

Borrower's Guide to Green Loan Verification

Your Fannie Mae Green Mortgage Loan requires a one-time site visit inspection to verify the installation of Energy and Water Efficiency Measures. Loan Servicers will work with you to schedule a site visit from a qualified Verification Inspector.*

What is Verification?

Verification is the inspection of Energy and Water Efficiency Measures (EWEMs) installed at the property as agreed to by the Borrower in its Loan Agreement for the Green Rewards Mortgage Loan.

Beginning in 2021, Servicers will engage qualified Verification Inspectors to verify EWEM installations. Prior to the origination of your Green Rewards Mortgage Loan, each Borrower received a free High-Performance Building Report, also known as an Energy and Water Audit Report, which identified a set of possible energy and water upgrades unique to the Property. Your Loan Agreement includes the list of EWEMs that you selected to be installed at your Property.

What happens before the Verification process begins?

- Within 12 months of loan closing, Borrowers are required to install the set of EWEMs identified in the Loan Agreement with Fannie Mae
- Green Rewards Borrowers may use a vendor of their choice to install EWEMs and capitalize on incentives or discounts offered by utility companies.
- Green Rewards Borrowers should track which EWEMs were installed and the cost of each.



What should Borrowers and property staff expect from the Verification process?

1. Borrowers and Servicers coordinate to schedule Verification

Borrowers should notify their Loan Servicer once overall EWEM installation nears completion. To ensure a smooth process, Borrowers should have the following information ready for Servicers and the Verification Inspector:

- Contacts for the property that will assist in the preparation and execution of the site visit.
- Up to date information about EWEMs installed.
- Actual costs associated with EWEMs installed.
- If applicable, any changes from the initial EWEM scope identified in the High-Performance Building Report.

2. EWEM Site Visit Inspection

Servicers will engage a qualified Inspector to perform the Verification within 30 days after EWEM installations are completed.

How should Borrowers and property staff prepare for a site visit?

The Verification Inspector selected by your Servicer will explain the site visit inspection including which units they will need to access. Be prepared to guide Inspectors through common areas and residential units where EWEMs were installed. Notify residents to ensure easy and safe access to all EWEMs installed in their unit.

Green Verification Inspections include only EWEMs. Servicers may conduct additional site visits to inspect other aspects of property condition or other upgrades unrelated to EWEM installations.

*Green M&V Service offering is subject to change in the future

On the day of the site visit:

Property staff should escort the site Inspector to the installed EWEMs. Site visits range from two to six hours depending on the EWEM types and the number of units that need sampling. Inspectors are there to verify that the EWEMs were installed properly and are delivering expected benefits. The Inspector will take photographs of installations, record data, and may ask questions about the installations.

After the inspection is complete:

Servicers will review results of the Verification Inspection and provide them to Fannie Mae. Fannie Mae and Bright Power will perform quality control checks on all results. If they match, you are compliant. If not, Fannie Mae will notify your Servicer of the property's non-compliance.

There are a few reasons for non-compliance. EWEMs can be deemed non-compliant for any of the following reasons:

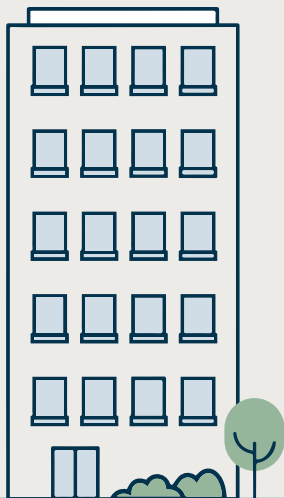
- The EWEMs do not function as intended.
- The wrong EWEM was installed.
- The EWEMs were not installed properly.
- The EWEMs were removed after installation.

What if my property is non-compliant?

You, as the Borrower, will work with your Servicer to provide an acceptable remediation plan to Fannie Mae. Bright Power will not be involved in the remediation process, but is available to answer any questions regarding the Verification Inspection.

Please communicate what will be done and how long it will take to fix the problems that led to non-compliance directly with your Servicer.

Once complete, submit supporting documentation to your Loan Servicer to bring your property into compliance. Fannie Mae wants Borrowers to experience the benefits of their Green Rewards Loan. Correcting EWEM issues brings the property into compliance and ensures long-term benefits from Green Mortgage Loans.



Who can answer questions about my Green Mortgage Loan?

For questions regarding loan terms and changes to your property, contact your Servicer.

For questions related to the Green Measurement Service, contact Bright Power at FannieMaeGreen@BrightPower.com.

For program questions and future green loan eligibility, contact your Lender.

For general Green Asset Management questions, contact Green_AM@fanniemae.com.

For Green Verification Inspection questions, contact Green_Inspections@fanniemae.com.