

For most families, buying a home means achieving the American Dream. And with housing costs rising higher each year, it's more important than ever to make wise choices that enable you to achieve that dream while getting the most for your home-buying dollar.

Other than the mortgage payment, the monthly utility bill often is a homeowner's largest monthly expense. We spend more on energy than on the combined costs of our telecommunication needs – including local, long distance, cell phones, paging, cable, and Internet service.¹ By spending less on your energy bills, you'll have more money available for your mortgage payments and be able to build equity in your home faster.

The home also has a major impact on the environment. In fact, many people are surprised to learn that the average home produces twice as much greenhouse gas emissions as the average car.²

An **Energy Efficient Mortgage** can help you finance cost-effective, energy-saving measures as part of your mortgage. These energy-saving measures will enable you to reduce your consumption of energy, lower your utility bills, help the environment, and increase the potential re-sale value of your home. And if you are upgrading an existing home, an **Energy Efficient Mortgage** can enable you to take advantage of the benefits it offers without having to move.

¹Alliance to Save Energy

²EPA/Alliance to Save Energy

*Save Money, Conserve Energy,
Live Comfortably*

Energy Efficient Mortgage

I Want an Energy Efficient Mortgage! What's my next step?

If you'd like to get more house for your money, reduce your consumption of energy, lower your utility bills, and help the environment, you want an Energy Efficient Mortgage. For more information, please contact:



Why are energy efficient homes better?

- **More effective use of energy**
Energy efficient homes use state-of-the-art technology to get the most from the energy you use, while using less energy for heating, cooling, and water heating, as compared to a standard home. You could save up to a third or half on home energy costs.
- **Improved Air Quality**
Energy efficient homes also can mean better air quality, because improved duct systems will provide balanced airflow to all of the rooms.
- **Reduced Air Pollution**
What's more, because they use less energy, energy efficient homes reduce emissions, meaning less pollution is created to generate the power for your home. Remember – energy efficiency is **NOT** energy conservation. Efficiency does not mean adjusting your thermostat to save money while being less comfortable in your home. It enables you to live comfortably while benefiting from today's high-quality energy efficiency products and techniques.

The Value of Efficiency

	Non Energy Efficient Home	Energy Efficient Home
<i>Purchase Price</i>	\$200,000	\$203,000
<i>Borrower Contribution</i>	\$6,000	\$6,090
<i>Loan amount</i>	\$ 160,000	\$ 162,400
<i>Interest</i>	5.85%	5.85%
<i>Monthly PITI</i>	\$1,673	\$1,698
<i>Average Electric Bill</i>	\$186	\$93
<i>Total Expenses</i>	\$1,859	\$1,791
<i>Qualifying Income</i>	\$49,000	\$48,584
Monthly Savings		\$ 68

Note: This example assumes that a new energy efficient home will cost more than a standard new home. However, increasingly, builders are able to build energy efficient homes without charging an additional cost. In that case, the benefits of purchasing a home using an energy efficient mortgage would be even greater.

Who qualifies for an Energy Efficient Mortgage?

The good news is that all home buyers who *qualify* for a home mortgage also qualify for an Energy Efficient Mortgage!

Existing Homes: Is Your House Leaking Energy Dollars?

Many existing homes do not have the benefit of today's high-quality energy efficiency products and/or techniques. If that is the case for your home, your energy bills may be much higher than necessary. Home buyers purchasing an existing home will need to have a Home Energy Rating System (HERS) evaluation performed on the home. This will measure the home's current energy efficiency and allow the energy rater to recommend cost effective efficiency measures. The home buyer can then choose which of the efficiency measures they would like to install. An Energy Efficient Mortgage will allow you to finance 100 percent of the energy efficiency upgrades, up to 15 percent of the value of the home.

New Homes: Did You Know That New Does Not Necessarily Mean *Efficient*?

Many home buyers assume that a new home will incorporate state-of-the-art technology and techniques and have energy-efficient appliances. This is not always the case. The only way to be sure that a new home is energy efficient is to have a Home Energy Rating System (HERS) evaluation conducted. A home energy rating is a standard measurement of the home's energy efficiency, and allows a home buyer to easily compare the energy costs for the homes being considered. Home energy rating inspections are conducted on site by a residential energy efficiency professional, also called a home rater. Home energy raters are trained and certified by the operating home energy rating system.

The builder can also follow the guidelines of a prescriptive program, such as the U.S. Environment Protection Agency's (EPA) Energy Star Builder Option Program, which specifies that energy efficiency measures were incorporated in the design and construction process. The program provides the builder with the specific energy measures to incorporate in the home design to achieve an energy efficient home program. The home is then evaluated with a HERS rating.