Fannie Mae Mission and Portfolio

- Fannie Mae provides liquidity, stability, and affordability to the secondary mortgage market

- Fannie Mae’s Multifamily provides financing for:
  - Market Rate, Affordable, Seniors, Student, Military, Manufactured, and Cooperative properties
  - Approximately 19% of all U.S. Multifamily Mortgage Debt outstanding as of Q2 2015

- Fannie Mae accesses capital by securitizing the loans

![Flowchart diagram showing the process from Property Owner to MBS Investors involving Loan, DUS® Lender, Mortgage, Fannie Mae Multifamily, and MBS Investors.]
Our Multifamily Green Financing Framework

Fannie Mae Multifamily Green Financing targets a positive, measureable impact to each component of the Triple Bottom Line.

**Financial**
- Lower credit risk
- Higher cash flows
- Higher property value

**Social**
- Greater affordability for tenants
- Create higher quality more durable housing
- Healthier housing

**Environmental**
- Lower use of energy, water, and natural resources
- Greater resiliency to natural disasters
Simplifying the Approach to Green Financing

Fannie Mae Multifamily is giving you the GREEN to GO GREEN

Where do I begin?

If your property has one of the following Multifamily Green Building Certifications:
- EarthCraft
- ENERGY STAR®
- Enterprise Green Communities
- Green Globes
- GreenPoint
- Leadership in Energy and Environmental Design (LEED)
- National Green Building Standard (NGBS)

If you’re ready to reduce operating costs and create value with smart property improvements, such as:
- Replacing outdated appliances with ENERGY STAR® appliances
- Upgrading boiler
- Replacing insufficient lighting
- Installing solar systems
- Installing water-saving irrigation systems
- Improving insulation
- Financing Green Building Certification costs
- Making other energy- & water-saving improvements

Fannie Mae Multifamily offers these financial incentives:

A lower all-in interest rate (10 basis points off)

A lower all-in interest rate (10 basis points off) + Additional loan proceeds

To qualify:

Property must possess a current, Fannie Mae-recognized Green Building Certification prior to loan closing

Property owner must commit to property improvements that are projected to reduce the whole property’s annual energy or water use by 20% (Green Rewards) or 15% (Green Preservation Plus)

Ask your Fannie Mae DUS® lender for:

Green Building Certification Pricing Break

Green Rewards or Green Preservation Plus

Access a broader MBS investor market because:

Fannie Mae discloses the Green Loan as a “GREEN MBS”

Call your Fannie Mae lender today or go to www.fanniemaegreeninitiative.com

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Green Building Certification Pricing Break

- Available nationwide for any Fannie Mae Loan backed by a property with a current, eligible Green Building Certification
- Provides 10 basis points (0.1%) off the all-in interest rate
- Eligible Green Building Certifications:
  - EarthCraft Multifamily
  - ENERGY STAR®
  - Enterprise Green Communities
  - National Green Building Standard
  - Green Globes
  - GreenPoint Rated
  - LEED

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Green Rewards

- Available nationwide
- Provides 10 basis points (0.1%) off the all-in interest rate
- Provides additional loan proceeds by allowing underwriting of up to 50% of the projected operating savings resulting from the planned energy and water efficiency retrofits
- Properties must be able to project a minimum of 20% annual savings in energy and/or water use
How Fannie Mae Addresses Multifamily Resilience

- Incentivizes investment in green improvements that enhance multifamily resilience
  - Installation of onsite renewable energy generation facilities
  - Reduced consumption of energy and water

- Ensures that properties are adequately insured

- Requires REO properties in issue-prone locations to have a disaster management plan

- Monitors catastrophic events and communicates with Lenders to ensure Borrowers are aware of resources and options
Challenges of Applying Green Financing Model to Resilience

**Green Improvements**
- Time Frame: Known
- Expense Avoidance: Known
- Cash Flow: Improved

**Resilience Measures Only**
- Time Frame: ?
- Expense Avoidance: ?
- Cash Flow: ?
Considerations for Financing of Resiliency

- Is there a way to value investments in resiliency similarly to other property investments?
- Is there a way to work with other stakeholders to incentivize investments?
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