



2019 Green Advantage[®] Program Changes

For 2019, FHFA made the following [requirement changes](#) for Green Up[®] and Green Up Plus[®] loans to be excluded from the multifamily cap:

- **Loans must project a minimum 30 percent reduction in whole property energy and water consumption and a minimum of 15 percent of the reduction must be in energy consumption.**

This means: To qualify for exclusion from the cap, there must be a 15 percent minimum whole property energy consumption reduction and the remaining 15 percent can be either an energy and/or water whole property consumption reduction, for a total of 30 percent.

In addition, a property projecting 30 percent energy consumption reduction would qualify for cap exclusion, as would a property projecting 15 percent energy and 15 percent water consumption reduction, or 20 percent energy and 10 percent water consumption reduction.

Residual Energy consumption reduction counts toward the energy consumption reduction. For example, if a showerhead saves 10 percent water and has a residual energy benefit of 3 percent, we can count that 3 percent toward the qualifying energy threshold. Per industry standards, the policy focuses on whole property energy and water consumption reduction. This means that if there are energy reduction benefits associated with a water conservation measure or vice versa, those reductions count toward the total whole property energy and water consumption reduction requirements.

- **There is a new data collection requirement for all excluded Green Up/Green Up Plus loans, which will require a third-party data collection firm to be engaged prior to closing.**

The data collected by the third party is the data Freddie Mac requires Borrowers to collect on whole property energy and water consumption and that is needed to benchmark the property in EPA's Portfolio Manager[®].

Per FHFA, the consumption reduction threshold ensures that the benefits from green renovations are passed through to the tenants, while the added data requirement allows FHFA to assess the efficacy of Fannie and Freddie's Green programs on an ongoing basis.

If you have any question, please contact your Freddie Mac relationship manager.