



Guide Update 21-05: Green Rewards Verification

Effective: 05/26/21

Retired: 12/31/21

Summary of Changes

HIGHLIGHTS

Effective May 26, 2021, for all Green Rewards Mortgage Loans, the Servicer must:

- ensure a compliant Green Rewards Verification inspection is performed;
- submit the Green Rewards Verification Inspection Form (Form 4221); and
- ensure each installed Efficiency Measure is
 - reported as compliant on Form 4221, or
 - remediated and closed before releasing the associated Completion/Repair Escrow.

Primary Changes

- Added a Green Rewards Verification section (Part V, Chapter 4: Asset Management: Loan Document Administration, Section 408.03I: Green Rewards Efficiency Measure Verification) requiring the Servicer to:
 - ensure a compliant Green Rewards Verification inspection of the installed Efficiency Measure is performed by an inspector who:
 - meets the experience requirements;
 - inspects the appropriate number and combination of vacant and occupied units; and
 - determines compliance;
 - notify the Borrower of non-compliance;
 - submit any non-compliance remediation plans through DUS Property Monitor;
 - coordinate with Fannie Mae to confirm remediation;
 - review and submit Form 4221 to green_inspections@fanniemae.com.
- Before releasing the associated Completion/Repair Escrow for an Efficiency Measure, the Servicer must ensure the installed Efficiency Measure is
 - reported as compliant on Form 4221, or



- remediated, then approved and closed by Fannie Mae.
- For Green Rewards Efficiency Measures included in a Moderate Rehabilitation Mortgage Loan, funds may be periodically disbursed from the applicable Completion/Repair Escrow or Rehabilitation Reserve Escrow as with a non-Green Rewards Mortgage Loan, rather than only after a compliant Verification inspection of Efficiency Measures.
- Moved requirements for managing the Efficiency Measure Completion/Repair Escrow from Part III, Chapter 4 into Part V, Chapter 4.
- Clarified the appropriate Property Inspection Form in Part V, Section 502, including using Form 4221 for Green Rewards Mortgage Loans.

Questions

Please contact Dave Miller at (202) 752-6297, or david_w_miller@fanniemae.com, with any questions.