

Green Refinance Plus Execution

The Green Refinance Plus execution for Multifamily Affordable transactions provides additional proceeds to support the green retrofitting and general renovation of existing Affordable properties while retaining the ease of working with your Fannie Mae Lender.

Benefits of Green Refinance Plus

Borrowers want:	Green Refinance Plus delivers:
Sufficient Proceeds to Ensure On-Going Property Condition	4-5% more proceeds than our regular DUS Affordable preservation execution, to support energy retrofitting and other needed renovations.
Competitive Pricing	A highly competitive rate for affordable transactions.
Ease and Certainty of Execution	The flexibility and reliability of the lender-delegated DUS [®] model, using standard DUS forms resulting in easier closings.
One-Stop Customer Service	Borrowers only need to work with their Fannie Mae Lender. Any interaction with HUD/FHA or Fannie Mae will be handled by the Lender. The Fannie Mae Lender will structure, underwrite and service the Mortgage Loan.

Eligible Lenders

All DUS and Special Affordable Lenders approved to deliver Multifamily Affordable Housing (MAH) loans to Fannie Mae and who utilize DUS or Pari Passu loss sharing are eligible to participate.

Loan Processing and Underwriting

The Fannie Mae Lender will be responsible for loan processing and underwriting.

Eligible Borrowers

Borrowers must have sufficient assets, liquidity and experience to support the Mortgage Loan and perform sponsorship responsibilities, as determined by the Fannie Mae Lender.

Eligible Properties

Green Refinance Plus loans are available for existing properties that are 10 years or older and that will meet MAH income and rent restrictions going forward, nationwide.

Loan Amount

No minimum or maximum loan amount. *(Note: Loans above \$50 million require HUD consent)*

Maximum LTV

The maximum LTV of the Mortgage Loan is 85%.

Minimum DSCR

The minimum DSCR on the Mortgage Loan is 1.15x.

Amortization

Up to 30 years.

Accrual Basis

30/360 and Actual/360.

Loan Term

The Mortgage Loan must have a term of ten years or more.

The affordability restrictions applicable to the Property must remain in effect for at least the term of the Mortgage Loan.

Interest Rates

Green Refinance Plus loans must be fixed-rate loans with no interest-only period.

Subsidy Layering Review

Some transactions:

- New Construction/Substantial Rehab LIHTC transactions
- LIHTC transactions with credits still flowing to the property (less than 10 years old)
- A transaction receiving new federal capital resources (example: new soft debt from a state or local government funded via HOME funds)
- Transactions with a project-based Section 8 HAP contract
- Transactions with an IRP contract

will require a subsidy layering review by HUD (or in some cases, a state tax credit allocating agency). The Lender and Fannie Mae will handle HUD's review on behalf of the borrower. This review will occur simultaneously with the Lender's underwriting of the transaction.

Recourse Requirements

Standard recourse carve-outs apply.

Assumption

Mortgage Loans may be assumable with the consent of Fannie Mae and payment of a 1% transfer fee.

Escrows

Replacement reserve, tax and insurance escrows are required.

Third-party Reports

Standard third-party reports – Physical Needs Assessment (PNA), Appraisal, and Phase I Environmental Assessment - are required.

The Physical Needs Assessment must contain an assessment of a property's physical needs, an energy audit and identification of cost effective opportunities for increasing energy and water efficiency, reducing operating and capital costs ("Green PNA").

- ❑ The Green PNA scope of work is available via Lender Memo 11-04 and AllRegs. The Green PNA is also identified in the U.S. Department of Housing and Urban Development's Mark-to-Market Green Initiative Physical Condition Assessment, except that such assessment shall be procured directly by the Lender.
- ❑ The Green PNA requirement can be waived for projects of 50 units or less, where the cost of other renovations can be demonstrated to be at least 5% of UPB.

Documentation

Mortgage Loans are closed on standard form documents that can be found on efanniemae.com. Documentation cannot be changed without the approval of Fannie Mae.

Closing

Borrowers are responsible for all transaction costs and closing costs, including legal fees.

Rate Lock

Standard rate lock requirements apply to the Mortgage Loan.

Executions Available

MBS and Cash executions are available for the Mortgage Loan.

Asset Management

Property improvements selected from the Green PNA must be made within 12 months of loan disbursement. Lenders are required to verify the installation of property improvements.

To verify reductions in energy and water consumption, borrowers must track total energy and water usage using ENERGY STAR Portfolio Manager starting in year one. Borrowers must submit the property's ENERGY STAR Statement of Energy Performance report annually.

Servicing

The Fannie Mae Lender services the Mortgage Loan. Fannie Mae Lenders must perform annual property site inspections by in-house staff and provide copies of the annual property inspection reports to Fannie Mae.

Additional Resources

For more detailed information about Green Refinance Plus, see the Fannie Mae Delegated Underwriting and Servicing Guide.

Contact

To learn more about Green Refinance Plus:

- Fannie Mae Lenders should contact their Multifamily Affordable Housing Account Manager.
- Borrowers should contact a DUS Affordable or Special Affordable Lender. A list of approved DUS Affordable and Special Affordable Lenders is available on the Affordable Lenders page on [efanniemae.com](https://www.efanniemae.com/mf/refmaterials/lenderinfo/affordchanlen.jsp): <https://www.efanniemae.com/mf/refmaterials/lenderinfo/affordchanlen.jsp>