b>GOOD FAITH DEPOSIT</b>	2% of loan amount, due at rate lock, but refundable
<b>UNDERWRITING APPROACH</b>	75% of the owner and 25% of the tenant projected energy and water cost savings may be included in the underwritten new cash flow
<b>VERIFICATION OF PROPERTY IMPROVEMENTS</b>	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