

# Single-Family Green Mortgage-Backed Securities (MBS)



March 2024



# Disclaimers

Copyright© 2024 by Fannie Mae.

**Forward-Looking Statements.** This presentation and the accompanying discussion contain a number of estimates, forecasts, expectations, beliefs, and other forward-looking statements, which may include statements regarding future benefits of investing in Fannie Mae products, future macroeconomic conditions, future actions by and plans of the Federal Reserve, Fannie Mae's future business plans, strategies and activities and the impact of those plans, strategies and activities. These estimates, forecasts, expectations, beliefs and other forward-looking statements are based on the company's current assumptions regarding numerous factors and are subject to change. Actual outcomes may differ materially from those reflected in these forward-looking statements due to a variety of factors, including, but not limited to, those described in "Forward-Looking Statements" and "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2023. Any forward-looking statements made by Fannie Mae speak only as of the date on which they were made. Fannie Mae is under no obligation to, and expressly disclaims any obligation to, update or alter its forward-looking statements, whether as a result of new information, subsequent events, or otherwise.

**No Offer or Solicitation Regarding Securities.** This document is for general information purposes only. No part of this document may be duplicated, reproduced, distributed or displayed in public in any manner or by any means without the written permission of Fannie Mae. The document is neither an offer to sell nor a solicitation of an offer to buy any Fannie Mae security mentioned herein or any other Fannie Mae security. Fannie Mae securities are offered only in jurisdictions where permissible by offering documents available through qualified securities dealers or banks.

**No Warranties; Opinions Subject to Change; Not Advice.** This document is based upon information and assumptions (including financial, statistical, or historical data and computations based upon such data) that we consider reliable and reasonable, but we do not represent that such information and assumptions are accurate or complete, or appropriate or useful in any particular context, including the context of any investment decision, and it should not be relied upon as such. Opinions and estimates expressed herein constitute Fannie Mae's judgment as of the date indicated and are subject to change without notice. They should not be construed as either projections or predictions of value, performance, or results, nor as legal, tax, financial, or accounting advice. No representation is made that any strategy, performance, or result illustrated herein can or will be achieved or duplicated. The effect of factors other than those assumed, including factors not mentioned, considered or foreseen, by themselves or in conjunction with other factors, could produce dramatically different performance or results. We do not undertake to update any information, data or computations contained in this document, or to communicate any change in the opinions, limits, requirements and estimates expressed herein. Investors considering purchasing a Fannie Mae security should consult their own financial and legal advisors for information about such security, the risks and investment considerations arising from an investment in such security, the appropriate tools to analyze such investment, and the suitability of such investment in each investor's particular circumstances.

Fannie Mae securities, together with interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other than Fannie Mae.

Opinions, analyses, estimates, forecasts, and other views of Fannie Mae's Economic & Strategic Research (ESR) group included in these materials **should not be construed as indicating Fannie Mae's business prospects or expected results**, are based on a number of assumptions, and are subject to change without notice. How this information affects Fannie Mae will depend on many factors. Although the ESR group bases its opinions, analyses, estimates, forecasts, and other views on information it considers reliable, it does not guarantee that the information provided in these materials is accurate, current, or suitable for any particular purpose. Changes in the assumptions or the information underlying these views could produce materially different results. The analyses, opinions, estimates, forecasts, and other views published by the ESR group represent the views of that group as of the date indicated and do not necessarily represent the views of Fannie Mae or its management.



# Single-Family Green Bonds

Fannie Mae launched its program in April 2020 demonstrating its commitment to achieving environmental, social, and economic outcomes by financing single-family homes that exceed energy- and water-saving standards.



Single-Family Green MBS include either **purchase money or refinance mortgage loans** backed by **newly constructed single-family residential homes** receiving approved **green building certifications** (GBCs) within the last five years that meet or exceed the national program requirements for **ENERGY STAR® Certified Homes, Version 3.1** and/or meet the performance eligibility target for **solar photovoltaic** (PV) systems as a source of energy generation.



The ENERGY STAR Certification is our minimum threshold for new construction because it is at least **10% more efficient than homes built to current state energy building codes** and a **20% improvement on average**. We aim to drive the housing industry to continue moving toward higher energy efficiency standards



The **Single-Family Green Bond Framework** received a [Light Green Second Opinion](#) from **S&P Global Shades of Green**, a leading global provider of green ratings for bonds. S&P Global concluded that “the framework’s inclusion of only loans backed by properties demonstrating energy use reductions beyond state code requirements represents an improved level of ambition”

For more information on Single-Family Green MBS, please visit [www.fanniemae.com/greenmbs](http://www.fanniemae.com/greenmbs)



# Single-Family GBCs

Certifications help to ensure that energy efficient features are thought of from the home design process through execution, resulting in a greener property with an array of homeowner benefits.

1

## What is an Energy Star certification?

- The ENERGY STAR program was developed by the U.S. Environmental Protection Agency (EPA) and is a government-backed symbol for energy efficiency
- A new home earning the ENERGY STAR label has undergone **independent inspections, testing, and verification** to meet stringent requirements set by the EPA

2

## Why did you choose the ENERGY STAR certification as the minimum threshold for new construction?

- While the **2006 International Energy Conservation Code** is often referenced as a reasonable measurement for energy efficiency, **approximately 80% of states have energy building codes above it**
- The ENERGY STAR Certification is based on a state's current energy efficiency code, meaning that **as the requirements rise, the threshold to receive an ENERGY STAR Certification also rises**

3

## What are some of the additional homeowner benefits with a GBC Home?

- Improved home comfort from comprehensive air sealing and insulation
- Protection from moisture damage with a comprehensive water management system
- Required fresh air ventilation which improves indoor air quality and prevents mold build up

Learn more about [green building certifications](#)



# Solar PV Loans

In 2023, Fannie Mae began allowing solar photovoltaic (PV) loans into the Single-Family Green MBS program.

## Can be used by borrowers who:

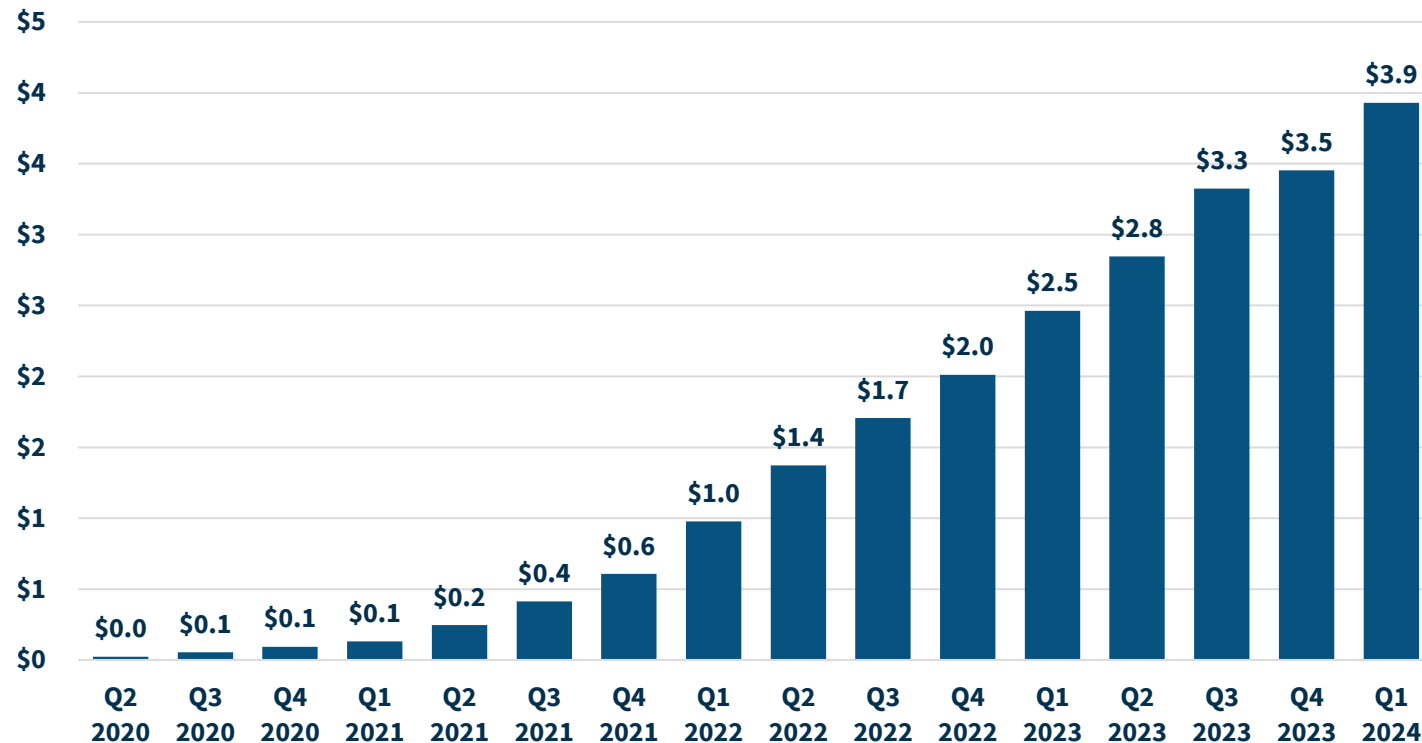
- Finance a home with an existing solar PV system
- Refinance a home with the proceeds paying off outstanding debt used for solar PV installation
- Purchase or refinance a home with the loan proceeds being used to add solar PV to the property

To be eligible, Solar PV loans must have systems that produce a minimum of a **20% reduction of the home's electricity consumption on an annual basis.**



# Issuance and Projected Impact

Single-Family Green MBS Cumulative Issuance Volumes



## 2020 - 2022 Single-Family Projected Impact Metrics<sup>(1)</sup>

**\$235** average homeowner utility cost savings per single-family home per year

**>118 million** kilo British Thermal Units (kBtu) of source energy saved

**>5,600 metric tons** of carbon dioxide equivalent (MTCO<sub>2d</sub>) of GHG emissions prevented

We publish annual impact metrics, providing investors with continued transparency.

View the [CUSIP-level impact](#) and our [impact methodology](#)

1. Includes estimated impacts only from Fannie Mae Single-Family Green Bonds.



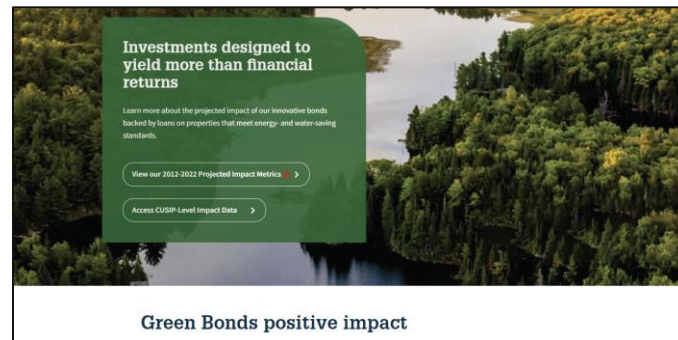
# Single-Family Green Disclosures

Fannie Mae remains committed to providing investors with comprehensive and highly transparent disclosures

## Website

Our [website](#) provides a variety of investor resources, including:

- Green Bond Framework
- Second Opinion
- Details on green building certifications
- CUSIP-level impact reporting



## PoolTalk®

Fannie Mae's [PoolTalk](#) tool provides transparency into our Green MBS Program. Recent enhancements include a Green Indicator and stratifications for Green Program Criteria, GBC, Energy Rating Index, and Renewable Energy



## Bloomberg

The securities can also be identified using Bloomberg's Green Bond indicator by searching <CUSIP> MTGE GO then DES GO



# Why invest in our Single-Family Green Bonds?



## Rigorous Standards

Fannie Mae's Single-Family Green Bond program relies on **green building certifications**.

We partner with a **third party** to **verify** the green building certification achieved by the properties collateralizing the Single-Family Green MBS.



## Quantified Impact

Environmental, social, and economic **benefits** of these securities are **quantified through enhanced reporting** including our annual projected impact metrics provided at a **CUSIP-level**.



## Recognized Leader

Fannie Mae earned the **2024 ENERGY STAR® Partner of the Year – Sustained Excellence Award** from the **U.S. Environmental Protection Agency** and **U.S. Department of Energy** for the fourth consecutive year for the Single-Family business.





# Contact Us

Information is available for investors and potential investors about Fannie Mae's products, the company's financial performance, and disciplined management of credit risk and interest rate risk.

**Sign up to receive Capital Markets MBS and ESG Securities news and updates:**



[www.fanniemae.com/CMSignUp](https://www.fanniemae.com/CMSignUp)

**For feedback or questions:**



[www.fanniemae.com/AskCM](https://www.fanniemae.com/AskCM)



**800-2FANNIE (800-232-6643)**

