



## Freddie Mac Multifamily Launches Green Advantage(SM) to Promote Affordable, Resource-Efficient Rentals

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MCLEAN, VA--(Marketwired - Aug 8, 2016) - Freddie Mac (OTCQB: FMCC) today launched the [Freddie Mac Multifamily Green Advantage\(SM\)](#), a flexible, cost-effective suite of offerings to finance resource-efficient multifamily rental housing that is available with most Freddie Mac multifamily loan products.

Under Green Advantage, borrowers can choose either Green Up<sup>(SM)</sup> or Green Up Plus<sup>(SM)</sup> to get better pricing and increase their Freddie Mac loan amounts to finance energy and water efficiency improvements on multifamily properties. Freddie Mac will reimburse all or part of the cost of the energy audit borrowers used to identify cost-saving features and improvements for their approved loan.

To potentially receive better pricing on existing green buildings under Green Advantage, buildings must be Green Certified. To be Green Certified, a building must have any of eight industry standard green building certifications and at least one affordable rental unit.

"Green Advantage is designed to give our industry a better way to make America's rental housing more resource-efficient," said David Leopold, vice president of multifamily affordable housing production at Freddie Mac. "One important reason why we developed Green Advantage is to give the multifamily industry a better way to help hard-working households manage their rent and utility costs."

"Freddie Mac Multifamily designed Green Advantage to help borrowers who see value in energy efficiency for their tenants, communities, businesses and the environment," said Peter Giles, vice president of multifamily production and sales at Freddie Mac. "By reducing project operating costs, Freddie Mac's Green Advantage can help borrowers increase a property's profitability, market value, and appeal to tenants."

### *The Green Advantage: Introducing Green Up and Green Up Plus*

Green Advantage gives borrowers two different options for financing green improvements.

Green Up<sup>(SM)</sup> enables borrowers with qualifying properties to increase the amount of their eligible Freddie Mac Multifamily loan by up to 50 percent of projected energy and water savings. Under Green Up Plus<sup>(SM)</sup>, borrowers can increase the loan amount by up to 75 percent of the projected savings. Borrowers who go for the Green Advantage may also get better pricing as an extra incentive to go green.

Under Green Up, savings are calculated through a Green Assessment<sup>(SM)</sup>, a short, straightforward evaluation of green opportunities, estimated costs, and projected savings. For Green Up Plus, borrowers must provide a Green Assessment Plus<sup>(SM)</sup>, which is a more detailed analysis, based on an ASHRAE Level 2 assessment, that can potentially lead to greater savings opportunities.

Both Green Up and Green Up Plus require a minimum projected savings of at least 15 percent (water or energy usage) and give borrowers up to two years to complete the improvements.

Recent studies found energy and water efficiency improvements can generate potential economic savings of between 28-to-38 percent, energy savings of between 22-to-31 percent, and tenant utility cost reductions of as much as 40 percent. A separate 2015 analysis of Freddie Mac multifamily loans determined that, if all units paid 10 percent less in utilities, then 10 percent more units would be affordable at 50 percent of the area median income.

The Freddie Mac Multifamily Green Advantage significantly expands on the [Green Rebate pdf](#) that Freddie Mac began offering last year to borrowers on qualified property loans who voluntarily provided an ENERGY STAR score with their loan documents.

### **Additional Details:**

- [Term Sheet pdf](#) for Freddie Mac Multifamily Green Advantage.

Freddie Mac Multifamily helps provide quality, affordable rental housing across the nation through innovative financing that transfers the vast majority of the credit risk to the private market. In 2015, we funded nearly \$50 billion in loans and roughly 90 percent of the units were affordable to low- and moderate-income families. For more information, visit us at [www.freddiemac.com/multifamily/](http://www.freddiemac.com/multifamily/).

Freddie Mac was established by Congress in 1970 to provide liquidity, stability, and affordability to the nation's residential mortgage markets. Freddie Mac supports homeowners and renters nationwide by providing mortgage capital to lenders. Today Freddie Mac is making home possible for approximately one in four home borrowers and is one of the largest sources of financing for multifamily housing. Additional information is available at [FreddieMac.com](http://FreddieMac.com), Twitter [@FreddieMac](https://twitter.com/FreddieMac) and Freddie Mac's blog [FreddieMac.com/blog](http://FreddieMac.com/blog).

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