



Green Advantage®: Benchmarking

This document provides guidance to Seller/Service providers and Borrowers for the benchmarking process required under the Green Up® and Green Up Plus® loan options that are part of Freddie Mac Multifamily Green Advantage® suite of offerings. This document does not contain all details required to fulfill the benchmarking obligations. General information about benchmarking is available at <https://portfolio manager.energystar.gov/>.

Note: This guidance is applicable to Green Advantage loans pre-2019 guidelines.

Overview - What it is and How it Works

Benchmarking involves tracking the energy and water usage of a property over time and measuring against baseline consumption for comparable properties. Borrowers are responsible for tracking usage by entering data into ENERGY STAR® Portfolio Manager® (Portfolio Manager), a free tool maintained by the Environmental Protection Agency (EPA). Details are available online for help with [setting up a Portfolio Manager account](#) and [getting started](#) with Portfolio Manager.

Prior to rate-lock, Borrowers elect to receive either a Green Assessment® or Green Assessment Plus® (Green Report) from a third-party vendor (Green Consultant) retained by the Seller/Service provider. The report provides recommendations on property improvements that can achieve energy and/or water savings. To qualify for Green Up® or Green Up Plus® benefits, Borrowers commit to making improvements that will reduce energy or water consumption by at least 25 percent based on the Green Report recommendations. Borrowers are required to provide Freddie Mac with Benchmarking Data through Portfolio Manager.

Benchmarking Process

Initial Measurement

Borrowers provide the following information to the Seller/Service provider and Green Consultant at the time of the Green Assessment:

- Basic property information (i.e., name, address, year built, etc.)
- Utility consumption information (both energy and water)
- Portfolio Manager account information (see link above for setup)

The Green Consultant will input historical consumption information in Portfolio Manager and [share the property](#) data with the Borrower and Freddie Mac through Portfolio Manager.

Ongoing Compliance

Borrowers are required to input monthly utility consumption data through Portfolio Manager and to respond to an annual request for metrics from Freddie Mac. See the Reporting section for more details. The ongoing Benchmarking process includes:

1. Accessing the property in Portfolio Manager
 - See sidebar for details on gaining access to the property.
 - Contact your Seller/Service provider for additional assistance.
2. Populating Portfolio Manager with monthly energy and water consumption information
3. Complying with the Benchmarking Metrics reporting requirement and other terms of the Green Improvements requirements in the Loan Agreement
4. Completing and submitting the Green Improvements Verification Certification to the Service provider

How do I gain access to my property in Portfolio Manager?

When the loan goes “Under App” with Freddie Mac:

1. Borrower must create a Portfolio Manager account prior to loan closing.
2. Connect the account to the Green Consultant’s account by:
 - Sending the username, email and property name to Seller/Service provider who will provide account details to Green Consultant.
3. Green Consultant will send a connection request to the Borrower.
 - Borrower must accept the connection request.
4. Green Consultant will share the property with the Borrower’s Portfolio Manager account.

For more information on sharing property data see the [how-to guide](#) or the [Portfolio Manager FAQs on sharing properties](#).

Benchmarking Data Requirements

Annual benchmarking will require the collection of the utility consumption data for the whole property. If the property is in a jurisdiction in which the utility company will provide aggregate whole-property usage data, the Borrower may provide that data through Portfolio Manager. For more information, see the Freddie Mac [Benchmarking and Utility Information Resources](#) page or download a fact sheet on “[Utilities Providing Energy Data for Benchmarking in ENERGY STAR Portfolio Manager](#).” If aggregate whole-property usage data is not available, the Borrower will need to collect both owner-paid (or owner-managed) and the minimum amount of tenant-paid utility consumption data.

Owner-Paid or Owner-Managed Utility Consumption Data

Borrowers must input in Portfolio Manager monthly owner-paid or owner-managed (RUBS) utility information for energy and water usage. Estimated usage is not acceptable.

Tenant-Paid Utility Consumption Data

For energy and/or water usage that is individually metered and paid by the tenant, collecting utility consumption information will typically require Borrowers obtaining the consent of tenants to access their utility consumption data from the utility provider. Borrowers are required to input monthly tenant energy and water usage consumption data for no less than 10 percent of tenants at the property. Using this 10 percent sample of actual data, the whole-building tenant consumption will then need to be estimated. Resources to assist in estimating the whole-building tenant consumption including a [Sampling Calculator](#), a [Sampling Protocol](#) and [General Guidance](#) are available at [HUD's Multifamily Utility Benchmarking Toolkit](#).

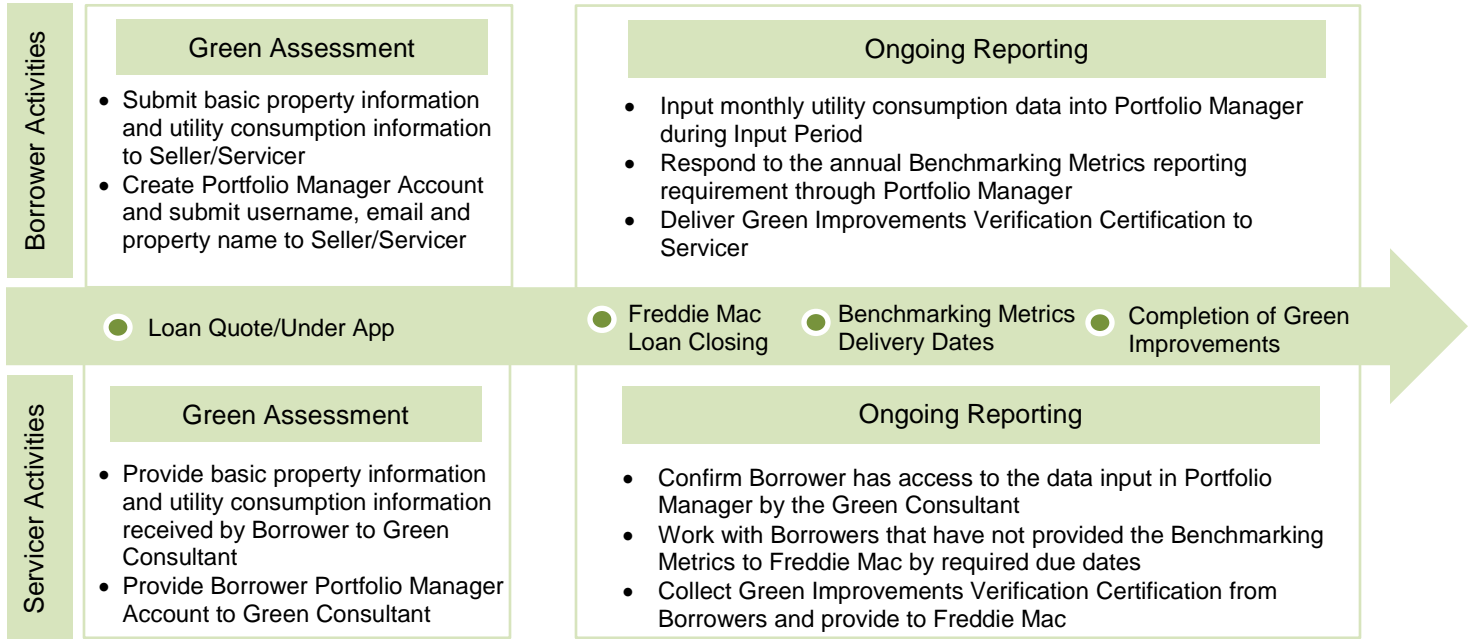
Suggested methods to obtain tenant data could include:

1. Add a requirement in the lease agreement allowing the Borrower to obtain tenant consumption data from utility provider
2. Send letters to tenants requesting permission for the Borrower to access utility consumption information from the local utility company
3. Offer incentives to tenants to provide permission for the Borrower to access utility consumption information from the local utility company
4. Schedule events to collect tenant permission for the Borrower to access utility consumption information from the local utility company
5. Manually read tenant utility meters (most are located in spaces accessible to the Borrower)

Benchmarking Data Reporting

Benchmarking Data Input Period

The Borrower is required to input monthly utility consumption data into Portfolio Manager beginning on the 1st day of the second full month following the date of the Freddie Mac Loan Agreement and continuing monthly through the last day of the calendar year following the fourth anniversary of the Freddie Mac Loan Agreement. Freddie Mac encourages Borrowers to continue to use Portfolio Manager after the required Input Period.



Reporting Mechanics – What, how and when do I report?

Borrowers are required to report to Seller/Service and Freddie Mac in the following ways:

1. Benchmarking Metrics Reporting Requirement

- What:** Annual reporting requirement stipulated in the Loan Agreement. The following Benchmarking Metrics must be submitted to Freddie Mac via Portfolio Manager: ENERGY STAR® Score, Site Energy Use Intensity, EPA 1-100 Water Score, Water Use Intensity and the Portfolio Manager property identification.
- How:** Borrowers will respond to the reporting requirement by accessing a data request link that will be provided on FreddieMac.com/Multifamily. A new link will be provided for each calendar year. Completing the Benchmarking Metrics reporting requirements through a Portfolio Manager data request requires:
 - Ensuring 12 consecutive months of utility consumption data for the applicable calendar year is entered in Portfolio Manager allowing the requested metrics to be generated.
 - Note:** Borrowers will begin reporting Benchmarking Metrics after a full calendar year of consumption data is input into Portfolio Manager. Partial years entered in Portfolio Manager do not generate metrics.
 - Generating a response preview in Portfolio Manager. Review and correct any data as necessary
 - Submitting the response in Portfolio Manager. Freddie Mac will monitor submissions and ask Service to work with Borrowers who have not submitted metrics by the required due date.
 - For more information on how to respond, see the “Benchmarking Resource” section below.
- When:** Within 90 days after the end of the calendar year (by March 31). Borrowers will be required to submit metrics for each prior calendar year of complete Benchmarking Data starting with the first full calendar year from the date of the Freddie Mac Loan Agreement through the remaining four years following the date of the Freddie Mac Loan Agreement.

2. Green Improvements Verification Certification

- *What:* An Exhibit to the Loan Agreement used as a certification by the Borrower of the actual date that all Green Improvements were completed and verification that the Green Improvements have been completed in accordance with the specifications recommended in the Green Report.
- *How:* Borrowers complete the Green Improvements Verification Certification and deliver to the Servicer. The Servicer will email it to Freddie Mac at green_advantage_reporting@freddiemac.com.
- *When:* Borrower provides to Seller/Servicer, who emails it to Freddie Mac within 30 days of the date the Green Improvements have been completed in their entirety

3. Supporting Documentation

- *What:* Any utility bills, reports, or documentation supporting the usage of energy and water at the property and, if available, any calculations of any Borrower savings resulting from the Green Improvements
- *How:* Provide supporting documentation at Seller/Servicer's request
- *When:* Borrower is to deliver within 30 days of Seller/Servicer's request

4. Energy Certification

- *What:* Any Energy Certification from applicable local, state or federal agencies, or a nationally recognized building association. Examples include a LEED, EarthCraft, Green Communities, Green Globes, ENERGY STAR® Certification, or as noted in the *Freddie Mac Multifamily Seller/Servicer Guide*.
- *How:* Borrowers provide evidence of achievement of the Energy Certification to your Servicer. The Servicer will email it to Freddie Mac at green_advantage_reporting@freddiemac.com.
- *When:* Borrower is to deliver to Seller/Servicer within 30 days of receipt of Energy Certification

| Reporting Dates - Example | | |
|--|-------------------------|-----------|
| Freddie Mac Loan Agreement Date | 10/15/2017 | |
| Fourth Anniversary of Freddie Mac Loan Agreement | 10/15/2021 | |
| Input Period for Benchmarking Data | 12/1/2017 to 12/31/2021 | |
| Benchmarking Metrics Delivery Dates | 2018 Metrics | 3/31/2019 |
| | 2019 Metrics | 3/31/2020 |
| | 2020 Metrics | 3/31/2021 |
| | 2021 Metrics | 3/31/2022 |
| Date of Actual Completion of Green Improvements | 10/8/2019 | |
| Verification Certification Due Date | 11/8/2019 | |

Reporting Due Dates

Freddie Mac will monitor the completion of all reporting, including the submission of the Benchmarking Metrics and the Verification Certification. If deliverables are not received by the applicable due dates, Freddie Mac will request that the Servicer work with the Borrower to submit the required information.

| Document or Information to be Delivered | Deadline to Deliver Documentation |
|---|--|
| Benchmarking Metrics | Within 90 days after the end of each calendar year, coinciding with the annual financials reporting due date. This requirement goes through the end of the fourth year after the date of the Loan Agreement. |
| Verification Certification | Within 30 days of completion of the Green Improvements |
| Supporting Documentation | Within 30 days of request from Seller/Servicer |
| Energy Certification | Within 30 days of receipt of Energy Certification |

Benchmarking Resources

Borrowers may elect to manage the ongoing compliance process on their own or to engage a third-party vendor. Refer to the Portfolio Manager [training resources webpage](#) for additional assistance with Portfolio Manager or to the links below.

Resource Links

Portfolio Manager: <https://portfoliomanager.energystar.gov/>

- Setting up an account: <https://portfoliomanager.zendesk.com/hc/en-us/articles/211029058-How-do-I-create-a-Portfolio-Manager-account->
- Quick Start Guide: https://www.energystar.gov/sites/default/files/tools/Portfolio%20Manager%20Quick%20Start%20Guide_0.pdf
- Sharing properties:
 - Guide: <https://www.energystar.gov/buildings/tools-and-resources/how-share-data-other-users-portfolio-manager>
 - Video: <https://www.youtube.com/watch?v=RwW4juBLOnY>
 - FAQs: <https://portfoliomanager.zendesk.com/hc/en-us/sections/202232987-Sharing>
- Benchmarking Metrics Reporting Requirement - Responding to Data Requests in Portfolio Manager:
 - Guide: <https://www.energystar.gov/buildings/tools-and-resources/how-respond-data-requests-portfolio-manager>
 - Video: <https://www.youtube.com/watch?v=dqfzoCGIIdc&list=TLi-xu7TyZevHfHmzXYR7OxI0utv8CE97s>

Green Assessment: New *Multifamily Seller/Service* Guide Chapter 65

- Approved Vendors: https://mf.freddiemac.com/product/vendor_list.html

Other:

- Sampling Calculator: <https://www.hudexchange.info/resource/133/tenant-paid-utility-data-sampling-calculator/>
- Sampling Protocol: <https://www.hudexchange.info/resources/documents/Better-Buildings-Challenge-Data-Tracking-Manual-Multifamily-Sampling-Protocol.pdf>
- General Benchmarking Guidance: <https://www.hudexchange.info/programs/utility-benchmarking/toolkit/utility-benchmarking-step-by-step/>
- HUD Utility Benchmarking Website: <https://www.hudexchange.info/programs/utility-benchmarking/toolkit/>

Refer to the [Green Benchmarking FAQs](#) or contact Freddie Mac for additional assistance or information: green_advantage_reporting@freddiemac.com

Terms and Definitions

Benchmarking Data

The actual energy and water usage input in Portfolio Manager by the Borrower; must include all owner-paid utilities and no less than 10 percent of tenant-paid utilities for the property

Benchmarking Metrics

Measures of property utility consumption performance calculated by Portfolio Manager

Energy Certification

An energy certification for the property from the applicable local, state or federal agencies, or a nationally recognized building association

ENERGY STAR® Score

A measure of energy performance calculated by Portfolio Manager for the property

EPA 1-100 Water Score

A measure of water performance calculated by Portfolio Manager for the property

Freddie Mac Multifamily Green Advantage®

A suite of offerings providing benefits to Borrowers who have made or want to make their properties more energy and water efficient

Green Assessment®

A report detailing proposed property-level improvements to promote utility consumption efficiency at the property. It uses the ASHRAE Level 1 standard and otherwise meets the requirements set forth by Freddie Mac in Guide Chapter 65. The report describes projected savings in terms of utility consumption and dollars saved per improvement item,

Green Assessment Plus®

A report that contains the same information as the Green Assessment® but provides a more detailed analysis of projected savings in terms of utility consumption and dollars saved at the Property. It uses the ASHRAE Level 2 standard and otherwise meets the requirements set forth by Freddie Mac in Guide Chapter 65.

Green Consultant

A qualified environmental design/inspection or engineering firm performing the work required to produce a Green Report, benchmark utility consumption, or deliver property performance reporting

Green Improvements

The improvements identified in the Green Report that the Borrower elects to perform at the property that are intended to result in energy or water consumption savings of 25 percent or more

Green Report

Collectively the Green Assessment® and the Green Assessment Plus® loan options

Green Up®

A loan option available when a Borrower commits to making Green Improvements described in the Green Assessment®

Green Up Plus®

A loan option available when a Borrower commits to making Green Improvements described in the Green Assessment Plus®

Input Period

The time frame for which the Borrower must input utility consumption information into Portfolio Manager commencing on the first day of the second full month following the date of the Loan Agreement and continuing on the first day of each month thereafter through the last day of the calendar year following the fourth anniversary of the Loan Agreement.

Portfolio Manager

An online tool used to measure and track energy and water consumption at the property located on the ENERGY STAR® website of the EPA