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HUD AND FANNIE MAE ANNOUNCE EXPANSION OF GREEN PRESERVATION PLUS

Program to Improve Quality of Existing Affordable Housing Developments through Energy and Water Efficient Property Retrofits

WASHINGTON, DC – Fannie Mae (FNMA/OTC), with support from the U.S. Department of Housing and Urban Development’s (HUD) Federal Housing Administration (FHA) today announced the expansion of Green Preservation Plus. Formerly known as Green Refinance Plus, Green Preservation Plus supports the preservation of quality affordable multifamily housing in the United States by providing additional funds to improve the energy and water efficiency of properties.

Green Preservation Plus offers financing to owners to acquire multifamily affordable housing properties or to refinance existing Fannie Mae mortgage loans. The expansion of this loan option provides additional loan proceeds through lower debt service and higher loan-to-value ratios. Owners may use these additional loan proceeds to rehabilitate or improve the energy and water efficiency of the property. Energy and water retrofit improvements can significantly reduce energy and water consumption and costs multifamily property. Under Green Preservation Plus, owners may now access the property’s equity in an amount up to the cost of the energy- and water-saving improvements being financed. Up to five percent of the loan amount can be added to the mortgage loan to pay for energy- and water-saving improvements.

“The Federal Housing Administration is committed to providing multifamily affordable housing property owners with the necessary financing tools to help implement energy efficiency improvements that will help the owners and tenants save energy and save money,” said FHA Commissioner Carol Galante.

“We are committed to providing affordable, quality housing for working families. Green Preservation Plus supports this effort by allowing properties to become more efficient and financially strong,” said Hilary Provinse, Vice President for Multifamily Customer Engagement, Fannie Mae. “We’re pleased to see initial industry interest in our green financing options and to make the benefits available to a broader group of property owners and tenants.”

Property owners will obtain a standard Fannie Mae Physical Needs Assessment with the High Performance Building Module. This Assessment will identify property improvements that reduce energy and water operating costs and consumption and help borrowers make rehabilitation choices that will give them the greatest energy and water savings for their investment. Based

upon this Assessment, property owners may select energy- and water-efficiency upgrades that make the most economic sense for their properties.

Green Preservation Plus is an enhancement of the Fannie Mae and HUD/Federal Housing Administration Risk-Sharing Agreement program. Since the inception of the Fannie Mae Multifamily Green Initiative, Fannie Mae has issued \$150 million in Green MBS which include Green Preservation Plus loans.

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