



Updated: October 2026

Green Retrofit Financing

Refinance/Rehabilitation Loans¹

Green Retrofit Financing offers several financial incentives for the rehabilitation of multi-family projects when owners invest in property improvements which reduce energy and carbon emissions. These investments may include energy load reducing measures (such as improvements to the building envelope), electrification of building systems, and the addition of renewable energy systems. Green Retrofit Financing is one of three products in MHP's suite of Green and Healthy Housing Programs.

Green Retrofit Financing Benefits:

- 10 to 30 basis point reduction in the permanent loan interest rate, depending on the projected energy use reduction – see Green Retrofit Incentive Eligibility Chart².
- Up to \$15,000 reimbursement for the cost of a post-construction building operations performance evaluation³.

¹ Developers of projects that constitute gut rehabilitations are not eligible to use this program and should instead pursue interest rate reductions under the Green Building Certification or Healthy Housing Financing programs. Exceptions may be granted at MHP's discretion.

² MHP will 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. In addition, for developments using tax exempt bond financing, MHP may limit the interest rate discount to no more than 25 basis points if a larger discount would trigger the need for a bond reissuance. For developments financed with 4% and 9% Low Income Housing Tax Credits where MHP makes two loans ("twinned" loans), (1) the interest rate reduction will be calculated based on the aggregate amount of the twinned loans and the \$20,000 cap described above will apply to such aggregate; and (2) there will be a single \$15,000 reimbursement for the twinned loans.

³ A post-construction building operations performance evaluation is a review conducted approximately 12-24 months after a building has been fully occupied to verify that it is operating and performing as intended. This evaluation must include, at a minimum, (1) an assessment of whole building energy and water consumption and costs as compared to design expectations, (2) on-site observation to identify potential issues and/or sources of performance variation, and (3) operations staff interviews.

Required Property**Improvements:**

Borrower must commit to property improvements that are projected to reduce the property's on-site annual energy use intensity (EUI) ⁴, measured in kBtu/sf/yr, by at least 30% with the deepest interest rate discounts available for an EUI reduction of 50% or more. Operating cost impacts to both borrower- and resident-paid utilities must be evaluated and shown not to increase resident cost burden or to negatively impact the successful operation of the property.

Properties will be required to execute commissioning of all new mechanical systems⁵. Commissioning agent verification of line pressure and refrigerant charge testing for all central distributed refrigeration systems is required. Properties assuming air infiltration reduction as an energy consumption measure are required to field verify reduced air infiltration.

Properties must enroll in the EPA's Portfolio Manager⁶ energy performance tracking and benchmarking tool and share access to that information with MHP for the term of the loan. Whole building⁷ energy and water consumption and cost information must be uploaded at least annually.

Loan type:

MHP permanent first mortgage on 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.

Eligible Property Type:

Properties undergoing refinancing/rehabilitation where the borrower plans to make energy and emissions reduction improvements to the property. Minimum development size is five units, and the development 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).

⁴ At least 75% of EUI reductions must originate from non-renewable energy load reduction measures.

⁵ Projects that are not required by a certification program or Authority Having Jurisdiction (AHJ) to have a commissioning and/or testing and verification protocol should default to the applicable testing and verification requirements of the Energy Star Multifamily New Construction (MFNC) program. All new ventilation-related mechanical equipment must be included.

⁶ Sponsors may request approval to use an alternative, equivalent energy tracking and benchmarking tool to report the development's energy performance to MHP.

⁷ For developments that include buildings with fewer than 5 units, borrowers will be responsible for getting signed utility release forms from tenants at lease-up to facilitate receipt of aggregated whole-building energy data from the energy utility.

MHP's GREEN RETROFIT INCENTIVE ELIGIBILITY CHART

DEEP ENERGY RETROFIT (30-basis-point rate reduction)

Property improvements will reduce EUI by at least 50%, as supported by calculations from a decarbonization assessment. Alternatively, receipt of the following certifications may evidence eligibility under this category:

Certification Pathway:	Awarding Certification:
• PHIUS CORE / CORE REVIVE	Passive House Institute US (PHIUS)
• Certified Passive House (Classic, Plus, Premium, or EnerPHit)	Passive House Institute

ENERGY RETROFIT (20-basis-point rate reduction)

Property improvements will reduce EUI by at least 40%, as supported by calculations from a decarbonization assessment.

ZERO OVER TIME RETROFIT (10-basis-point rate reduction)

Property improvements will reduce EUI by at least 30%, as supported by calculations from a decarbonization assessment.