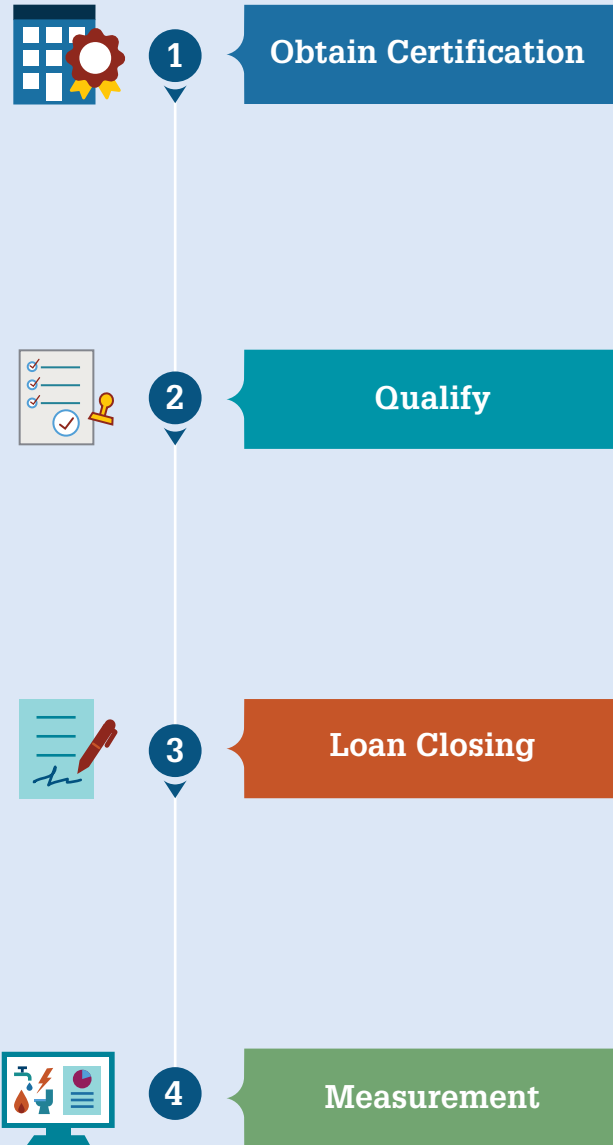


# Borrower Green Building Certification Mortgage Loan Guide

Green Mortgage Loans benefit property owners, tenants, and the environment through lower utility expenses, energy and water savings, and reduced greenhouse gas emissions. Properties with a Green Building Certification can access preferential pricing and may receive a lower all-in interest rate on their Mortgage Loan. Green Mortgage Loan benefits also include technical assistance completing annual energy and water benchmarking throughout the life of the Mortgage Loan.



**i** Informing your team and assigning roles for each step in the process will save time and help meet deadlines.



## STEP 1



# Obtain Green Building Certification

Properties qualify for a Green Building Certification Mortgage Loan with a current Fannie Mae-approved Green Building Certification. Fannie Mae recognizes more than 40 Green Building Certifications. See [Form 4250](#) for a full list of certifications and requirements. All recognized certifications have minimum energy reduction requirements and may address other environmental criteria. The Green Building Certifications vary in process, timing, cost, and focus. The certifications accepted by Fannie Mae can be obtained at different points during the lifecycle of a multifamily property – New Construction, Substantial/Major Renovation, and Existing Buildings.

## Plan Ahead

- New Construction and Substantial/Major Renovation certifications are issued either at the completion of construction, following receipt of certificate of occupancy, or after a performance period. A performance period indicates a period of time (usually 12 months) after which the performance of the building will be evaluated; if the building meets the anticipated minimum performance, the certification will be issued at that time.
- Existing Building certifications are generally issued after a performance period, but because the buildings are already operational and occupied, the performance period is the period prior to the evaluation for the Green Building Certification.

### Learn More

- [Green Building Certification At-A-Glance](#)
- [Go Green Flowchart](#)

## Know the Steps

- 1a. BORROWER:** If you already have a Green Building Certification, work with your DUS® Lender to ensure it is compliant with [Form 4250](#).
- 1b. BORROWER:** If you do not have a Green Building Certification, determine where the Property is in its development and operations to identify what type of Green Building Certification would apply to the Property.
- 2. BORROWER:** Use the [Green Building Certifications At-A-Glance](#) resource to find certifications that meet the Property's needs, including cost, timing, and requirements.
- 3. BORROWER:** Contact the Green Building Certification organization to find out more details.
- 4. BORROWER:** Follow all requirements outlined by the Green Building Certification organization. These may include:
  - (a) Design Review and Construction Review:** Many Green Building Certifications require the certification organization or a third-party evaluator to be involved in the project during design and/or construction.
  - (b) Data Requirement:** Some certifications require 12-months of post-occupancy data. This requirement is sometimes referred to as a performance period.



## STEP 2



# Qualify

The DUS Lender must confirm that the Property has a Fannie Mae-recognized Green Building Certification that complies with program requirements. Please see [Form 4250](#) for complete eligibility requirements and the specific certifications and versions Fannie Mae recognizes from each organization.

## Plan Ahead

- Confirm with your DUS Lender that the Green Building Certification is Form 4250 compliant.
- Prepare all documentation related to your Green Building Certification before applying.

### The following Green Building Certifying Organizations are recognized and approved by Fannie Mae

1. [BREEAM USA](#)
2. [Build It Green](#)
3. [Enterprise Community Partners](#)
4. [Green Building Initiative](#)
5. [Home Innovation Research Labs](#)
6. [International Finance Corporation](#)
7. [International Living Future Institute](#)
8. [Passive House Institute](#)
9. [Phius \(Passive House Institute US\)](#)
10. [U.S. Department of Energy](#)
11. [U.S. Environmental Protection Agency](#)
12. [U.S. Green Building Council](#)

## Know the Steps

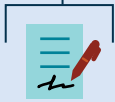
1. **BORROWER:** Inform your DUS Lender that your Property has obtained a Fannie Mae-recognized Green Building Certification.
2. **BORROWER:** Submit the certification and any related documentation to your DUS Lender.
3. **DUS Lender:** Review and approve the Green Building Certification.

### Learn More

- [Form 4250](#)
- [Green Building Certification At-A-Glance](#)
- [Job Aid: How to Review and Approve a Green Building Certification](#)
- [List of Fannie Mae DUS Lenders](#)



## STEP 3



# Loan Closing

A Fannie Mae Green Building Certification Mortgage Loan closing includes documentation specific to Green Building Certification Mortgage Loans. Your DUS Lenders will need to provide Fannie Mae with a copy of the Green Building Certificate(s). You will also execute Form 6267 – Modification to Multifamily Loan and Security Agreement – Green Building Certification. These Loan modifications include a commitment to complete Fannie Mae Green Measurement, which requires working with the Fannie Mae Green Measurement and Verification Service Consultant, Bright Power, to report annual energy and water consumption metrics.

## Plan Ahead

- The deadlines for completing Measurement reporting are determined by your Loan Closing date. Check with your Loan Servicer to confirm your initial Measurement deadline.
- Assign roles for Measurement reporting to ensure accurate compliance.
- Create a calendar reminder to contact Bright Power at [FannieMaeGreen@BrightPower.com](mailto:FannieMaeGreen@BrightPower.com) to complete Measurement Setup within 60 days of Mortgage Loan Origination Date.

## Know the Steps

1. **DUS Lender:** Provides Fannie Mae with a copy of Green Building Certificate(s).
2. **DUS Lender:** Includes Form 6267 in the Loan Agreement.
3. **BORROWER:** Signs the loan documents.

**TIP:** Communicate the reporting requirements to the staff responsible for providing property information and utility data access. Advise them to file documentation for easy retrieval when working with Bright Power on Measurement reporting.

### Learn More

- [You Have a Green Loan – Now What?](#)



## STEP 4



# Measurement

Measurement is the collection and reporting of annual energy and water data and is required by your loan documents. You fulfill the Measurement requirement by providing Fannie Mae the full utility data at the Property annually for the life of the Loan through Bright Power. Annual Measurement reporting shows you and Fannie Mae the impact and benefit of your Green Building Certification. An additional benefit is access to EnergyScoreCards, Bright Power's premier multifamily utility tracking tool. EnergyScoreCards will help you better understand your Property's energy and water use and may identify additional areas for improvement and cost savings.

## Plan Ahead

- Set up and prepare to share online utility account logins to reduce staff time spent providing required data.
- Schedule Measurement Setup within **60 days** of Mortgage Loan Origination Date.
- The first Measurement reporting year is based on your Loan Closing date. Confirm your deadline with your Loan Servicer.
- The time required to complete annual Measurement reporting varies depending on the utility account setup and utility company. Provide this information within three weeks of Bright Power outreach.

### Learn More

- [Step-by-Step Measurement Setup Guide and Worksheet for Borrowers](#)
- [Borrower Guide to Measurement](#)
- [Resident Utility Data Collection Overview](#)
- [Green Lease Guide](#)
- [Measurement Setup and Reporting webpage](#)

**TIP:** To share tenant data, you may need to collect signed Letters of Authorization (LOA) from tenants. Bright Power will provide you with the right forms for your Property. The "Green Lease Guide" can simplify collecting LOAs from tenants.

## Know the Steps: One Time Setup

1. **BORROWER:** Contacts Bright Power at [FannieMaeGreen@BrightPower.com](mailto:FannieMaeGreen@BrightPower.com) within 60 days of Mortgage Loan Origination Date.
2. **Bright Power:** Provides setup instructions and support.
3. **BORROWER:** Completes the Measurement Property Setup Form. The property information is needed to understand how buildings function compared to similar buildings in comparable climates.
4. **BORROWER:** Provides owner utility data access to Bright Power. Online account login credentials are preferred and require the least staff time. There are alternatives if login access is not available.

**TIP:** If you use a third-party utility service provider to manage your utility bills or perform other benchmarking services, Bright Power may be able to coordinate with them directly.

## Know the Steps: Annually

1. **Bright Power:** Contacts the Borrower requesting any needed utility data.
2. **BORROWER:** Notifies Bright Power of any online utility login changes throughout the life of the loan. Provides annual data where online login access is not available.
3. **BORROWER:** Provides access to tenant utility data, if needed.



## Choose team members to manage your Green Building Certification Mortgage Loan process:

Overall loan compliance:

---

---

Green Building Certification oversight:

---

---

Owner utility data access:

---

---

Tenant utility data access:

---

---

### Green Building Certification Mortgage Loan Professionals and Their Roles:

- **DUS® Lender:** A company who approves, funds, and services Loans on behalf of Fannie Mae.
- **DUS® Loan Servicer:** A company who services Loans on behalf of Fannie Mae.
- **Bright Power:** A firm contracted by Fannie Mae to manage the Fannie Mae Green Measurement and Verification Service. Bright Power also works with you to collect utility data and to prepare and submit your Measurement reports.

### Green Building Certification Mortgage Loan forms:

- Form 4250:** This Form is a reference that includes a full list of Green Building Certifications recognized and approved by Fannie Mae and provides an overview of Loan qualification requirements.
- Form 6267 (Modification to Multifamily Loan and Security Agreement – Green Building Certification):** This Form includes a commitment to complete Fannie Mae Green Measurement, which requires working with the Fannie Mae Green Measurement and Verification Service Consultant.



**What if we have further questions?**

Additional information is available on [Fannie Mae's Green Financing website](#).

