

Access Financing with Home Energy Score

The Home Energy Score is an asset rating that allows homeowners, buyers, and renters to compare U.S. homes in terms of estimated energy use and costs. Based on a standard assessment of a home's energy-related assets, the Home Energy Score Report provides information that can be included in multiple listing service (MLS) listings and potentially influence home appraisals and financing.



FHA Energy Efficient Homes Policy

- ▶ Updated policy was enacted January 2016 to include Home Energy Score
- ▶ Allows lenders to provide a **2% stretch on debt-to-income ratios** for borrowers purchasing or refinancing a home
- ▶ Home must score **6 or higher** or reach a 6 or higher with financed improvements
- ▶ See FHA's Mortgagee Letter for additional information:
<https://portal.hud.gov/hudportal/documents/huddoc?id=15-22ml.pdf>

Fannie Mae's HomeStyle[®] Energy Mortgage Loan

- ▶ **Finance up to 15%** of "as completed" home value for energy improvements with purchase or refinance; requires Home Energy Score or comparable report if financing improvements worth at least \$3,500
- ▶ **2% stretch on debt-to-income ratios** available for high scoring homes
- ▶ **\$500 incentive** to lender on each loan
- ▶ Learn more in Fannie Mae's fact sheet:
https://www.fanniemae.com/content/fact_sheet/homestyle-energy-real-estate.pdf

Connecticut Green Bank's Residential Solar Incentive Program

- ▶ Uses Home Energy Score as a path to fulfill the energy audit requirement
- ▶ Visit the Green Bank website: <http://ctgreenbank.com/programs/homeowners/>

In the Works: Other opportunities to link the Score

- ▶ **Freddie Mac** also recognizes Home Energy Score and plans to undertake analysis to support more systematic consideration of energy efficiency in loans
- ▶ **Homeowner insurance companies** interested in potentially using Score to set rates; provides insight into risk
- ▶ **PACE** (property assessed clean energy financing) programs considering integrating the Score