



Green Lease Guide

Introduction

Annual energy and water reporting to Fannie Mae is part of the Green Measurement and Verification requirements of your Green Mortgage Loan. Beyond being a key piece of your Loan Agreement, energy and water reporting will help you understand your property's energy and water consumption and the effectiveness of any energy or water efficiency measures.

Energy and water reporting for your building looks at whole property utility usage, which must include both owner-paid utilities and tenant-paid utilities. To obtain the required tenant-paid utility data, you must receive authorization from your tenants to access their utility data. That is usually done through a Letter of Authorization (LOA) from the utility provider, which a tenant must sign.

Intent

It is easiest to collect LOAs during lease signing when tenants are completing and signing other paperwork. The LOA simply becomes an additional form the tenant needs to sign. "Green leases" or lease provisions, are becoming commonplace in commercial real estate, and residents will often appreciate that special steps may be needed to support the property's environmental goals. While including LOAs in a lease is not required for your Green Mortgage Loan, doing so will greatly streamline the process for you and your residents. Required paperwork is obtained only once each year, with no need to contact residents separately for green reporting. Property management staff can then keep signed LOAs on file and be ready to share with Fannie Mae and Bright Power when requested for annual Green Loan reporting.

Documentation

Depending on the utility provider(s), you may need multiple LOAs from each household – one for each utility provider. **Reach out to Bright Power via fanniemautilitydata@brightpower.com, or 646-780-1207, for guidance on which LOA(s) you may need or to see if your utility has a specific required form.** In some cases, LOAs will need to be updated each year and can be included in your annual lease renewal packages.

The draft lease language below should be included in your lease to facilitate the collection of LOAs.



Utility Data Access Release

To _____ (“Utility”):

_____ (“Tenant”) consents to the release of the Tenant’s account number, usage history, and monthly billing totals by Utility to _____ (“Landlord”), to analyze the efficiency of the building’s energy and water usage. Tenant does not consent to, and Utility agrees not to release, any banking, credit card, or other Tenant payment information beyond the monthly billing total. Landlord agrees that all data will be protected, and no third party will be given access to the information other than Landlord’s lender and the lender’s designated agents for the purposes of analyzing energy and water consumption at the property.