

FANNIE MAE DUS[®]

Green Rewards

BENEFITS

- Lower interest rate.
- Free High Performance Building Report (energy and water audit) and Technical Solar Assessment.
- Up to 5% more loan proceeds.
- Increase Net Cash Flow by underwriting projected energy and water cost savings.
- No minimum investment per unit.
- Attract more investors with a Green MBS.

ELIGIBILITY	<ul style="list-style-type: none"> • All Asset Classes with at least 12 months of Stabilized Residential Occupancy; a Manufactured Housing Community is eligible only if a solar PV system is selected as a required efficiency measure. • Property owner must commit to improvements that are projected to reduce the whole property's annual energy and/or water usage by at least 30%, of which a minimum of 15% must be projected energy savings. • Improvements must be installed within 12 months of the Mortgage Loan Origination Date. • Properties may be located anywhere in the U.S. • Green Rewards Mortgage loans that are projecting greater than 5% additional loan proceeds or include a solar PV system as a selected efficiency measure are Pre-Review. • Cannot be combined with Credit Facilities and Bulk Deliveries.
LIEN PRIORITY	<p>First Lien Mortgage Loans, Supplemental Mortgage Loans, and Second Supplemental Mortgage Loans are available.</p> <p>For a Second Supplemental Mortgage Loan, 100% of the loan proceeds must be used for efficiency improvements.</p>
AVAILABILITY OF ADDITIONAL LOAN PROCEEDS	Up to 5% more than a conventional (non-green) DUS Loan.
HIGH PERFORMANCE BUILDING REPORT (HPB REPORT)	High Performance Building Report 100% paid by Fannie Mae if loan is delivered as a Green Rewards Mortgage Loan. Report scope equivalent to ASHRAE Level 2 Energy Audit.
TECHNICAL SOLAR ASSESSMENT	100% paid by Fannie Mae for Green Rewards Mortgage Loans if the Borrower elects to install a Solar PV system as a required efficiency measure.
UNDERWRITING	75% of the owner-projected and 25% of the tenant-projected energy and water cost savings may be included in the Underwritten Net Cash Flow.
EXECUTION OPTIONS	Green MBS.
TERM	5 to 30 years.
INTEREST RATE	Fixed- and variable-rate options available.
LOAN AMOUNT	No minimum or maximum.
MAXIMUM LTV & MINIMUM DSCR	Varies by product type.
PREPAYMENT AVAILABILITY	Flexible prepayment options are available, including yield maintenance and declining prepayment premium. Mortgage Loans may be voluntarily prepaid upon payment of the required prepayment premium per the Loan Documents.

For important disclosures about Lument and the information found in this term sheet [click here](#).

RATE LOCK	<p>30- to 180-day commitments. Borrowers may use the Streamlined Rate Lock option. If Fannie Mae approval of the High Performance Building Report is required, the HPB Report must be approved by Fannie Mae at least five days prior to Rate Lock.</p> <p>The Technical Solar Assessment must be submitted for Fannie Mae approval at least 10 days prior to Rate Lock.</p>
ACCRUAL	30/360 and Actual/360.
RECOURSE	Non-recourse execution is available, with standard carve-outs for “bad acts” such as fraud and bankruptcy required.
ESCROWS	Costs for green efficiency improvements escrowed at 125%; reduced escrows of 110% of the projected improvement cost for solar PV installations may be approved if the Borrower has obtained a documented bid for the work from a qualified vendor.
THIRD-PARTY REPORTS	Standard third-party reports, including Appraisal, Phase I Environmental Assessment, and a Property Condition Assessment, are required. The Property Condition Assessment must include the High Performance Building module or HPB Report. A Technical Solar Assessment is also required for any Property with a Solar PV system selected as an efficiency measure.
ASSUMPTION	Mortgage Loans are typically assumable, subject to review and approval of the new borrower’s financial capacity and experience.