

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.

**Benefits**

- Lower interest rate
- Free High Performance Building Report (energy and water audit) and Technical Solar Assessment
- 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 a Green MBS

**Eligibility**

- All asset classes with at least 12 months of Stabilized Residential Occupancy; a Manufactured Housing Community is eligible only if a Solar PV system is selected as a required efficiency measure.
- Property owners must commit to improvements that are projected to reduce the whole property's annual energy and/or water usage by at least 30% combined, of which a minimum of 15% must be projected energy savings.
- Improvements must be installed within 12 months of loan origination.
- Properties may be located anywhere in the U.S.
- Green Rewards Mortgage Loans that project greater than 5% additional loan proceeds or include a Solar PV system as a selected efficiency measure are Pre-Review

**Lien Priority**

First Lien Mortgage Loans, Supplemental Mortgage Loans, and Second Supplemental Mortgage Loans. For a Second Supplemental Mortgage Loan, 100% of the loan proceeds must be used for efficiency Improvements.

**Availability of Additional Loan Proceeds**

Up to 5% more than a conventional (non-green) DUS Loan.

**High Performance Building Report (HPB Report)**

High Performance Building Report 100% paid by Fannie Mae if loan is delivered as a Green Rewards Mortgage Loan. Report scope equivalent to ASHRAE Level 2 Energy Audit.

**Technical Solar Assessment**

100% paid by Fannie Mae for Green Rewards Mortgage Loans if the High-Performance Building Report determines that the Property is suitable for a Solar PV system and the borrower elects to install a Solar PV system as a required efficiency measure.

**Underwriting**

75% of the owner-projected and 25% of the tenant-projected energy and water cost savings may be included in the Underwritten Net Cash Flow.

**Execution Options**

Green MBS

**Term**

Five to 30 years

<b>Interest Rate</b>	Fixed- and variable-rate options available
<b>Loan Amount</b>	No minimum or maximum
<b>Maximum LTV and 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>	<p>30- to 180-day commitments. Borrowers may use the Streamlined Rate Lock option. If Fannie Mae approval of the High-Performance Building Report is required, the HPB Report must be approved by Fannie Mae at least five days prior to Rate Lock.</p> <p>The Technical Solar Assessment must be submitted for Fannie Mae approval at least 10 days prior to rate lock.</p>
<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 efficiency improvements escrowed at 125%
<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 or HPB Report. A Technical Solar Assessment is also required for any property with a Solar PV system selected as an efficiency measure.
<b>Assumption</b>	Mortgage 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 after the Mortgage Loan Origination Date. 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, for the life of the Mortgage Loan. Any property on which the borrower elects to install a Solar PV system as an efficiency measure must also report energy generated by the Solar PV system.