

# Solar Energy at Multifamily Properties



## Making it Easier to Finance Properties with Solar Installations

Freddie Mac is supporting a more sustainable multifamily industry by facilitating the expansion of solar electric systems through our new solar framework. We've established clear guidelines that will allow for efficient and consistent processing of deals that have or wish to install on-site solar.

### Our Solar Framework

We listened to the market and created a framework to analyze solar electric systems that are flexible enough to be used for the varied structures used to deploy solar at multifamily properties. You can find our requirements in the [Multifamily Seller/Service Guide Chapter 8.21](#).

As part of the framework, we've published a comprehensive [Solar Analysis](#) to guide Optigo® lenders, their counsel and underwriters through the critical issues related to a solar installation at a multifamily property. A Solar Analysis is required for any property with an existing solar installation or where the borrower is asking for pre-approval of a future solar installation.

In addition to the Solar Analysis, Freddie Mac may require any of the following in connection with properties that have or will have a solar installation:

- An estoppel certificate
- An SNDA or subordination agreement with the solar provider
- Inclusion of the [Solar Agreement Rider to Loan Agreement](#)

Learn more about what we're doing to [support a greener marketplace](#).

### Benefits of Going Solar

Having a solar electric system installed at your multifamily property may lower utility bills, increase property value, reduce environmental impact, offer energy independence, and/or generate tax credits.

### Common Solar Ownership Types

- **Borrower-owned.** Borrower owns, operates and has paid for the solar installation with its own funds.
- **Affiliate-owned.** An entity related to the borrower owns, operates and maintains the solar installation. This structure is commonly utilized to facilitate federal tax credits. This typically involves additional property level agreements (e.g., a lease and a power purchase agreement) that are subject to the requirements of Section 8.21 of the Guide and are analyzed in the Solar Analysis.
- **Third-party owned.** The borrower enters into one or more property-level agreements with an unrelated third-party that will install, own, operate and maintain the site solar installation.

### Ready to Get Started?

Reach out to an Optigo lender today to finance a property with solar energy at [mf.freddiemac.com/borrowers](https://mf.freddiemac.com/borrowers)