



Multifamily Mortgage Business Lender Memo 18-05

December 20, 2018

To: Multifamily Lenders

From: Michele Evans, Senior Vice President and Multifamily Chief Operating Officer
Bob Simpson, Vice President, Multifamily Affordable and Green Business

Subject: Lender Memo 18-05 | Changes to Green Rewards Mortgage Loans

HIGHLIGHTS

Effective January 1, 2019, Fannie Mae is updating the projected energy/water consumption savings requirements needed to qualify as a Green Rewards Mortgage Loan in Part IIIB, Chapter 11 – Green Mortgage Loans, of the Multifamily Selling and Servicing Guide (Guide).

Changes

Fannie Mae is updating the Guide to require all Green Rewards Mortgage Loans to have a minimum projected annual reduction for the whole Property of 30% in a combination of energy and/or water consumption, of which a minimum of 15% must be attributable to savings in energy consumption.

For example, Mortgage Loans with the following projected savings in consumption would qualify as a Green Rewards Mortgage Loan:

- 20% energy savings and 12% water savings; or
- 33% energy savings and 0% water savings.

However, a Property that projects to save 31% in water consumption, but only 12% in energy consumption would not qualify.

Effective Date

This Lender Memo is effective for Mortgage Loans purchased by Fannie Mae after January 1, 2019 and using delegated or quoted pricing under the DUS Pricing Memo dated November 16, 2018 or any subsequent Pricing Memo.

Questions

Please contact your Fannie Mae Deal Team with any questions.

Associated Documents

The clean version of the updated business form is now available at fanniemae.com/multifamily.

- Modifications to Multifamily Loan and Security Agreement (Green Mortgage Loan) (Form 6241) ([blackline](#))
- Form 4099.H – Analysis Tool for a High Performance Building Report