



Multifamily Green Initiative

Fannie Mae Multifamily Green Initiative: Integrating Green into Multifamily Finance

October 29, 2015

Fannie Mae Mission and Portfolio

- Fannie Mae provides liquidity, stability and affordability to the secondary mortgage market
- Fannie Mae's Multifamily Portfolio includes:
 - Loans having an aggregate unpaid principal balance of over \$200B as of Q1 2015
 - All types of loans and properties: Market Rate, Affordable, Seniors, Student
 - Approximately 20% of all U.S. Multifamily Mortgage Debt outstanding as of year-end 2014
- Multifamily Mortgage Business serves property owners by providing financing solutions that meet business needs

Fannie Mae Multifamily has provided liquidity, stability and affordability to the multifamily market for over 25 years.

Our Multifamily Green Financing Framework

Fannie Mae Multifamily Green Financing must result in a **positive, measureable impact** to **each pillar** of the **Triple Bottom Line**.

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

Financial



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

Social



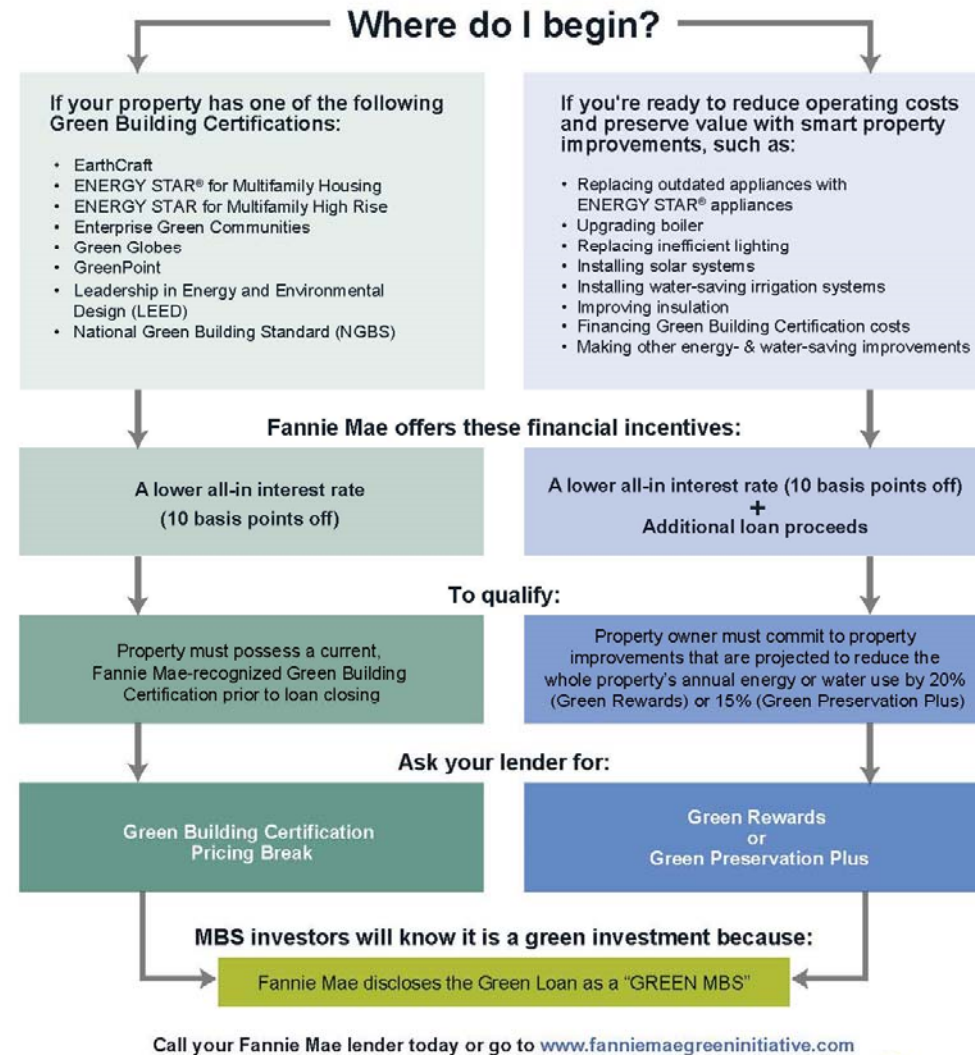
- Lower use of energy, water and natural resources
- Greater resiliency to natural disasters

Environmental





Simplifying the Approach to Green Financing



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

Integrating Green into Multifamily Finance

Originating

- Loans may be originated by any Fannie Mae Multifamily Lender

Underwriting

- High Performance Building module of PCA identifies energy- and water-saving retrofits
- Property owner commits to making specific retrofits that reduce energy or water consumption by at least 20%
- Lender underwrites up to 50% of projected savings from selected retrofits

Securitization

- Loan securitized and disclosed to investors as Green MBS

Asset Management

- Lender escrows cost of energy- and water-saving retrofits, and releases capital to property owner when each retrofit is complete
- Property owner reports Energy Performance Metrics annually