Multifamily Selling and Servicing Guide

Effective as of October 21, 2019

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# Lease Approval

## Requirements

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<th>Action</th>
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<td>Lease with Property Assessed Clean Energy (PACE) Financing</td>
<td>You must not approve any Material Commercial Lease that includes PACE financing.</td>
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<td>Other Material Commercial Leases</td>
<td>You must only approve other Material Commercial Leases if they comply with Part II, Chapter 1: Attributes and Characteristics, Section 107: Commercial Leases.</td>
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## Guidance

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<th>Material Commercial Lease Type</th>
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<td>Solar Power or Other Power Generation Lease</td>
<td>You may underwrite and approve a solar power, thermal power generation, or co-power generation Material Commercial Lease and any related power purchase agreement.</td>
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Glossary

L

Lease

Written agreement between an owner and the tenant of a Property stipulating the conditions for possession and use of real estate for a specified period of time and rent.

Synonyms
• Leases

M

Material Commercial Lease

Lease, sublease, license, concession, grant, or other possessory interest for commercial purposes that comprises 5% or more of the Property’s annual EGI, or relates to:
• solar power, thermal power generation, or co-power generation, or for the installation of solar panels or any other electrical power generation equipment, and any related power purchase agreement; or
• any Property dwelling units leased to an Affiliate of the Borrower, any Key Principal, or any Principal.

Synonyms
• Material Commercial Leases

P

Property

Multifamily residential property securing the Mortgage Loan and including the land (or Leasehold interest in land), Improvements, and personal property (as defined in the Uniform Commercial Code).

Synonyms
• Properties
• Property's