

Utility Efficiency Improvements, Completion Monitoring and Modifications

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Table of Contents

Introduction	3
Monitoring and Timely Completion of Utility Efficiency Improvements	4
Completion of Utility Efficiency Improvements	4
Incomplete, Partial and Utility Efficiency Improvement Extension Requests	5
Disbursement from Repair Reserve	5
Utility Efficiency Improvements Modification Requests	6
Guidance for All Modification Requests	6
Alternate Utility Efficiency Improvements	6
New and Partial Utility Efficiency Improvements	6

Introduction

As of December 2025, we have renamed our Green Advantage program to Utility Efficiency. Loans originated under the Utility Efficiency program will be Utility Efficiency loans. For purposes of this document:

- Green Up® and Green Up Plus® loans previously originated under the Green Advantage program will be identified as Utility Efficiency loans.
- Green Improvements will be identified as Utility Efficiency Improvements.
- Green Improvements Rider will be referred to as the Utility Efficiency Improvements Rider.
- Green Improvements Verification Certification will be referred to as the Utility Efficiency Improvements Verification Certification.
- Green Consultant will be referred to as the Utility Efficiency Consultant

This document provides guidance to servicers who are monitoring completion of Utility Efficiency Improvements or who are receiving modification requests for Utility Efficiency Improvements for Utility Efficiency loans. Servicers must consult the Utility Efficiency Improvements Rider and the applicable Repair Reserve language in the Loan Agreement along with *Multifamily Seller/Service Guide* (Guide) [Chapter 39](#) for specific details required to fulfill the loan obligations.

Monitoring and Timely Completion of Utility Efficiency Improvements

Under the Utility Efficiency loans, borrowers commit to complete qualifying energy and water conservation measures identified in a Green Assessment®. The energy and water improvements that the borrower commits to complete are identified as Utility Efficiency Improvements in the Utility Efficiency Improvements Rider to the Loan Agreement. These Utility Efficiency Improvements are to be handled as repairs for monitoring and reporting purposes.

For most loans, borrowers will have two years to complete the Utility Efficiency Improvements. For Value-Add, Moderate Rehab or Preservation Rehab loans, Utility Efficiency Improvements are to be completed based on the completion time frame requirements of those offerings. Servicers must monitor the repairs to ensure completion by the required date and that, among other things, the work is done in a professional and workmanlike manner.

Completion of Utility Efficiency Improvements

Notification of completion must be provided with the Utility Efficiency Improvements Verification Certification (UEIVC), which is an exhibit of the Loan Agreement. Servicers must collect and submit the certification through the Property Reporting System (PRS) within 30 days after completion of the Utility Efficiency Improvements in their entirety. If Freddie Mac no longer owns the loan, submission must be through the Document Management System (DMS), labeling the document using the applicable document type. The certification must include:

- The date of completion of the Utility Efficiency Improvements
- Confirmation that the completed Utility Efficiency Improvements were installed per the specifications of the Green Assessment – examples include:
 - Aerators installed at 0.5 gallons per minute (GPM) in all bathrooms
 - Replace the 284, 2.0 GPM showerheads with 1.5 GPM in all bathrooms
 - Toilets installed at 1.28 gallons per flush in 85% of bathrooms
 - LED lighting installed at all exterior and interior locations
 - Replaced all washing machines with equivalently sized Energy Star® qualified models
- Confirmation that the current energy and water usage (Benchmarking Data) has been uploaded into Portfolio Manager®
 - See the [Benchmarking Data Collection Guide](#) for additional details

Documentation supporting the completion of the Utility Efficiency Improvements must be maintained by the servicer in the mortgage file as defined in the Guide and must include, to the extent available, estimates and contracts for repairs, receipts, invoices, pictures of the completed repairs, utility bills, utility usage reports, savings calculations and certifications from engineers when required. Freddie Mac reserves the right to request any other supporting documentation.

Incomplete, Partial and Utility Efficiency Improvements Extension Requests

Earlier versions of the Loan Agreement provided a date by which Utility Efficiency Improvements must begin. Freddie Mac has since eliminated this requirement. Thus, the Utility Efficiency Improvements start dates can be eliminated or start date extensions can be approved upon borrower request.

Servicers must monitor any Utility Efficiency Improvements that are incomplete, partial or in need of an extension in the same manner as outlined for all repairs in [Section 39.4\(b\)](#) of the Guide, with the below additional considerations.

- Freddie Mac generally considers the time frame allotted for completion of Utility Efficiency Improvements to be sufficient for completion.
- Requests to extend the completion date must include reasonable support for the extension, e.g., circumstances out of borrower control, inability to access unit, etc., and servicers are to use their best business judgment in reviewing.
- Freddie Mac discourages extending the completion date beyond an additional six months and will only grant such extensions due to extraordinary circumstances. In no instance will Freddie Mac extend the completion date beyond an additional 12 months. In the event the completion date is extended, the period when Benchmarking Data must be entered must also be extended for a comparable period.

Extensions are processed through the standard consent request process. If Freddie Mac no longer owns the loan, servicers must still notify Freddie Mac of approved extension requests and must include the reason for the extension and an explanation for approving extensions beyond six months when applicable. Extension approvals and all supporting documentation must be uploaded to DMS and notice must be delivered to the [Multifamily Green Advantage Reporting mailbox](#).

Disbursement from Repair Reserve

The estimated cost of the Utility Efficiency Improvements is typically escrowed at 125% and is included as part of a Repair Reserve. This Utility Efficiency Improvements Deposit must only be used for Utility Efficiency Improvements. Disbursements of funds for Utility Efficiency Improvements follow the same requirements as outlined for Repair Reserves in [Section 39.4\(c\)](#) of the Guide.

Servicers can determine the minimum disbursement request amount borrowers can request. If excess Utility Efficiency Improvement Deposit funds remain upon completion of the Utility Efficiency Improvements, the servicer will return the funds to the borrower only when all other repairs are complete. This disbursement must be made in coordination with the final disbursement of Repair Reserve funds as applicable.

Utility Efficiency Improvements Modification Requests

Modification requests can be categorized into three main categories:

1. Request for alternate Utility Efficiency Improvements
2. Request for a new Utility Efficiency Improvement
3. Request for partial Utility Efficiency Improvement

Guidance for All Modification Requests

Modifications are processed through the standard consent request process. Servicers must evaluate if the modification request will meet the required percentage savings for energy or water, and for loans closed prior to the 2018 program requirements update, the required cost per unit committed to by the borrower at the time of commitment or loan closing. If a modification is warranted, the servicer must ensure the consultant updates [Form 1106](#) of the Green Assessment and revises the date of the form to distinguish it from the original report. The updated Form 1106 must be uploaded into DMS. The cost of updating the Green Assessment will be passed through to the borrower.

Alternate Utility Efficiency Improvements

Any requests for alternate Utility Efficiency Improvements must be selected from the recommendations provided in Form 1106 of the Green Assessment. It is recommended that alternate Utility Efficiency Improvement requests be made within the same improvement category (i.e., energy measure for alternate energy measure or water measure for alternate water measure) unless savings targets can be met through the alternate Utility Efficiency Improvement.

New and Partial Utility Efficiency Improvements

New and partial Utility Efficiency Improvements requests require a new Utility Efficiency Consultant analysis to evaluate the request and provide new or updated projected costs and savings figures in Form 1106. The proposed Utility Efficiency Improvements must have the updated figures to ensure the savings targets are still met.