

Speak about financing in ways that resonate with homeowners

Many programs struggle with communicating the value of financing to homeowners. Financing can be a complicated topic, and ensuring that homeowners understand how their loans work and the benefits they will realize is important for converting interest into action. Many Better Buildings Neighborhood Program partners achieved success by simplifying messages, focusing on those that convey long-term value, low monthly payments, low interest rates, enhanced home comfort, and energy savings.

- The [Keystone Home Energy Loan Program](#) [1] (Keystone HELP) found that “Low Monthly Payments” and “No Money Down” were effective messages to help drive loan uptake. They also advertise that homeowners will not encounter any surprises down the road. For example, the program website states, “Keystone HELP offers True Fixed Rate Financing, which means the rate of your loan will never change, and your low monthly payment will stay the same for the life of your loan.” This gave homeowners confidence that their monthly payments would be stable, and encouraged homeowners to make a larger investment in energy efficiency improvements to their home. As of October 2013, the program has provided more than \$100 million in financing to over 11,000 Pennsylvania homeowners for energy efficiency home improvements.
- [Enhabit's](#) [2], formerly Clean Energy Works Oregon, messaging around financing focuses on affordability, home transformation, home comfort, home health, and proven results. For example, their website includes statements such as:
 - “It has never been more affordable to transform your home from vintage looker to cutting edge performer.”
 - “Hundreds of other homeowners have already financed a CEWO Home Energy Remodel, with costs ranging from \$2,000 and \$30,000 and an average just over \$10,000. In most cases the money they save helps offset a nice chunk of the monthly loan payment.”
 - “We think that’s a pretty good deal for a more comfortable, healthier, and energy efficient home.”

Enhabit couples its messaging with a simplified loan process and provides sample estimates of monthly loan costs and expected energy savings so homeowners can readily make informed decisions about the costs of their upgrade and expected savings in terms of monthly cash flow.” Between March 2011 and December 2013, Enhabit, through lending partner Craft3, completed more than 2,600 loans valued at \$33.4 million, with an average loan amount of \$12,500.

- When speaking with homeowners considering upgrades, Boulder County, Colorado’s [EnergySmart program](#) [3] focuses on the messages that upgrades are a path to homeowner benefits, such as comfort, health and safety, and reduced energy bills. They also focus on how financing can be combined with available rebates to make upgrades financially attractive to homeowners. For example, their website states, “Energy Loans can help you achieve a more efficient, comfortable and affordable home. Interest rates start as low as 2.75%. Loans can be paid in part or in full with zero prepayment penalties. Energy Loans can be combined with rebates to fully fund your home upgrades.” By simplifying messages and the loan process, in conjunction with energy advisor support, Boulder County was able to achieve conversion rates of greater than 70%. Between October 2010 and September 2013, EnergySmart was designed, launched, and supported the completion of upgrades in more than 4,100 homes. Over \$1.7 million in energy loans were issued by EnergySmart between August 2012 when the loan product became available and September 2013, helping 150 homes and businesses overcome cost barriers to energy efficiency investment.

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Source URL: <https://rpssc.energy.gov/tips-for-success/speak-about-financing-ways-resonate-homeowners>

Links

[1] <http://www.keystonehelp.com/>

[2] <https://enhabit.org/>

[3] <http://www.energysmartyes.com/>