

## FREDDIE MAC

# Freddie Mac Utility Efficiency Loan

Improved pricing and additional proceeds where the borrower commits to cutting energy or water use by at least 30%, with a minimum of 15% coming from energy.

## Indicative Terms

|                                  |                                                                                                                                                                                                                        |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>ELIGIBLE LOAN TYPES</b>       | Conventional loans and Targeted Affordable Housing cash preservation loans. Small balance, seniors, student, manufactured housing community and supplemental loans are excluded.                                       |
| <b>TERMS</b>                     | 5-, 7- or 10-year options, fixed or floating rate.                                                                                                                                                                     |
| <b>AFFORDABILITY REQUIREMENT</b> | At least 40% of the property's units must be affordable at workforce housing levels.                                                                                                                                   |
| <b>EFFICIENCY TARGETS</b>        | A 30% reduction in whole-property energy or water and sewer consumption, with a minimum of 15% from energy.                                                                                                            |
| <b>FINANCIAL CRITERIA</b>        | Coverage and leverage must be policy compliant. No adjustment is permitted.                                                                                                                                            |
| <b>TIMELINE</b>                  | Two years to complete the improvements.                                                                                                                                                                                |
| <b>FUNDING MECHANISM</b>         | Escrowed at 125% of project cost and released as work is completed.                                                                                                                                                    |
| <b>REQUIRED ASSESSMENT</b>       | A Green Assessment forms part of the third-party report package, and a third-party data collection consultant monitors actual usage across the loan term.                                                              |
| <b>CERTIFIED PATH</b>            | The same 40% affordability requirement applies, plus one of nine certifications: ENERGY STAR Multifamily, LEED, Green Globes, EarthCraft, Green Communities, GreenPoint Rated, NGBS, PHIUS Certified or PHI Certified. |
| <b>APPLICATION FEE</b>           | Quoted per transaction.                                                                                                                                                                                                |
| <b>ORIGINATION FEE</b>           | Quoted per transaction.                                                                                                                                                                                                |
| <b>LEGAL FEES</b>                | Quoted per transaction.                                                                                                                                                                                                |

## Eligible Properties & Sponsors

Available on conventional loans and Targeted Affordable Housing cash preservation loans. Small balance, seniors, student, manufactured housing community and supplemental loans are excluded. At least 40% of the property's units must be affordable at workforce housing levels.