

# You Have a Green Loan – Now What?

***Green Mortgage Loans benefit property owners and tenants through reduced consumption of limited natural resources like energy and water, reduced greenhouse gas emissions, and lower utility costs. This document is your guide to meeting your obligations under the terms of your Green Mortgage Loan.***

Congratulations on taking advantage of the benefits of Fannie Mae Green Financing! Your Green Mortgage Loan comes with a lower interest rate and benefits from our Green Measurement and Verification Service.\* Plus, if you have a Green Rewards Mortgage Loan, you already received a free energy and water audit and may have also received additional Loan proceeds based on projected utility cost savings.

*\*Green M&V Service offering is subject to change*

## Types of Green Mortgage Loans

Fannie Mae has two types of Green Mortgage Loans – Green Rewards and Green Building Certification. The type of Loan you have will determine your obligations and engagement with the Fannie Mae Green Measurement & Verification (M&V) Service. Some obligations apply only to Green Rewards Loans, while others apply to all Green Mortgage Loans, including both Green Rewards and Green Building Certification.

- **Green Building Certification**

Your new or existing Property has one of the certifications recognized by Fannie Mae in Form 4250.

- **Green Rewards**

You have committed to make energy and/or water saving improvements to an existing Property.

## Your Green Loan Obligations

**All Green Loans:** Complete your annual energy and water reporting for the life of the loan.

- The annual energy and water reporting requirements are incorporated into your Loan Agreement.
- Fannie Mae's Green M&V Service will provide hands-on assistance with the annual reporting.

**Green Rewards Only:** Install your selected Energy and Water Efficiency Measures (EWEMs) as required by your Loan Agreement.

- You can use the vendor of your choice to install EWEMs and leverage incentives or discounts offered by utility companies.
- Your DUS® Lender can provide you with a copy of the three documents that define and explain the EWEMs you've committed to installing:
  - **High Performance Building Report:** This is the energy and water audit that was prepared for your property prior to Loan Closing. Not only does this report describe the EWEMs that you selected and to which you've committed, it can also serve as a guide to other Property upgrades and improvements to consider in the future.
  - **Form 4099.H:** This Excel file accompanies the High Performance Building Report, and quantifies both the historical energy and water usage at your Property as well as the projected energy, water, and cost savings from all recommended EWEMs.
  - **Schedule 6 to your Loan Agreement:** This Schedule lists the EWEMs that you committed to at Loan Closing and indicates the date by when the improvements must be completed. The EWEMs listed in Schedule 6 should match the ones marked "yes" in the second tab of Form 4099.H, the Lender Validation tab; if there are differences, please contact your DUS Lender for additional guidance.
- If you need to deviate from the EWEMs or timing specified in your Loan Agreement, reach out to your DUS Lender for guidance.



## Fannie Mae Green Measurement & Verification Service

Once the Loan has closed, you will receive access to Fannie Mae's Green M&V Service. The Green M&V Service is provided by Bright Power, a national energy and water firm specializing in multifamily properties. The Green M&V Service offers the following benefits.

### Green Rewards Mortgage Loans

#### Verification

A visit from a qualified inspector engaged by your Servicer to confirm that energy and water upgrades were installed as specified and the improvements can deliver the anticipated owner and resident utility savings benefits.

### All Green Mortgage Loans

#### Measurement

Assistance completing the annual energy and water reporting requirement. Includes access to EnergyScoreCards, a premier online platform to track energy and water consumption and spending in multifamily portfolios.

## Best Practices for Green Mortgage Loans

To get the most out of your M&V experience, follow these best practices:

### Verification Best Practices

- **Install your EWEMs** by the deadline stated in your Schedule 6 (generally 12 months from the date of loan closing).
- **Keep copies of all documentation** related to the completion of the EWEMs, including proof of payment, purchase receipts, work orders, contracts with vendors, etc.
- **Keep records of installation locations**, especially for unit-specific EWEMs that are not installed in every unit. This will streamline the Verification Inspection process.
- Keep your Servicer apprised of the EWEM upgrade process and **request a Verification Inspection in advance of final upgrade completion for timely escrow release.**
- **Identify a primary contact** person at your Property or company who will be responsible for coordinating the site visit.

### Measurement Best Practices

- **Keep an accurate list of all utility accounts** that service the Property, both owner- and resident-paid accounts.
- **Set up online utility accounts** for owner-paid accounts.
- **Document any utility reimbursements** such as RUBS or flat fees, including a description of the reimbursements (either percent reimbursed or flat fee schedule of rates) as well as the actual amount reimbursed by tenants for each calendar year.
- **Alert any third-party utility service** that Bright Power will be reaching out to coordinate with them. This may be a bill pay assistance vendor or a contractor you have engaged to assist you with reporting your energy and water data to a local jurisdiction. Add a green lease and/or utility data release forms to your leasing packages. For more information regarding green lease best-practices or accessing the correct utility data release form that will work with your local utilities, please contact Bright Power at [FannieMaeGreen@BrightPower.com](mailto:FannieMaeGreen@BrightPower.com).
- **Identify a primary contact** person at your Property or company who will be responsible for working with Bright Power on Measurement.
- **Contact Bright Power within 60 days** of Mortgage Loan Origination Date to begin Measurement Setup at [FannieMaeGreen@BrightPower.com](mailto:FannieMaeGreen@BrightPower.com). When you reach out, be ready to provide Bright Power with Property information and owner-paid utility data.

