



Notification 22-04: Green Rewards Mortgage Loan Maximum Inspection Fee

Effective: 04/14/22

Retired: 01/17/23

Summary of Changes

HIGHLIGHTS

Effective for Mortgage Loans Committed on or after April 14, 2022, for all Green Rewards Mortgage Loans, Schedule 2 of the Multifamily Loan and Security Agreement (Form 6001 series), Summary of Loan Terms, Part V – “Reserve Information, Maximum Inspection Fee” should state “Actual Expenses Incurred” rather than a dollar amount to

- ensure adequate inspection reserve funding, and
- enable you to receive full reimbursement for the cost of complex verification inspections.

Background

- Part V, Chapter 4: Asset Management: Loan Document Administration, Section 408.031: Green Rewards Efficiency Measure Verification requires a Green Rewards Verification inspection for all Efficiency Measures to
 - confirm correct installation, and
 - identify any errors that may hinder the Property achieving the expected savings and benefits.
- Complex Efficiency Measures:
 - include upgrades and changes to building systems, such as
 - heat recovery ventilation systems,
 - boiler controls, or
 - Solar Photovoltaic (PV) Systems;
 - must be inspected by a
 - qualified PCA High Performance Building Consultant per Form 4099, and



— Solar Technical Consultant, for Solar PV Systems; and

- generally cost substantially more to inspect than basic Efficiency Measures.
- To ensure adequate funding for the complex verification inspection cost, Schedule 2 of Form 6001 series, Summary of Loan Terms, Part V - “Reserve Information, Maximum Inspection Fee” should state “Actual Expenses Incurred” for all Green Rewards Mortgage Loans.

Questions

Please contact Cristine Holland at (202) 752-3124, or cristine_holland@fanniemae.com, with any questions.