



Green Refinance Plus Program

Green Refinance Plus is an enhancement of the Fannie Mae/FHA Risk-Share program, which provides funding for the refinance, preservation and energy-efficient retrofits of older affordable multifamily housing properties, including those that are currently in Fannie Mae's or FHA's portfolio. This program allows for lower debt service coverage and higher loan to value ratios, to generate extra loan proceeds for property rehab and energy-efficient retrofits.

Owners of affordable multifamily properties that are 10 or more years old often need to refinance and undertake modest renovations. *Green Refinance Plus* enhances the standard Fannie Mae/FHA Risk Sharing program, which uses Fannie Mae's DUS[®] underwriting requirements, by generating additional proceeds to complete renovations or energy retrofits, in addition to refinancing a project's outstanding loan balance.

Program requirements include:

- Property must be at least 10 years old, with a recorded use agreement of the affordability restrictions that extends for at least the term of the new loan to help preserve affordable housing.
- At least 5 percent of the refinance loan proceeds must be applied to property renovation or energy retrofit.
- All rehabilitation and energy improvements must enhance value and improve property operations.

As a requirement for underwriting, Fannie Mae will adopt a Green Property Needs Assessment (Green PNA) as a standard required for all *Green Refinancing Plus* loans. The Green PNA will identify a property's deferred capital needs and cost effective opportunities for increasing energy and water efficiency. The opportunities identified during the Green PNA process will ultimately reduce operating and capital costs for the property owner, reduce utility costs for tenants, while improving indoor environmental quality. Fannie Mae will offer *Green Refinance Plus* through its networks of Delegated Underwriting and Servicing (DUS[®]) and Special Affordable lenders.