

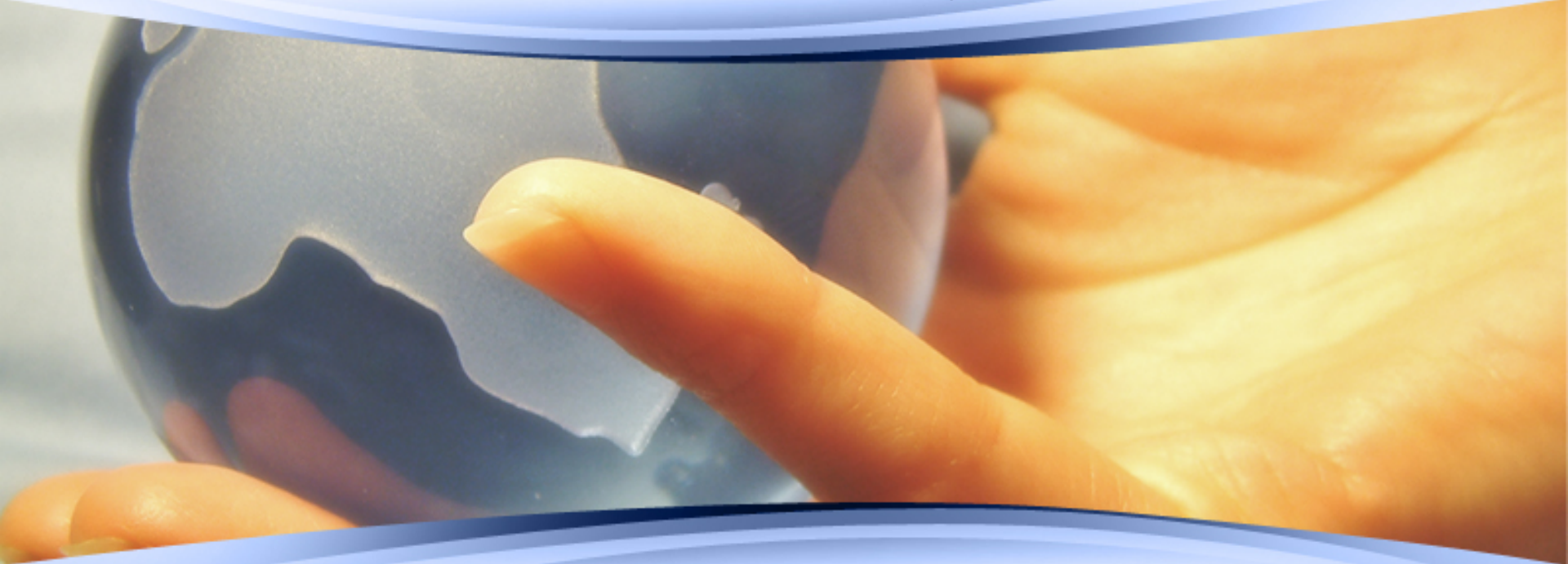
EnergySmarts

Why the Smart Money Lenders and Smart Homeowners are seeking EnergySmart Teams

Presented by:

Sharla Riead

Accurate Rater Network and Energy Smart Institute



Speaker Information



Accurate Rater Network



- Residential Energy Consulting since 1979
- Homeowner Presentations since 1981
- Training Energy Professionals & Contractors since 2008
 - Quality Assurance Provider
 - Home Energy Rating Provider
 - LEED for Homes Provider
 - Contractor Education and Qualification Provider
 - Energy Asset Ratings, Green Products and Services, Combustion Appliance Safety and Energy Efficiency Training Provider

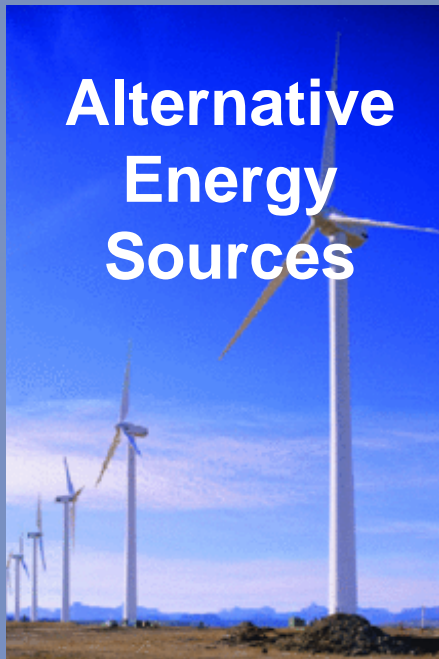
Efficient, Green, Healthy, Durable



**Materials
and
Resources**



**Building Site
Indoor Air Quality**



**Alternative
Energy
Sources**



Energy Efficiency

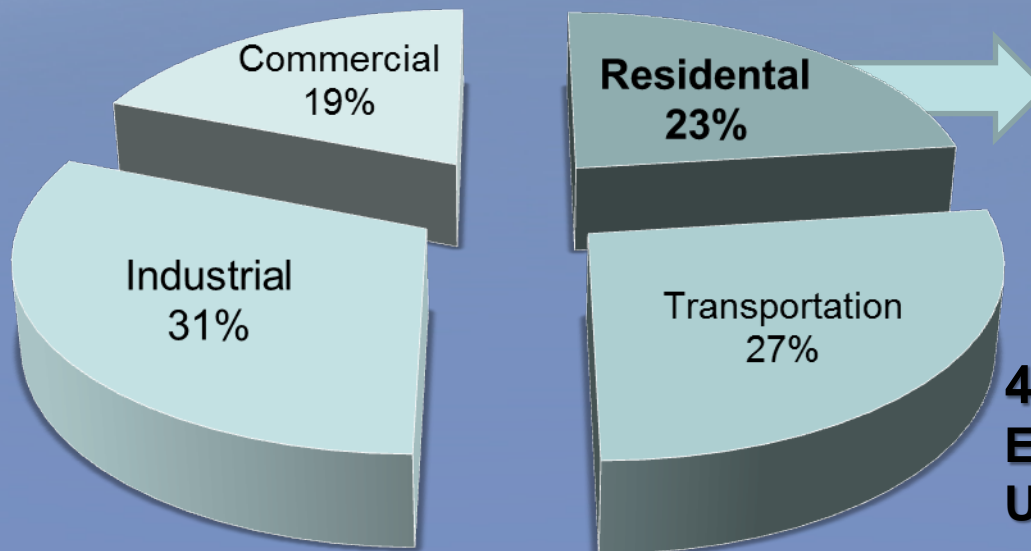


Water Usage

Energy Efficiency



US Energy Consumption by Sector



**Over 130,000,000 homes
20% of CO² Emissions
In the United States**

Source: U.S. Energy Information Administration,
Residential Energy Consumption Surveys (RECS)
1980 - 2009

**40% Energy Reductions
Emissions -160MM metric tons
Utility Bills -\$21B Annually**

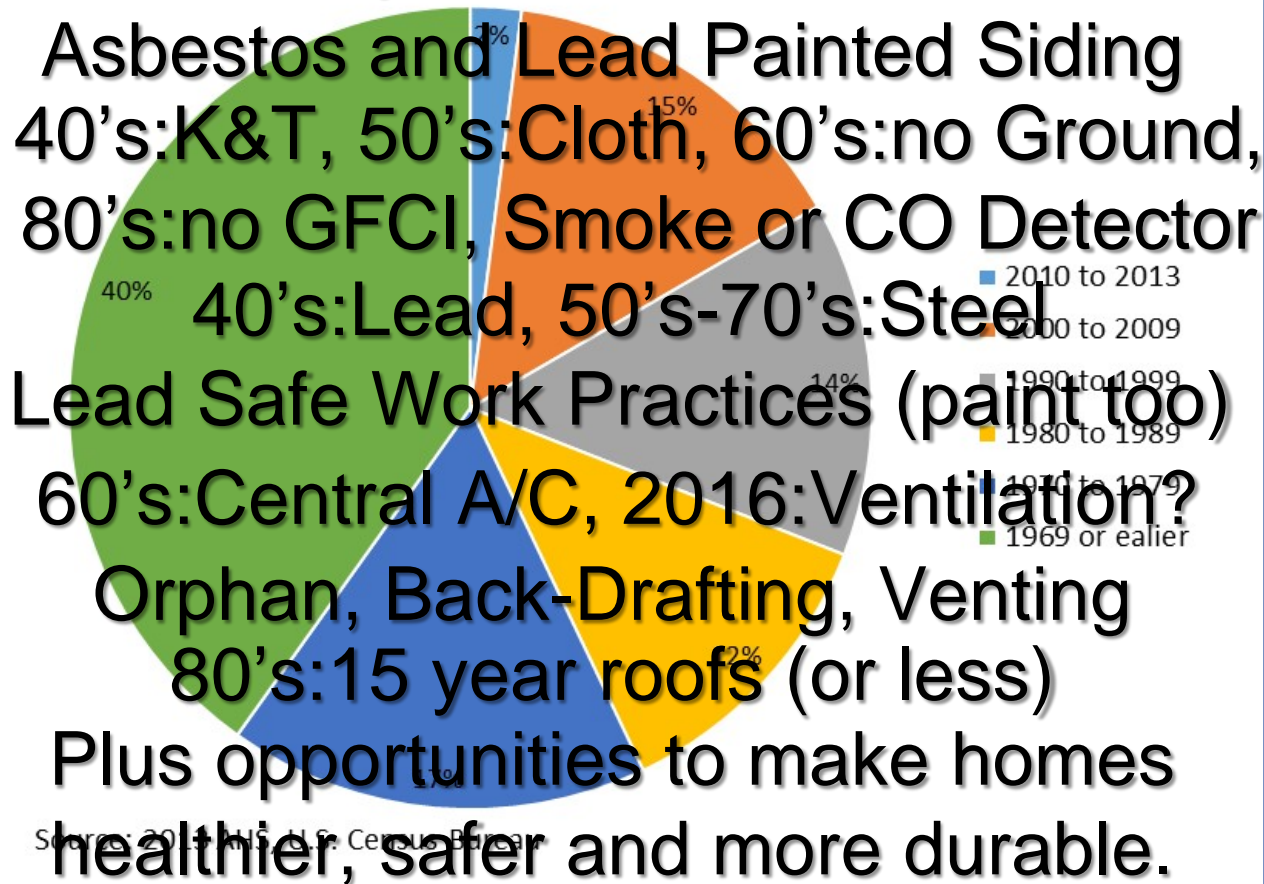
Existing Housing Stock = Deep Energy Retrofit Opportunities



Share of Owner-Occupied Housing

Year Structure Built

Very few before 1980



- Energy Codes?
- Insulation?
 - Asbestos?
 - Vermiculite?
- Electrical?
 - Knob & Tube?
- Plumbing?
 - Lead?
 - Steel?
- HVAC?
- Water Heater?
- Roofing?

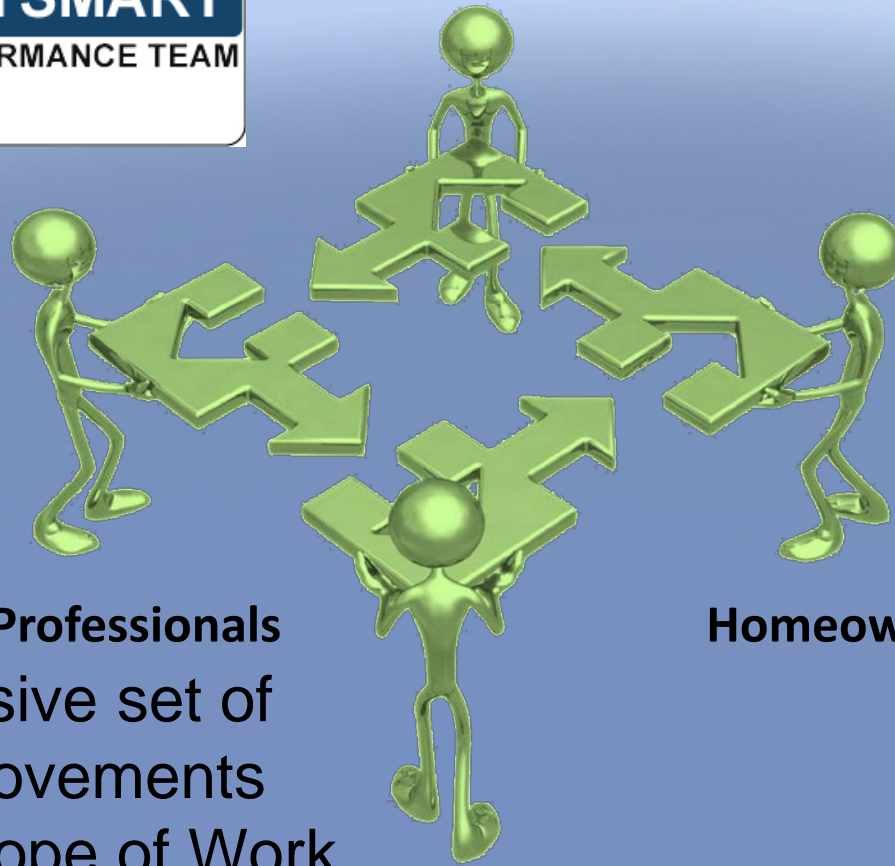
Get an Energy Audit!



Putting all the Pieces Together



Contractors



Energy Professionals

Homeowners

Funding Providers

- ✓ Comprehensive set of energy improvements
- ✓ Biddable Scope of Work

EnergySmart Home Performance



Your
EnergySmart
Team:

EnergySmart Certified
Energy Improvement
Project Manager

~ ~ ~

ACCA Certified HVAC

~ ~ ~

ICAA Certified Insulator

~ ~ ~

ESI Apvd Weatherization

~ ~ ~

RESNET Certified Rater

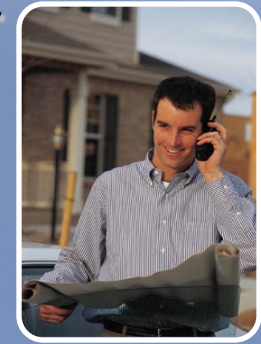


EnergySmart Home Performance



Energy Improvement Project Manager

- Homeowner's Representative
- Team Leader
- General Contractor
- Energy Auditor/Rater
- Design Consultant
- Contractor
- Trade Specialist



Where is the Financing?



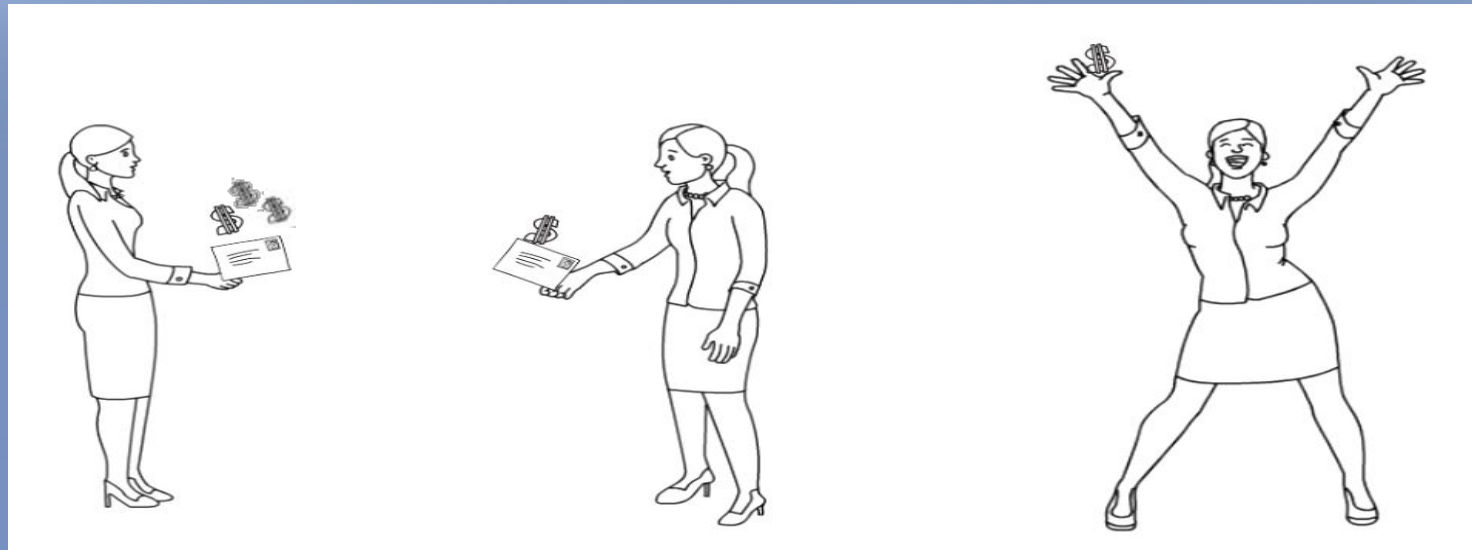
- Lenders make money by Lending
- Lenders are Risk Averse
 - ~~DIY Projects?~~
 - ~~Cousin Fred is pretty handy~~
 - Are the improvements cost effective?
- Appraisers need “Comparables”
 - How do they give credit for future plans?
- Dip into their HELOC?
- Put it on their Credit Cards?

- 1) Develop the Scope of Work
- 2) Obtain Bids
- 3) Apply for a Loan
- 4) Loan is Approved
- 5) Money is Placed in an Escrow Account
- 6) Work is Completed
- 7) Funds are Disbursed and Loan is Closed

Energy Equity through EEM / EIM



- The Energy Efficiency Mortgage (EEM)
 - Energy Improvement Mortgage (EIM)



- Requires a HERS Rating

RESNET[®]

HERS[®] Rater

HomeStyle EEM

Home » New Fannie Mae Energy Program Helps Americans Go Solar

New Fannie Mae Energy Program Helps Americans Go Solar

April 11, 2016 12:54pm



Fannie Mae

HomeStyle® Energy Mortgage Loans

Affordable financing for borrowers interested in improving the energy and water efficiency of their homes



New research reveals that homeowners prefer “features that will help them save energy and keep the home organized.” And, most buyers want homes with energy-efficient windows and highly rated insulation, according to a recent study from the National Association of Home Builders.¹ Today’s existing homes are 37 years old on average² — HomeStyle Energy makes it easy for buyers to invest in energy improvements at the time of purchase or refinance.

Simple options

- Pay off higher-interest energy improvement debt, including PACE (Property Assessed Clean Energy) loans.³
- Finance up to 15% of the as-completed appraised property value of a home.
- Finance up to \$3,500 in weatherization or water-efficient improvements with no energy report.

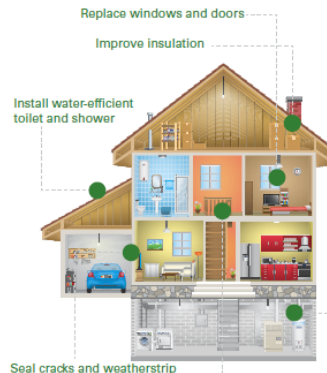
Benefits

- Expand your market to new customers purchasing homes that need upgrades and strengthen your relationships with real estate professionals.
- Help customers reduce their energy costs and improve the comfort of their homes with refinance opportunities.
- \$500 loan-level price adjustment (LLPA) credit.
- 1-to-4 unit properties eligible.

When to consider HomeStyle Energy

- Is your borrower buying an older home?
- Are your customers looking to improve the comfort of their homes?
- Are your refi customers paying too much on energy costs?
- Does your refi borrower have an existing energy-improvement debt?

No special approvals needed!
HomeStyle Energy mortgages can be originated by any Fannie Mae lender.



Americans to invest in energy
HomeStyle Energy is a new mortgage option
that allows borrowers to finance up to 15% of the as-

completing or refinancing a
home with a HomeStyle Energy
Mortgage Loan, Property

or PACE loans for energy
improvements, the loan into a new,

most-effective. Either a Home
Energy rater, a Home Energy
Report or an equivalent rating report
by state or local programs is

RELATED ARTICLES



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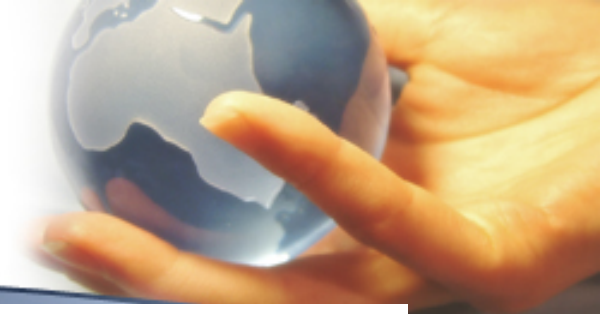
[Energy Efficiency as an Asset in Mortgage Underwriting](#)

HomeStyle Renovation



	HomeStyle Energy	HomeStyle Renovation
Lender Approval	No special approval required – open to all Fannie Mae Sellers	Special lender approval required – must have renovation loan experience
Lender Recourse	No lender recourse (even if the loan is delivered to Fannie Mae before completion of the work)	Lender recourse required to deliver the loan before completion of the renovation work
Pay Off Existing Debt	Yes, including PACE financing and unsecured loans	Not applicable
Basic Weatherization and Water Efficiency	Permitted, up to \$3,500 with no energy report	Permitted
LLPA Credit	\$500	\$500, if energy efficiency improvements are part of the renovation
Financing Improvements	Up to 15% of “as completed” appraised value	Up to 50% of “as completed” appraised value
Escrow Requirements	Escrow required <i>except</i> for payoff of existing debt	Escrow required
Property Eligibility	1- to 4-unit existing properties, including condos and co-ops; all occupancy types	1- to 4-unit principal residence, 1-unit second homes, or 1-unit investment properties, including condos and co-ops
	<i>Ineligible: New construction and manufactured housing</i>	
Product Eligibility	May be used in combination with most Fannie Mae products including HomeReady [®] , high-balance mortgage loans, and Community Seconds [®]	

EEM through a VA Loan



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Posted 11/09/2015



by CHRIS BIRK

Chris Birk is a former journalist and author of "The Book on VA Loans: An Essential Guide to Maximizing Your Home Loan Benefits." He is also the content development director for [Veterans United Home Loans](#). Follow him on [Google](#).

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VA Loans & The Energy Efficient Mortgage (EEM) Program



"Green" Mortgages From The VA

FHA EEM



THURSDAY, FEBRUARY 23, 2017

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Energy Efficient Mortgage Program

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FHA's Energy Efficient Mortgage program (EEM) helps families save money on their utility bills by enabling them to finance energy efficient improvements with their FHA insured mortgage.

The EEM program recognizes that an energy-efficient home will have lower operating costs, making it more affordable for the homeowners. Cost-effective energy improvements can lower utility bills and make more income available for the mortgage payment.

Background

In 1992, the Department of Housing and Urban Development initiated the Energy Efficient Mortgages (EEMs) as pilot demonstration in five states. In 1995, the pilot was expanded as a national program.

EEMs recognize that reduced utility expenses can permit a homeowner to pay a higher mortgage to cover the cost of the energy improvements on top of the approved mortgage.

Under its EEM program, FHA insures a borrower's mortgage used to purchase or refinance a principal residence, and the cost of energy efficient improvements to be made to the home. The borrower need only qualify for the loan amount used to purchase or refinance a home. The borrower is not required to be qualified on the total loan amount with the portion of loan used to finance energy efficient improvements. Like all FHA insured mortgages, the loan is processed, approved, and funded by a lending institution, such as a mortgage company, bank, or savings and loan association. After the mortgage closes, FHA insures the loan to protect the lender against loss in the event of payment default.

Federal Housing Administration

Insuring More Than 40
Million Mortgages
Since 1934



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Making Home Affordable

MAKING HOME AFFORDABLE.gov

Help for America's
Homeowners

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PACE Financing



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PACE for Homeowners

Reduce your energy bills with 100% financing for solar and efficiency

A Winning Combination



Retrofit Right!



Hire Contractor
Teams with
EnergySmarts



Every Member
is trained in
Building Science



Every Job is
Quality Checked



Professionalism
that provides
Peace of Mind



RESNET[®]

**EnergySmart
Contractor**

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Questions?