MLB Green Advantage Program

Revised 08/21/2026

Definitions & Scope

Green Advantage is an MLB program combining eligible FHA financing with a new, fully owned solar system installed after closing and optional borrower assistance.

- Minimum credit score: 620.
- Borrower must qualify on the total loan amount including the solar cost.
- Solar cost may not exceed 20% of the property value.
- New solar only; the program cannot be used to pay off an existing solar system.
- No separate solar payment, solar lien, UCC filing, or third-party solar contract.

Product Matrix

Transaction	Base FHA Financing	Maximum with Solar	AUS / DTI
Purchase	96.5% base loan amount	Up to 120% LTV, including solar cost	Approve/Ineligible; DTI per AUS findings
Rate/Term Refinance	97.75% base loan amount	Up to 120% LTV, including solar cost	Approve/Ineligible; DTI per AUS findings

Solar addition is the lesser of the solar system cost or 20% of property value. Upfront MIP is calculated on the total loan amount. Appraisal must reflect home value only and must not include solar value.

Borrower Assistance

Options	3.5% or 5% assistance.
Form	Grant OR forgivable second.
Forgivable Second	10-year term, no payments; forgiven at post-close solar installation. HOI, recording fee, and title insurance policy fee apply for the second lien.
Permitted Use	Down payment and/or closing costs.
Seller Concessions	Maximum 6%.

Program Specifications

Minimum FICO	620
Eligible Loan Terms	25- and 30-year fixed.
Transaction Types	Purchase and Rate/Term Refinance.
Occupancy	Primary residence only.
Maximum Loan Amount	Base FHA mortgage is subject to the applicable FHA county loan limit. The permitted solar add-on may increase the total mortgage above the FHA county limit, subject to Green Advantage solar limits and FHA Solar/Wind policy.
Maximum LTV	Up to 120%, including solar cost.
DTI	Per AUS findings.
AUS Requirement	Approve/Ineligible.
TBD	Not permitted.
Closing Scheduling	Minimum 48-hour scheduling for closing.
Channels	Broker or Non-Delegated Correspondent.

Eligible Property Types

1-4 Units	Primary residence; one utility meter per residence.
Manufactured Homes	Eligible, including single-wide or multi-width.
Townhomes	Eligible only when fee simple with no HOA restrictions.
PUDs	Planned Unit Developments are eligible.

Geographic Eligibility

Not Eligible	Alaska, Hawaii, and New York.

Loan Amount Calculation

Purchase Base Loan	96.5% of purchase price, before solar addition.
Rate/Term Base Loan	97.75%, before solar addition.
Solar Addition	Add the lesser of the solar system cost or 20% of property value.
UFMIP	Calculated on the total loan amount, including solar.
Qualification	Borrower(s) qualify on the full loan amount with solar.
Tax Credits	Allowed.
Appraisal	Home value only. Appraiser should comment on solar, but solar value is excluded from appraised value.

Solar Escrow & Funding

Escrow Holder	MLB establishes the escrow for solar improvements; not the title or escrow company.
Initial Disbursement	50% of solar funds released to the contractor at closing via ACH.
Completion Deadline	Installation must be completed post-closing within 120 days.
Final Inspection Fee	$300 escrowed and disclosed on the Loan Estimate.
Completion Process	Contractor notifies MLB Client Services; MLB orders final inspection through the AMC.
Final Disbursement	Remaining 50% released via ACH after acceptable inspection.
Unused Escrow	Applied as a principal reduction.

Program Names

Grant - 3.5%	FHA - Green Advantage Fixed 3.5% Grant
Grant - 5%	FHA - Green Advantage Fixed 5% Grant
Second - 3.5%	FHA - Green Advantage Fixed 3.5% w/ 2nd
Second - 5%	FHA - Green Advantage Fixed 5% w/ 2nd
Second Setup	MLB team sets up: MLB - Green Advantage - 2nd

Operational & Compliance Notes

Solar Ownership	Brand new and fully owned by the borrower.
Solar Encumbrances	No solar-related second liens, UCC filings, third-party contracts, or mechanics lien.
DPA Second	Optional forgivable DPA second lien is permitted when selected.
Wire Verification	MLB must confirm settlement agent/title company wire instructions before DPA funds are requested.
Existing Solar	Cannot be paid off through Green Advantage; solar system must be new.
Appraisal Treatment	Appraisal reflects home value only; solar should be commented on but excluded from value.

Frequently Asked Questions

Can the program be used for refinance?	Yes. Rate/Term refinances are permitted.
Can FHA solar loan limits be exceeded?	No
Is TBD permitted?	No.
Are there additional liens for solar?	No solar-related liens. The optional forgivable DPA second lien is separate from the solar.
When is solar installed?	After closing; installation must be completed within 120 days.