



Updated: October 2024

Green Building Certification Financing

Permanent Loans on Green Certified New or Existing Properties

Green Building Certification Financing (GBC) offers several financial incentives for new and existing multi-family properties that have been awarded a green building certification, including but not limited to LEED, Enterprise Green Communities, and Passive House. GBC is one of three products in MHP's suite of Green and Healthy Housing Programs.

Green Financing Benefits:

- 10 to 35 basis point reduction in the permanent loan interest rate, depending on the type of certification achieved – see attached Green Building Certification Chart.¹
- Up to \$15,000 reimbursement for Green Building Certification related costs.
- Full reimbursement of energy performance tracking and benchmarking services through an approved provider for the first two operating years after the closing of the loan.

Green Certification

Requirements:

Prior to permanent loan closing, borrower must demonstrate that it has a Green Building Certification recognized by MHP (see attached).

Properties must enroll in and submit energy and water consumption and cost information to their selected energy performance tracking and benchmarking tool and share access to that information with MHP for at least two years after the closing of the loan.

Loan Type:

MHP permanent first mortgage on a recently completed and stabilized new multi-family property or a refinancing or acquisition of an existing property using any of MHP's capital sources, including bank financing, Fannie Mae or FHA Risk Sharing. Fannie Mae pricing incentives will be based on the green discounts currently available from Fannie Mae. MHP underwrites and services all loans regardless of capital source.

¹ MHP may limit the total interest rate discount received under the suite of Green and Healthy Housing programs to the basis point equivalent of \$20,000 in year one benefits.

Eligible Property Types: Minimum property size is five units, and the property must meet MHP’s minimum affordability requirements (at least 20% of the units affordable to households at 50% of Area Median Income (AMI), 40% of the units affordable to households at 60% AMI, or 25% of the units affordable to households at 80% AMI provided that the maximum rents are at least 10 percent below comparable market rents).

MHP’s GREEN BUILDING CERTIFICATION CHART	
GREEN BUILDING CERTIFICATION	AWARDING ORGANIZATION
ZERO ENERGY CERTIFICATIONS (35-basis-point rate reduction)	
• Phius ZERO CORE	Passive House Institute US (Phius)
• Living Building Challenge Zero Energy Certification ²	International Living Future Institute
• Enterprise Green Communities Plus, Achieving Zero Energy ³	Enterprise Community Partners
• LEED Zero Energy ⁴	U.S. Green Building Council
PASSIVE HOUSE CERTIFICATIONS (25-basis-point rate reduction)	
• Certified Passive House (Classic, Plus, or Premium)	Passive House Institute
• Phius CORE	Passive House Institute US (Phius)
ENERGY-FOCUSED GREEN BUILDING CERTIFICATION (20-basis-point rate reduction)	
• Enterprise Green Communities Plus, Moving to Zero Energy: Near Zero Certification ⁵	Enterprise Community Partners
GREEN AND HEALTHY CERTIFICATIONS (15-basis-point rate reduction)	
• Enterprise Green Communities	Enterprise Community Partners
• Combine a Comprehensive Green certification below with a Healthy Housing Certification under MHP’s Healthy Housing Financing Program	Eligible Healthy Housing Certification certifying organization plus a certifying organization listed below

² Discount will be awarded based on modeled energy performance. Final certification should be provided to MHP when awarded after 12 months of compliant net zero energy performance.

³ Properties must comply with Criterion 5.4, Achieving Zero Energy, as part of their Enterprise Green Communities certification to qualify under this category.

⁴ Discount will be awarded based on modeled energy performance. Final certification should be provided to MHP when awarded after 12 months of compliant net zero energy performance.

⁵ Properties must comply with Criterion 5.2b, Moving to Zero Energy: Near Zero Certification, as part of their Enterprise Green Communities certification to qualify under this category.

MHP's GREEN BUILDING CERTIFICATION CHART

GREEN BUILDING CERTIFICATION	AWARDING ORGANIZATION
COMPREHENSIVE GREEN CERTIFICATIONS (10-basis-point rate reduction)	
<ul style="list-style-type: none">LEED: Residential Building Design and Construction, minimum Gold certified	U.S. Green Building Council
<ul style="list-style-type: none">LEED: Homes and Multifamily Lowrise or Multifamily Midrise, minimum Gold certified	U.S. Green Building Council
<ul style="list-style-type: none">LEED: Building Operations and Maintenance - Existing Buildings, minimum Gold certified	U.S. Green Building Council