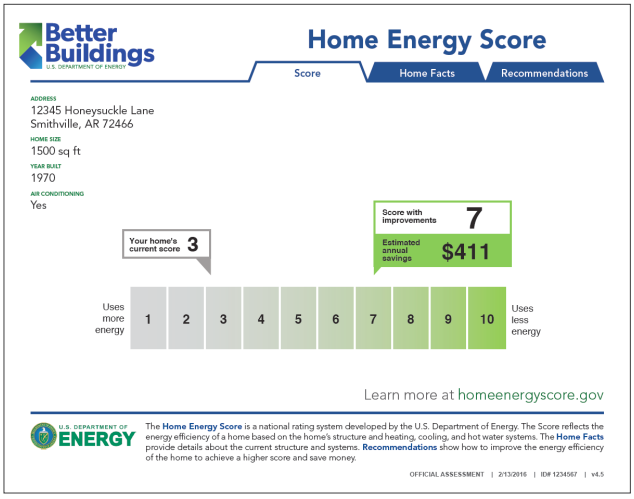
Home Energy Score: A Game Changer for Labeling and Disclosure

Across the country, state and local governments are turning to the U.S. Department of Energy's (DOE's) Home Energy Score as a low-cost way to improve consumer awareness and spur investment in home energy efficiency. The Home Energy Score is a natural fit to simplify data collection and provide reliable information comparing the energy efficiency of homes.

What is the Home Energy Score?

Like a miles-per-gallon rating for vehicles, the Home Energy Score allows homeowners and homebuyers to compare the efficiency of different homes regardless of location and occupancy. Using a simple 1-to-10 scale, the Score was designed to be easy to understand and to tap into people's desire to improve their score and outperform their peers. Each Home Energy Score report also provides a list of recommended energy improvements and their estimated cost savings to help take the guesswork out of determining smart and cost-effective investments.

Since the program launched in 2012, more than 350 qualified Home Energy Score Assessors have scored over 37,000 homes nationwide. Significant growth is expected as more jurisdictions recognize the value of using the Home Energy Score to curb residential energy use and to serve as a reliable metric for energy disclosure.



Why Use the Home Energy Score?

- **It's easy to understand.** Homeowners and homebuyers quickly grasp the 1-to-10 scale, and it is easily incorporated into multiple listing services. DOE has consistently received positive feedback regarding the simplicity of the 10-point scale, which provides an easy way for homebuyers to compare homes.
- **It balances national reliability with local flexibility.** The Home Energy Score applies a standard approach to estimating energy use so homes can be easily compared. At the same time, Partners have the flexibility to customize recommendations and materials based on local market conditions.

"The DOE and Home Energy Score team give us a lot of flexibility for our program in Colorado"

— Peter R. from the Colorado Energy Office

As a DOE Partner, Offering the Score is

- **Fast.** Assessments can be completed in less than an hour in most homes. If being done in conjunction with another in-home assessment, adding the Score can take as little as 15 additional minutes
- **Affordable.** The Web-based Scoring Tool and training are available at no cost to DOE's Partners and Assessors.
- **Simple.** The Home Energy Score can be integrated with other software tools through the use of an application programming interface.
- **Credible.** DOE supports robust training, testing, and quality assurance to ensure a high quality product.
- **Flexible.** Partners have flexibility to customize the Score's recommendations and educational materials according to local preferences.

Key Features of the Home Energy Score

- An energy efficiency score based on the home's envelope and heating, cooling, and hot water systems
- A total energy use estimate as well as estimates by fuel type assuming standard operating conditions and occupant behavior
- Recommendations for cost-effective improvements and associated annual cost savings estimates
- A "Score with Improvements" that reflects the home's expected score if cost-effective improvements are implemented

- **It normalizes for local climate conditions.** Any home in the United States can be scored and easily compared to others locally or in other areas.
- **The methodology is transparent.** Information regarding the main energy model (DOE2.1E), default values, assumptions, and other calculations are readily available online. This information is periodically updated to reflect software changes.
- **It's consistent.** DOE's robust training, testing, and quality assurance requirements help ensure that Scores are generated by qualified individuals in a consistent manner. States and local governments can take advantage of DOE's free online training and testing for Assessors.
- **Partners have access to data for all homes scored by their Assessors.** This data, which includes all home characteristics information entered by the Assessors as well as all outputs from the tool, can be downloaded from DOE's access-controlled Web portal.

Be Part of a National Approach to Scoring Homes

Enjoy the benefits of affiliation with this national program:

- By adopting the Home Energy Score, states and local jurisdictions can **lead in a national effort to improve the energy efficiency of U.S. housing stock and make home energy information widely available**. Individual programs with unique metrics and methods lead to market confusion and are often more costly. By using the Home Energy Score, states and localities can bolster market transformation through a national product offering a clear and consistent solution.
- DOE is committed to **continuous improvement** of the Home Energy Score through software updates and ongoing analytical efforts. Evaluation studies are conducted by behavioral science experts from the nation's leading institutions.
- The Home Energy Score program has already put into place **training, testing, marketing materials, and other resources** that our Partners can adopt and customize to meet local needs.

How Can the Home Energy Scoring Tool Integrate with Other Energy Audit or Management Software?

DOE offers an Application Programming Interface (API) to enable third parties to build applications that can exchange data with the Home Energy Scoring Tool. This allows other software tools to seamlessly submit data without double entry of information.

Connect with the Real Estate Market

Home Energy Score data can feed into the MLS. DOE and its partners are working to make home energy information, like the Home Energy Score, more accessible to homebuyers, real estate agents, appraisers, and lenders. By generating a steady stream of Scores, you help prime the pump to feed scores onto the multiple listing services (MLSs) so that energy can be valued at point of sale. Learn more at http://www1.eere.energy.gov/buildings/betterbuildings/accelerators/energy-information.html.

New Financial Incentives Make the Score Attractive to Homebuyers. Under Fannie Mae's HomeStyle Energy mortgage loan, borrowers can finance up to 15% of a home's "as completed" appraised value for energy efficiency improvements by receiving a Home Energy Score. Borrowers in this program can also qualify for a stretch on their debt-to-income ratios for homes that score a 6 or higher, or for making improvements to a less efficient home. The Federal Housing Administration (FHA) has a similar policy that allows larger debt-to-income ratios for high scoring homes. These policies reflect the fact that more efficient homes have lower operating costs.

"A homebuyer with an income of $75,000 who currently qualifies for a monthly mortgage payment of $1,938 per month can now borrow an extra $125 per month for a more energy efficient home. Financed with a 30-year mortgage at today's rates, the homebuyer can now qualify for a house valued at approximately $26,500 more than a less efficient house."

— DOE Blog Post on FHA Policy, January 2016

Become a Home Energy Score Partner

DOE is recruiting Partners throughout the country to offer the Home Energy Score and help drive investment in home energy-efficiency upgrades. Home Energy Score Partners include various types of organizations, including state and local governments, utilities, home inspector organizations, and contractor associations. Partners administer the delivery of the Score on a local, state, or national basis. Partners are required to score at least 500 homes per year and fulfill quality assurance requirements in order to participate in the program. To learn more about joining the Home Energy Score program, visit HomeEnergyScore.gov or email HomeEnergyScore@ee.doe.gov.