

PowerSaver Loan Product INTRODUCTION

Steve Dunn

Project Manager, Residential Buildings

April 17, 2014

U.S. Department of Energy

**Building
Technologies Office**



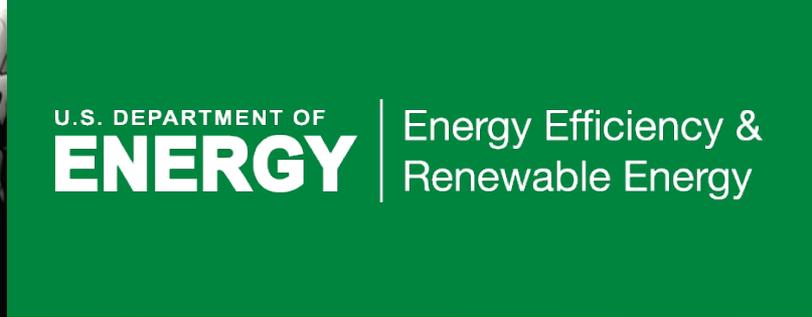
PowerSaver Partnership: Goals and Objectives

Goals for partnership between DOE and HUD:

- Establish partnerships between approved PowerSaver lenders existing home energy service providers or programs
 - Home Performance with ENERGY STAR
 - Home Energy Score
 - Better Buildings Residential Network
- Promote the PowerSaver loan product to program sponsors and partners
 - Utilize partnerships with lenders to increase the volume of PowerSaver loans
 - Provide information resources, outreach, technical assistance and support to participating program sponsors and partners
- Capture lessons learned, quantify and evaluate impacts, and make recommendations for HUD

Webinar Objectives

- Provide an overview of the HUD Powersaver loan program
- Describe the role of financing in home energy efficiency projects and examples of program's experience
- Learn how DOE program sponsors and partners can utilize Powersaver to offer affordable energy efficiency loans to homeowners
- Discuss options, strategies and next steps for interested programs to partner with participating HUD PowerSaver lender(s)



PowerSaver Loan Product

A FHA Solution to Finance Home Energy Upgrades
by HUD

Michael Freedberg

Office of Sustainable Housing and Communities
U.S. Department of Housing and Urban Development



Building Technologies Office



FHA PowerSaver

HOME ENERGY IMPROVEMENT LOAN PILOT PROGRAM

U.S. Department of Housing and Urban Development

April 17, 2014

Home Energy Improvements



The need for affordable financing

- Helping homeowners make money-saving home energy improvements is a top priority of the Administration.
- Home energy improvements can save families hundreds of dollars a year -- while creating jobs and reducing pollution.
- More home owners want to make home energy improvements, according to industry forecasts.
- But a lack of affordable, available financing remains a major barrier for many consumers.
- A market need exists for additional financing options.

FHA Financing for Single Family Housing

Agency	Financing Program	What it Does
HUD	Energy Efficient Mortgage Program	Helps homebuyers or homeowners save money on utility bills by enabling them to finance the cost of improvements that will make their home more energy efficient
HUD	PowerSaver 203(k) Purchase Rehab Program	Enables homebuyers or homeowners to finance the cost of home improvements when buying a home or refinancing an existing mortgage
HUD	PowerSaver Home Improvement Loan Pilot Program	Enables homeowners to make cost effective, energy saving improvements to their homes. PowerSaver enables homeowners to borrow up to \$25,000 through a second mortgage for terms as long as 20 years – up to \$7,500 can be an unsecured consumer loan

PowerSaver is a Pilot Program to Finance Home Energy Improvements

- PowerSaver is a mortgage insurance pilot program from the Federal Housing Administration (FHA) that enables homeowners to make cost effective, energy saving improvements to their homes.
- PowerSaver enables homeowners to borrow up to \$25,000 for terms as long as 20 years to make energy improvements of their choice. The 203k PowerSaver helps homeowners finance energy improvements when buying a house or refinancing an existing mortgage.
- Examples of eligible improvements include insulation, duct sealing, energy efficient doors and windows, energy efficient HVAC systems and water heaters, solar panels and geothermal systems.
- Borrowers must have credit scores of at least 660 and total debt to income ratios cannot exceed 45 percent. Loan to Value ratio's can be capped at 100 percent of the property's value.

PowerSaver LOANS

Saving Energy. Saving Money. Improving Homes.



Three PowerSaver Products

I: PowerSaver Home Energy Upgrade

- Unsecured Consumer Loan Up to \$7,500
- Currently available in 4 states: ME, PA, KY, VA
- Available by October in another 15 states



II: PowerSaver Energy Retrofit or Solar Loan

- Second mortgage up to \$25,000
- Currently available in 27 states

III. PowerSaver 203k Purchase-Rehabilitation Mortgage

- First mortgage up to FHA loan limits (\$217,500 to \$625,500 in high cost areas)
- Currently available in 27 states

PowerSaver I and II - Highlights

- **Loans amounts up to \$25,000**
- **Primarily a second mortgage program, but can be unsecured up to \$7,500.**
- **Loan terms as long as 15 years (20 for solar).**
- **Interest rates vary, but currently range from 4.99 to 9.99 percent**
- **Use of loan funds:**
 - Minimum 75% of loan proceeds must be used for energy-saving improvements.
 - Remaining 25% of loan proceeds can be used for other non-energy improvements.
- **Appraisal may be but is not always required**
 - Lenders may choose to require an appraisal according to their investor or risk requirements.

A PowerSaver Solar Loan



**POWER
SAVER**
PROGRAM

Building a Secure Future

PowerSaver Plus Example

Example 1 Finance a \$22,000 Solar Project for \$110.09/month over 20 years



\$22,000	Cost of Project
-\$6,600	Federal Tax Credit (30% of project cost)
-\$2,000	Cash Rebate

\$13,400 Amount financed by PowerSaver

\$8,600 Amount financed by Same-As-Cash Program
(paid for by tax credit & rebate)

PowerSaver III - 203(k) Highlights

- **203(k)** – Section of National Housing Act that authorizes FHA to insure loans for rehabilitating housing stock.
- **Under 203(k), borrowers can get an FHA mortgage for:**
 - ✓ Purchase or refinance of a home, plus
 - ✓ Cost of rehabbing or improving the home.
- **First mortgage only.**
- **Becomes a “PowerSaver” loan when at least \$3,500 of the home improvement project includes energy efficient improvements.**

Eligible Uses of Grant Funds

Borrower

- Energy audit, if borrower desires
 - Audit is not required
 - Auditor must be accredited by HERS or BPI
 - Auditor can be the contractor
- Loan origination fee
- Property appraisal if lender requires

Lender

- Program marketing expenses



Key Features - 1

Attribute	Eligible
Loan Amount Maximum	•Second mortgage up to \$25,000 (unsecured up to \$7,500)
Loan Term	•15-years (standard energy improvements) •20-years (renewable energy improvements)
Combined-Loan-to-Value	•Not Required (Some lenders may still require)
Appraisal Type	•Not Required (Some lenders may still require)
Property Types	•Single Family detached •Attached dwellings •Condominiums <u>Ineligible:</u> •Co-operatives •Manufactured Homes
Number of Units	•One

Key Features - 2

Attribute	Eligible
Occupancy	<ul style="list-style-type: none"> • Owner-occupied <p><u>Ineligible</u></p> <ul style="list-style-type: none"> • Second Homes • Non-Owner-Occupied
Borrower Ownership	<ul style="list-style-type: none"> • 50 % interest minimum
Decision Credit Score	<ul style="list-style-type: none"> • 660 minimum
Debt-to-Income Ratio	<ul style="list-style-type: none"> • 45% maximum (compensating factors allowed to offset)
Use of Proceeds	<ul style="list-style-type: none"> • Measures that improve home's energy performance (min 75% of loan proceeds) • Other Home Improvements (25% of proceeds)
Disbursement of Proceeds	<ul style="list-style-type: none"> • 50% maximum at closing • 50% upon completion of the work
Discount Points	<ul style="list-style-type: none"> • Third parties may pay and • Must be bona fide

Key Features - 203(k)

Attribute	Eligible
Property types	<ul style="list-style-type: none">▪ 1-4 family dwelling▪ Condominiums (1-unit only)▪ Manufactured homes built after 1978▪ Mixed use business = square foot limits for business apply.▪ Properties must have been completed for at least a period of 1 year.
Standard (k)	<ul style="list-style-type: none">▪ Major Improvements▪ Lender must use HUD 203(k) consultant▪ Minimum repair - \$5,000
Streamline (k)	<ul style="list-style-type: none">▪ Minor Improvements▪ Maximum improvement project - \$35,000▪ HUD 203(k) consultant is not required▪ Improvements may not be structural

Eligible Improvements

Improvement	Standards
Whole House	Whole house air sealing measures, including interior and exterior measures, utilizing sealants, caulks, insulating foams, gaskets, weather-stripping, mastics, and other building materials in accordance with BPI standards or other procedures approved by the Secretary. (Reference: http://www.bpi.org/standards.aspx)
Insulation: Attic	Attic insulation measures that-- (A) include sealing of air leakage between the attic and the conditioned space, in accordance with BPI standards or the attic portions of the DOE or EPA thermal bypass checklist or other procedures approved by the Secretary; (B) add at least R-19 insulation to existing insulation; (C) result in at least R-38 insulation in DOE climate zones 1 through 4 and at least R-49 insulation in DOE climate zones 5 through 8, including existing insulation, within the limits of structural capacity, except that a State, with the approval of the Secretary, may designate climate zone subregions as a function of varying elevation; and Map Page: http://www.energystar.gov/index.cfm?c=home_sealing.hm_improvement_insulation_table (D) cover at least-- (i) 100 percent of an accessible attic; or (ii) 75 percent of the total conditioned footprint of the house. (BPI Standards reference: http://www.bpi.org/standards.aspx)
Insulation: Wall	Wall insulation that-- (A) is installed in accordance with BPI standards or other procedures approved by the Secretary; (B) is to full-stud thickness or adds at least R-10 of continuous insulation; and (C) covers at least 75 percent of the total external wall area of the home. (BPI Reference: http://www.bpi.org/standards.aspx)
Insulation: Crawl Space	Crawl space insulation or basement wall and rim joist insulation that is installed in accordance with BPI standards or other procedures approved by the Secretary and-- (A) covers at least 500 square feet of crawl space or basement wall and adds at least-- (i) R-19 of cavity insulation or R-15 of continuous insulation to existing crawl space insulation; or (ii) R-13 of cavity insulation or R-10 of continuous insulation to basement walls; and (B) fully covers the rim joist with at least R-10 of new continuous or R-13 of cavity insulation. (BPI Reference: http://www.bpi.org/standards.aspx)
Duct Sealing	Duct sealing or replacement and sealing that-- (A) is installed in accordance with BPI standards or other procedures approved by the Secretary; and (B) in the case of duct replacement and sealing, replaces and seals at least 50 percent of a distribution system of the home. (BPI Reference: http://www.bpi.org/standards.aspx)

Eligible Improvements

Improvement	Standards
Skylight Replacement	Door or skylight replacement that meets most recent Energy Star specifications
Door Replacement	Door or skylight replacement that meets most recent Energy Star specifications
Window Replacement	Replacement windows that meet: (A) most recent Energy Star specifications (good) (B) meet specifications of Department of Energy High Performance Windows Volume Purchase Program (better - more efficient) Reference: http://www1.eere.energy.gov/buildings/windowsvolumepurchase/
Storm Windows or Doors	Storm windows or doors that <ul style="list-style-type: none"> • meet most recent Energy Star specifications (good), or • comply with Department of Energy Low-E volume Purchase Program (better - more efficient)
Heating System Gas/Propane/Oil Boiler / Furnace	Heating system replacement that meets most recent Energy Star specifications.
Air Conditioner	Air-source air conditioner or air-source heat pump replacement with a new unit that meets most recent Energy Star specifications.
Geothermal	Heating or cooling system replacement with an Energy Star qualified geothermal heat pump that meets Tier 2 efficiency requirements and that is installed in accordance with ANSI/ACCA Standard 5 QI-2007.
Water Heater (gas, propane, electric, tankless)	Replacement of a natural gas, propane, or electric water heater that meets most recent Energy Star specifications.
Water Heater (solar)	Solar water heating property must be Energy Star Qualified, or certified by the Solar Rating and Certification Corporation or by comparable entity endorsed by the state in which the system is installed.
Fuel Cells and Microturbine Systems	Efficiency of at least 30% and must have a capacity of at least 0.5 kW.
Solar Panels (Photovoltaic Systems)	Photovoltaic systems must provide electricity for the residence, and must meet applicable fire and electrical code requirement.
Wind Turbine Residential	A wind turbine collects kinetic energy from the wind and converts it to electricity that is compatible with a home's electrical system, and Has a nameplate capacity of no more than 100 kilowatts.
Roofs Metal & Asphalt	Metal or asphalt roofs that meet most recent Energy Star specifications

Additional Information

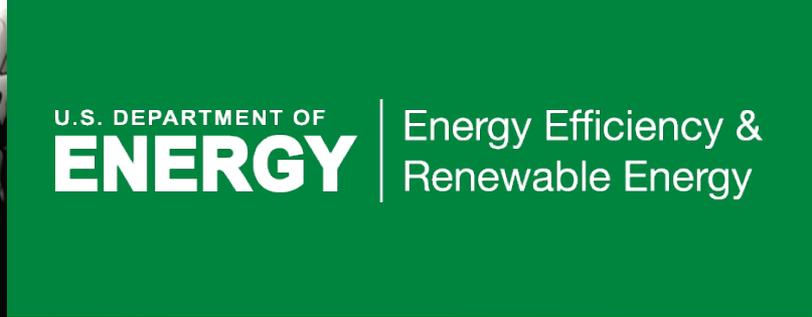
Patricia McBarron

PowerSaver Program Manager

Office of Single Family Program Development

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PowerSaver Loan Product

Danielle Sass Byrnett

Supervisor, Better Buildings Residential

U.S. Department of Energy



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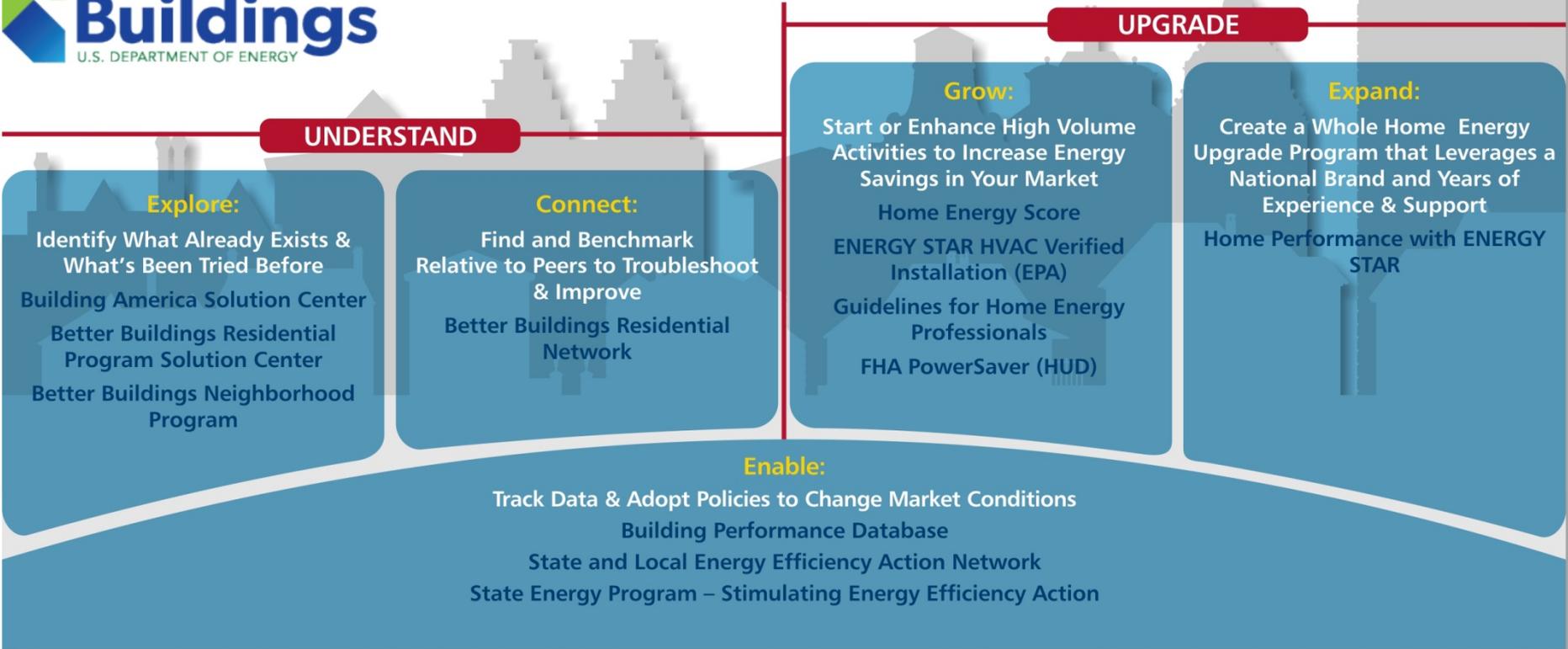
Working Together to Expand Energy Efficiency in Existing Homes

**Understand
Options &
Resources**

Take Action as Appropriate for Your Organization
*Gain experience and/or create an environment
for success in the next stages of maturation*

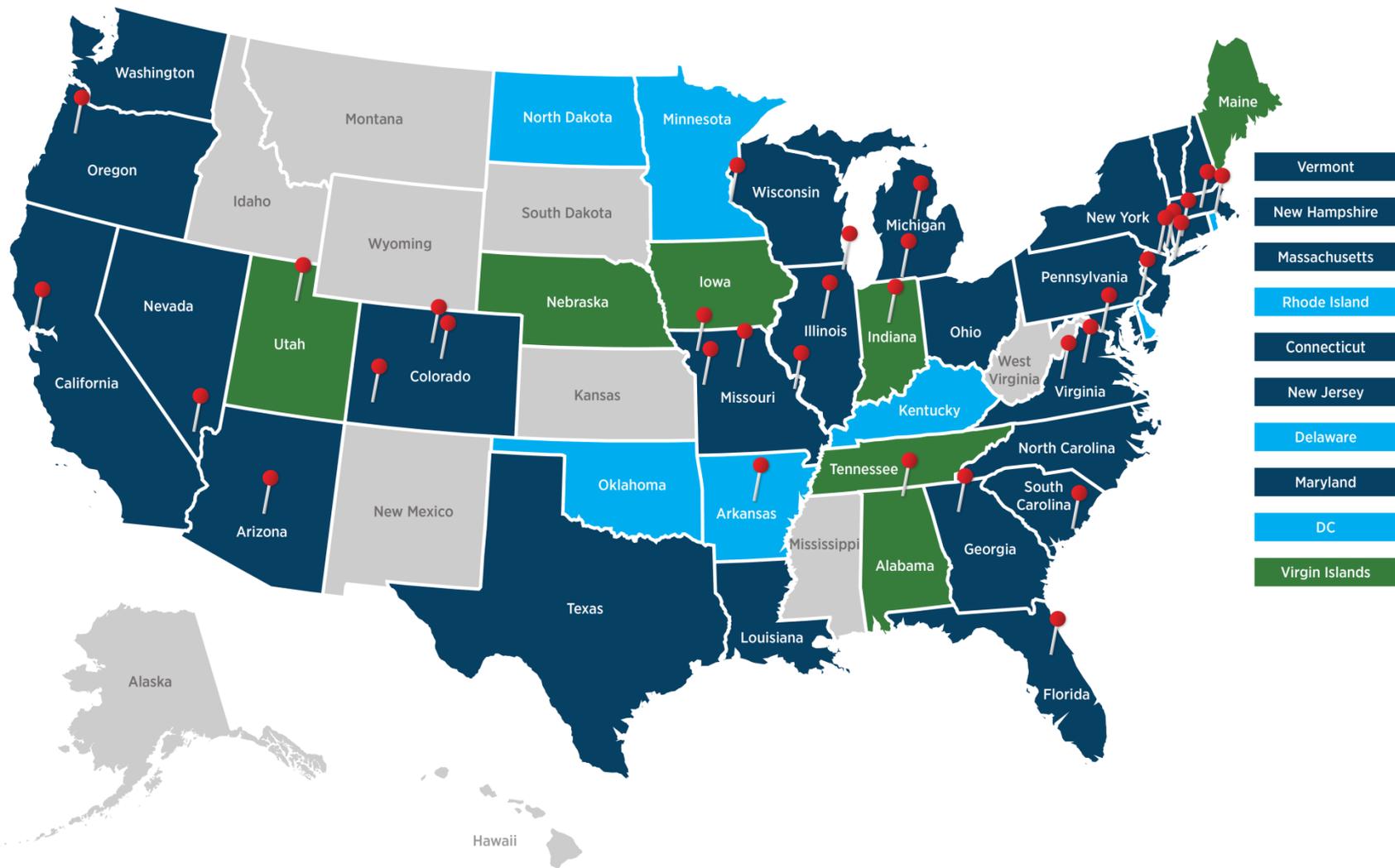
**Support a
Home Energy
Upgrade
Program**

Better Buildings Residential Offers Support & Linkages



Better Buildings Residential Program Locations

Supported by the U.S. Department of Energy's Building Technologies Office



Better Buildings Neighborhood Program Partner & Home Performance with ENERGY STAR Program Sponsor

Better Buildings Neighborhood Program Partner

Home Performance with ENERGY STAR Program Sponsor

Home Energy Score Partner

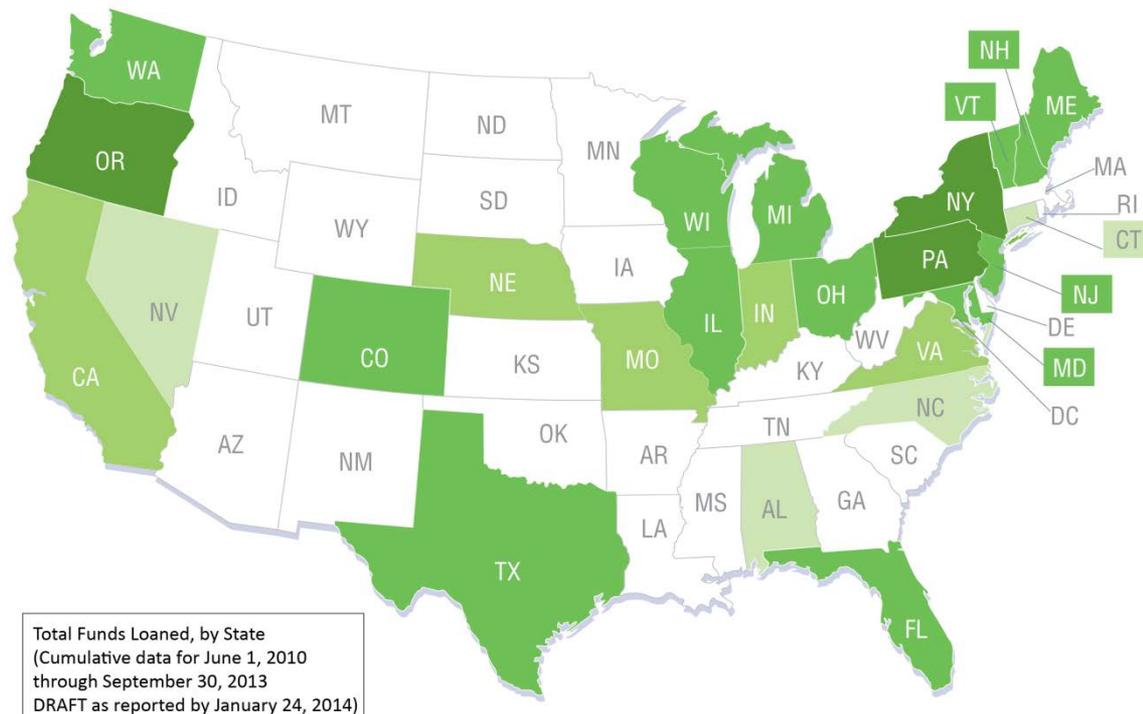


Better Buildings Neighborhood Program: Financing Stats

- www.betterbuildings.energy.gov/neighborhoods
 - 41 state & local recipients, \$508 million from late 2010 through early 2014
 - >70 programs testing program design, marketing, financing, workforce, and evaluation strategies
 - >100,000 upgrades in 3½ year period

- Financing summary

- >12,400 single family residential loans = 16.6% of SF residential upgrades
- \$126M portfolio across 25 states
- average loan >\$10,200 vs. unfinanced upgrade average \$6,500
- Customer minimum income: \$25,000; median: \$75,000; average: \$85,880



Program Financing Resources

Better Buildings Residential Program Solution Center



- NEW website for curated lessons and resources to help residential energy efficiency programs plan, implement, and evaluate better.
- Step-by-step guidance, tips for success, examples, templates, more
- Filtering, favorites, subscription capabilities
- See full demo at ACI, April 29th 7pm; become a beta user May 1, 2014
- Email: BBRPSolutionCenter@erg.com for details and May / June demo webinar dates

Better Buildings Residential Network

Connects energy efficiency programs and partners to share best practices to increase the number of homes that are energy efficient.

Benefits:

- Tools, templates, & resources
- Regular peer exchange calls
(Marketing, Financing, Workforce, etc)
 - Project Performance vs. Loan Performance (5/22/14)
 - Program Support from Socially Responsible Investing (12/19/13)
 - Lessons from On-bill Financing & Repayment Programs (10/24/13)
- Newsletter updates on trends
- Optional program benchmarking
- Online community hosted on Home Energy Pros
- Recognition in media, materials

Commitment: Provide DOE with annual number of residential upgrades and information about their benefits.

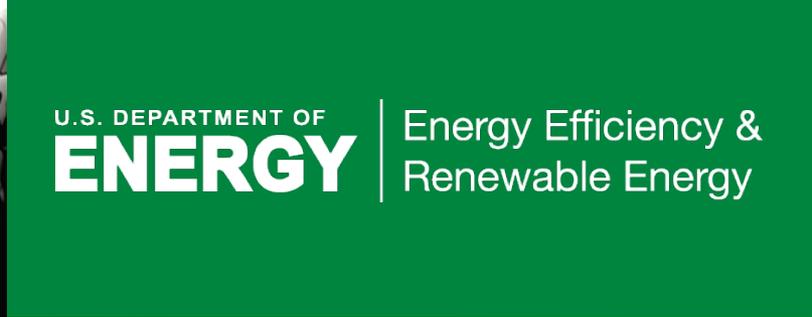
Learn More & Join: www.betterbuildings.energy.gov/bbrn

For More Information

- DOE programs and resources:
<http://energy.gov/eere/buildings/about-residential>
- To learn more about PowerSaver, visit:
 - <http://energy.gov/eere/buildings/powersaver-loans>
- E-mail contact: powersaver@nrel.gov or fhapowersaver@hud.gov

Resources

- DOE Residential Buildings Team
 - Steve Dunn, Project Manager, Residential Buildings
steve.dunn@go.doe.gov | tel. 720.989.5881
 - Ely Jacobsohn, Program Manager, Home Performance with ENERGY STAR
ely.jacobsohn@ee.doe.gov | tel. 202-287-1333
 - Danielle Sass Byrnett, Supervisor, Better Buildings Residential
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- NREL
 - Alex Dane, NREL (Project Lead) alexander.dane@nrel.gov
 - Mike Elchinger, NREL michael.elchinger@nrel.gov
- Technical Support Subcontractor
 - Mathew Brown, Harcourt Brown & Carey
 - Andrew Isaacs and Ely Jacobson, SRA International



PowerSaver Loan Product

JOAN GLICKMAN

HOME ENERGY SCORE

U.S. Department of Energy



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Accomplishments & Ongoing Efforts

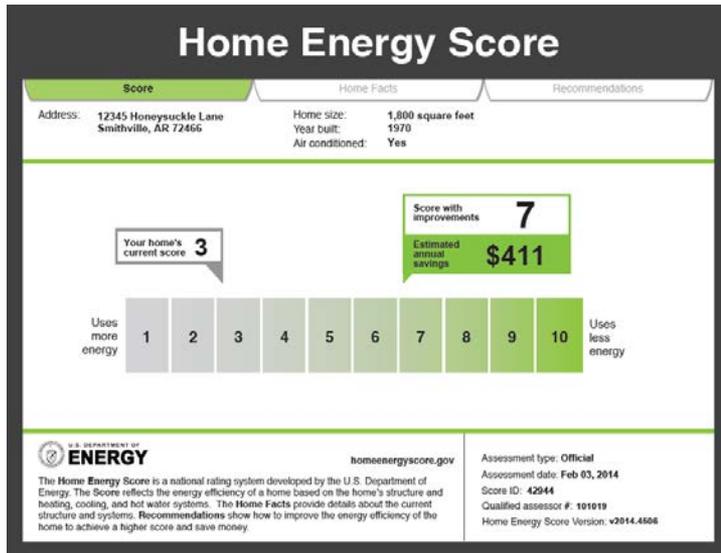
- ✓ **30+** Partners
 - About half are actively scoring homes
- ✓ **10,400+** homes scored since Summer 2012
- ✓ **194** Qualified Assessors
- ✓ **CT, MO, VT, NH, RI, OR,** and other states interested in statewide adoption
 - Growing number of local laws require disclosure of energy rating or data at point of sale
- ✓ Individuals who take DOE's free **Qualified Assessor Training** and pass the test can now **receive 2 BPI CEUs**
- ✓ **Outreach to our Partners**
 - Monthly Partner Webinar
 - Periodic Qualified Assessor calls
 - Account Manager support
 - Partner Portal on website
 - Significant improvements to Scoring Tool and scoring methodology

[Home Energy Score](#)
[Web Counter](#)

1 0 4 6 0



Home Energy Score + PowerSaver = More EE Investments



PowerSaver

first step to motivate homeowners to invest in EE

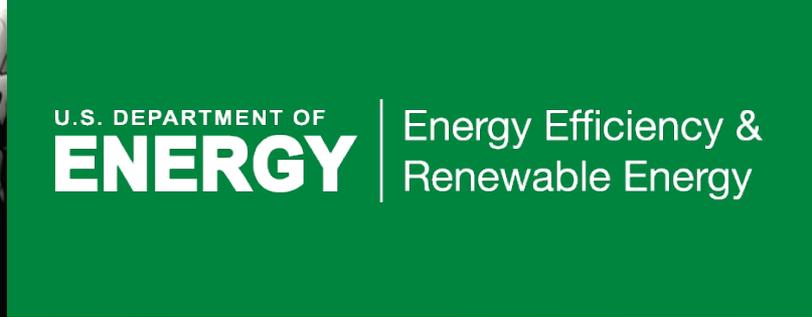
close the deal with affordable financing

Home Energy Score Integration with PowerSaver

- Great opportunity to connect homeowners, assessors and contractors to funding
- DOE encourages Home Energy Score Partners to consider working with a PowerSaver lender
- Technical assistance available to help Home Energy Score Partners work with lenders to design a tailored loan program for your local market
- Home Energy Score Qualified Assessors can be used to verify EE improvement jobs financed through PowerSaver
 - PowerSaver lenders will pay for the verification

www.HomeEnergyScore.gov

HomeEnergyScore@ee.doe.gov



PowerSaver Loan Product
MATTHEW H. BROWN
Harcourt, Brown & Carey
Market Positioning and Product
Details



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What is the Value of Financing to EE/RE?

- Financing:
 - Gives access to EERE upgrades for people who do not have (or do not want to use) cash.
 - Enables larger and deeper EERE retrofits than happen in absence of financing.
 - DOE-sponsored finance programs show that average non financed projects are \$6,500 vs. \$10,200 for financed projects.
- But availability of financing alone is not enough. Financing programs need three major elements (the three C's):
 - Confidence: PowerSaver has insurance from HUD
 - Capital: PowerSaver has Fannie Mae + \$millions of other capital committed to it
 - Convenience: PowerSaver is set up and ready to go with committed lenders and capital

How does one use financing to stimulate EE upgrades?

- Catch people when they are already in motion. They might be:
 - Buying a home
 - Refinancing a home
 - Upgrading or remodeling their home (with efficiency, solar, new kitchen, new roof)
 - Replacing failed equipment
- PowerSaver loan products can help people to pay for any of these four activities.

The two major loan types are:

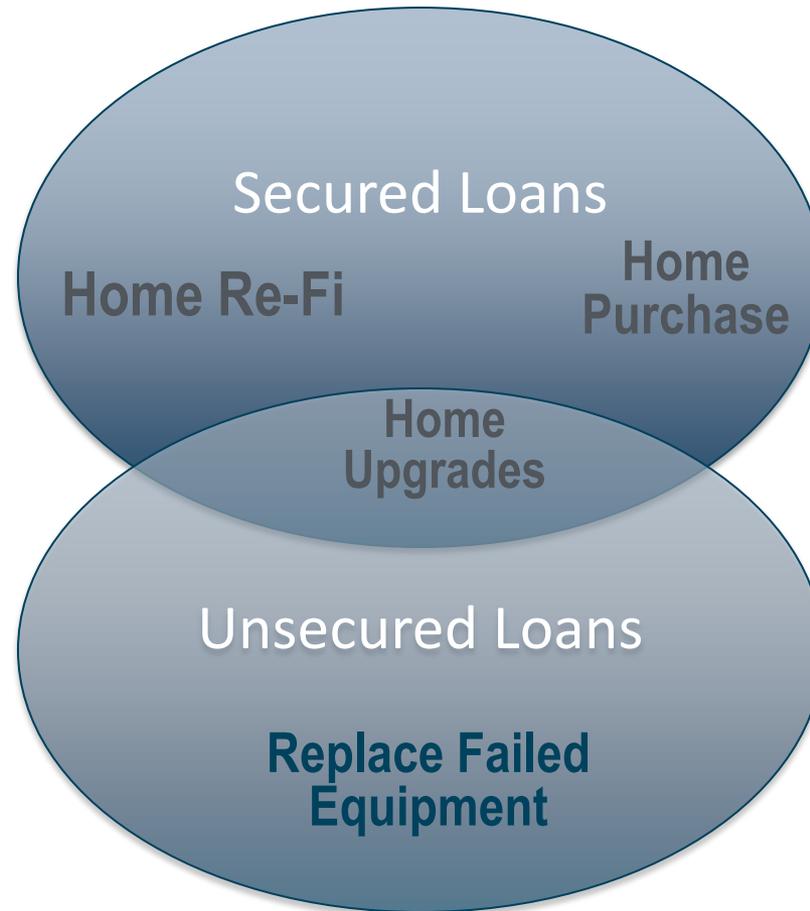
Secured Loans

- Purchase
- Refinance

Unsecured Loans

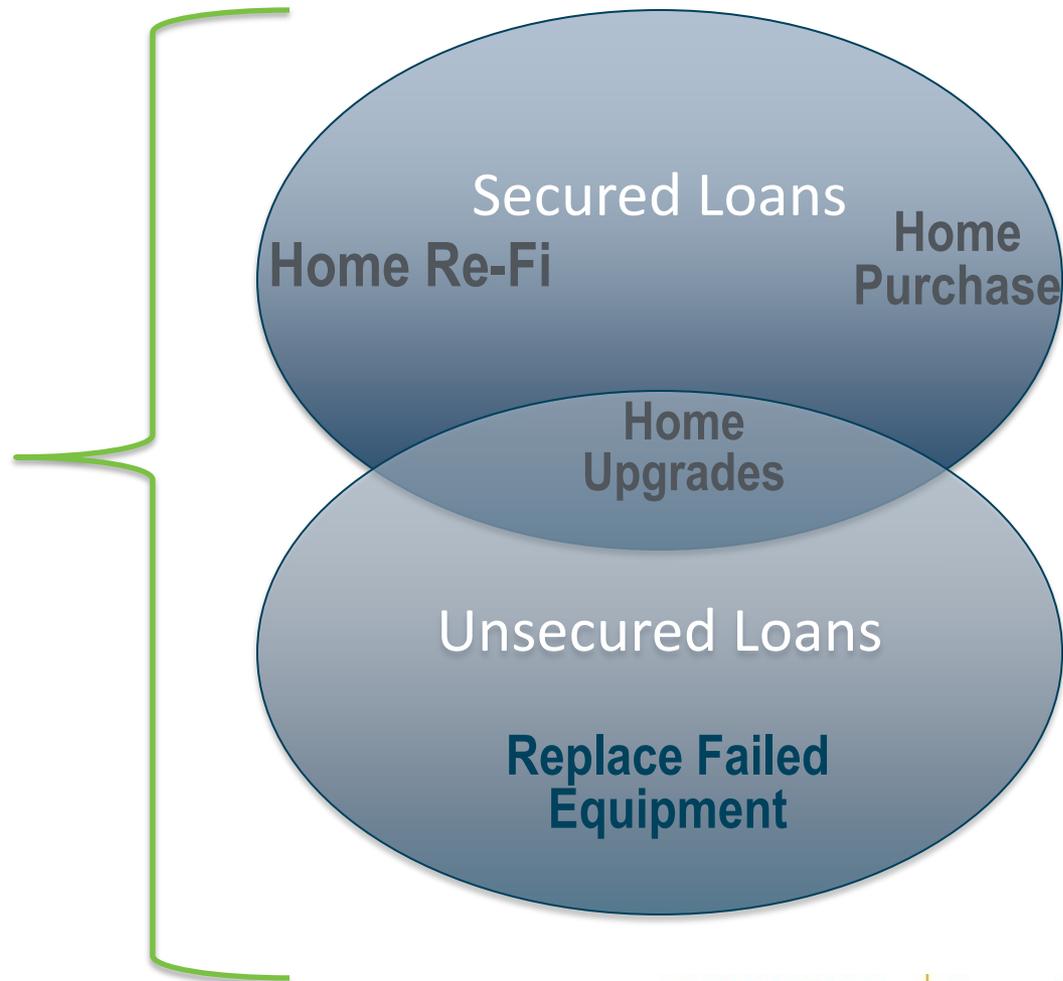
- Revolving
- Closed End

How does one use financing to stimulate EE upgrades?



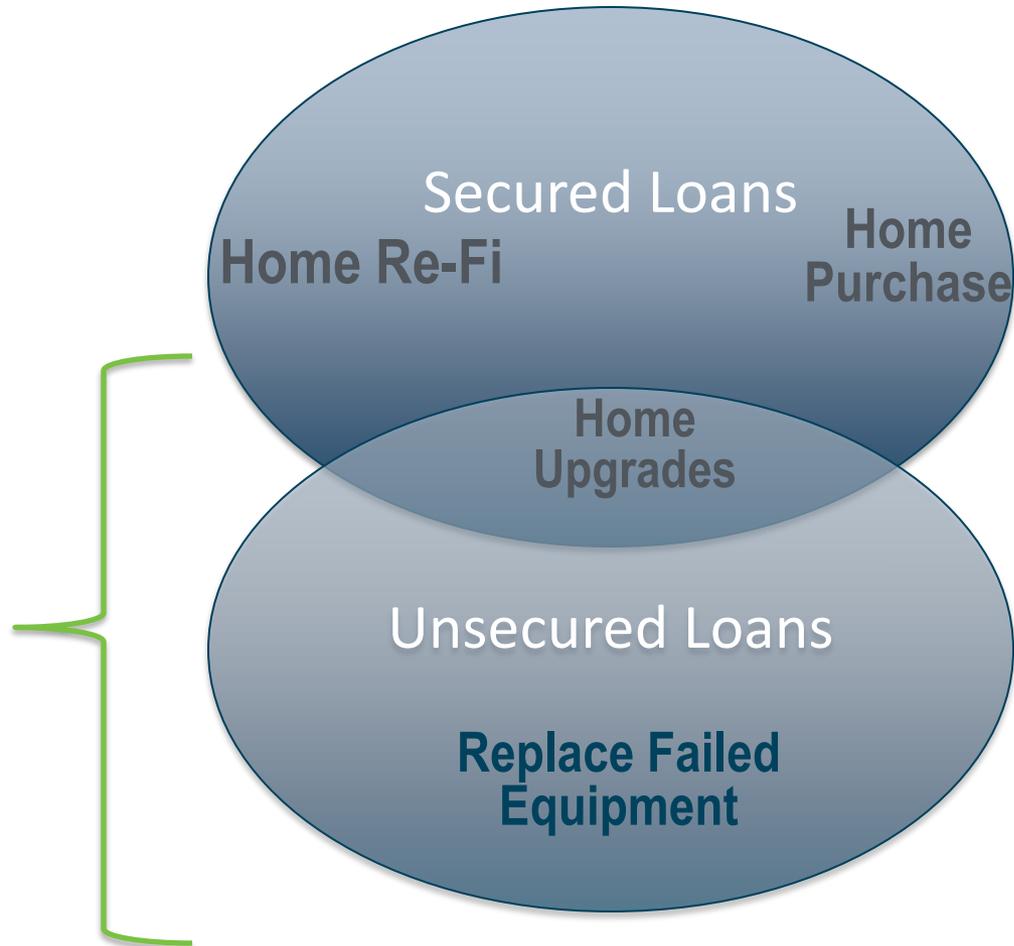
How does one use financing to stimulate EE upgrades?

**PowerSaver
Fills Both
Needs**



How Can You Use PowerSaver?

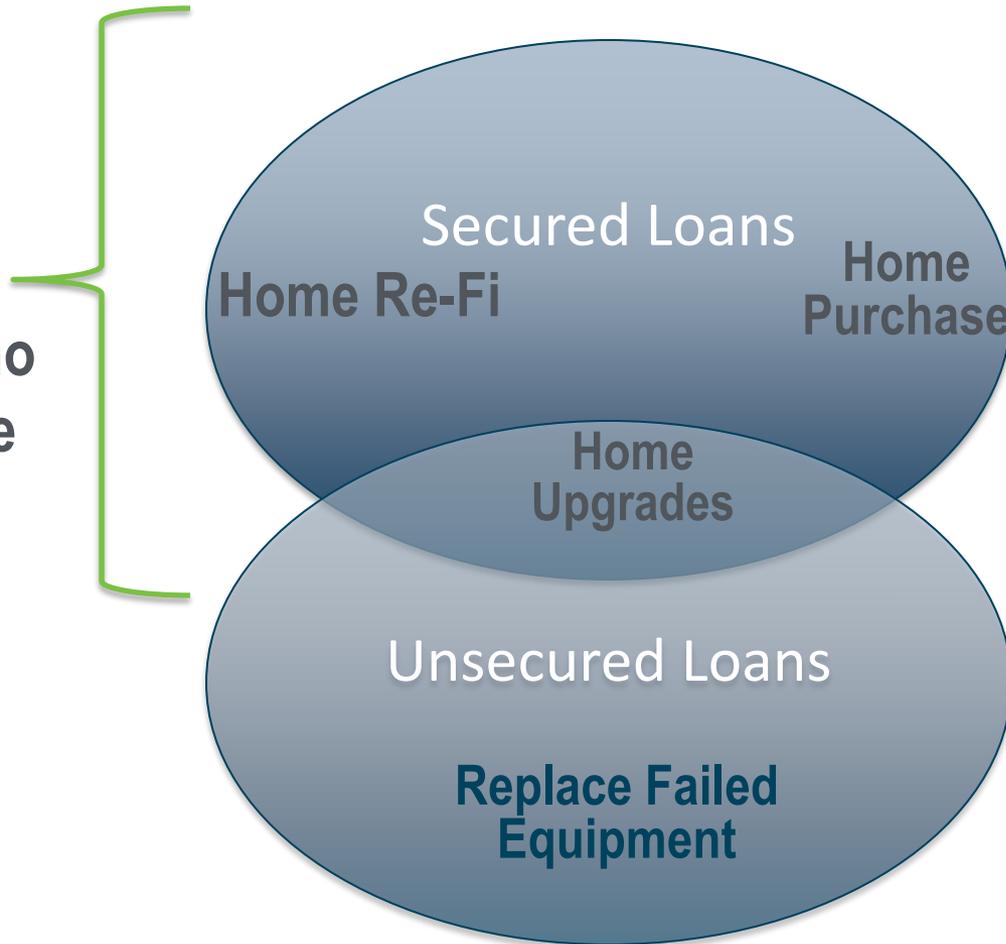
If you already have a finance program then your program probably focuses here.



How Can You Use PowerSaver? [Your Programs does have financing partners in place]

In which case:

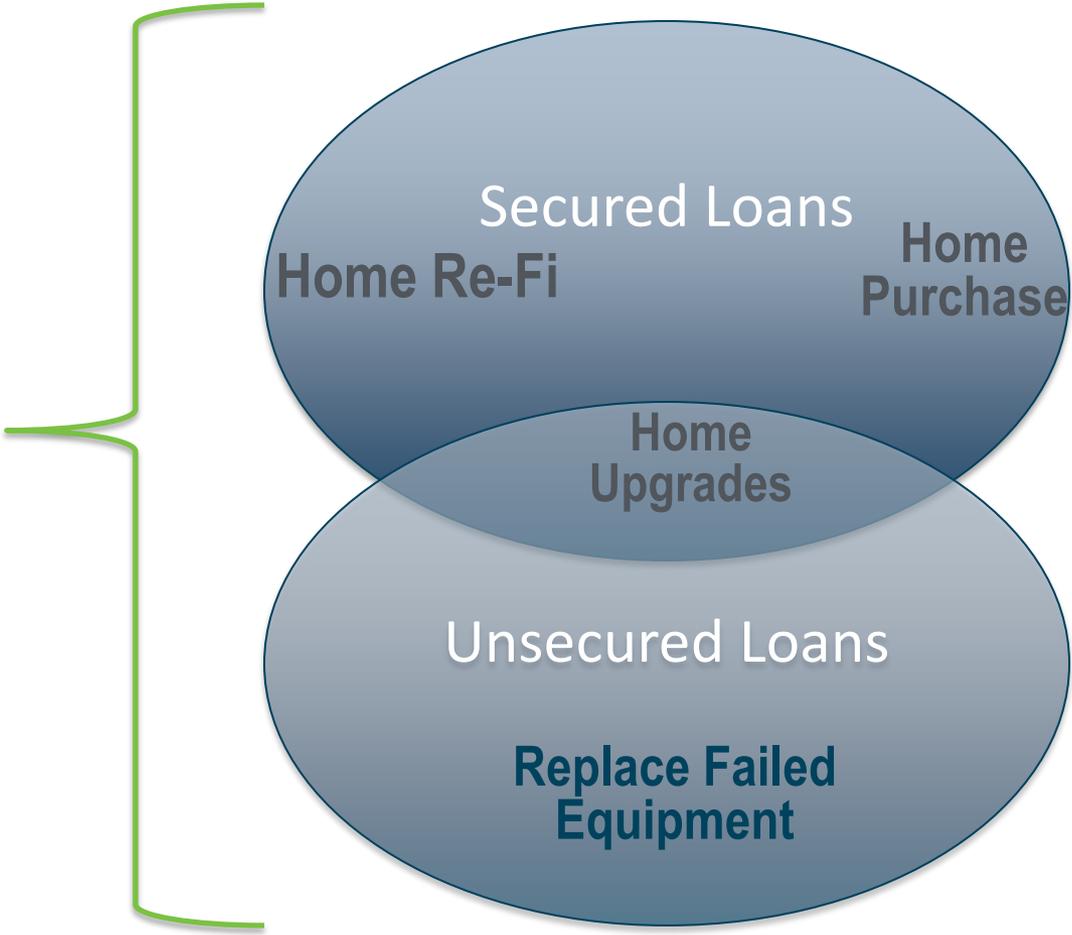
You should use PowerSaver to capture people who are in motion here



How Can You Use PowerSaver? [Your program does not have financing today]

In which case:

**PowerSaver
could meet all
your needs**



PowerSaver Loan Terms: Title 1 (Secured & Unsecured)

Basics

- A home improvement loan backed with federal loan insurance. Historically, Title 1 was used for any home improvement; PowerSaver is now specific to EERE.
- Underwriting is somewhat more inclusive than a typical home equity loan, for many borrowers.

What are the terms?

- Unsecured: Up to \$7,500; closes in hours to days
- Secured, up to \$25,000; closes in 3 weeks
- Up to 15 year term (20 years for renewables)
- Eligible improvements: HUD approved energy improvements: HVAC, solar, envelope, lighting, etc. (and up to 25% can be non-energy related measures)

PowerSaver Loan: PowerSaver Home Renovation Mortgage (203k)

Basics

- The only home renovation mortgage backed by the U.S. government
- Can be used to buy and renovate OR refinance and renovate, a home

What are the terms?

- Loan limits from \$217,500 to \$625,000 in high cost areas (limits vary by county); closes in 3-5 weeks
- Up to 30 year term
- Eligible improvements: To qualify for this loan at least \$3,500 must be used to fund energy improvements

Can the PowerSaver help your program implement more energy efficiency?

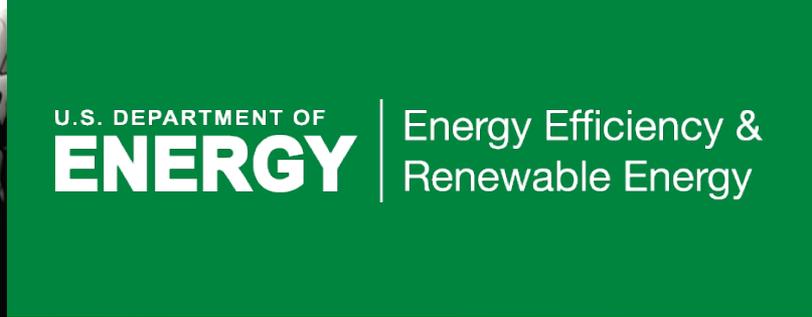
- HUD selected a small number of lenders to pilot PowerSaver
- The lenders have grant funds that they will use to:
 - Market the product
 - Reduce or eliminate closing costs & other fees, which has the effect of reducing the interest rate
 - Program partners may use their funds to buy down interest rates
- The lenders were chosen in part because they may have expertise running contractor-centric programs
- The lenders will offer financing programs that align with your program.

A Few Items to be Aware of for PowerSaver

- Like any loan product, PowerSaver lenders make decisions on applications based on a review of credit including, among other items, a FICO score.
- Borrowers are required to provide a verification of their income prior to a loan closing.
- Interest rates are based on what private investors are willing to offer, taking in to account the HUD insurance. They are lower than they would be in absence of insurance.

Some Tips for Success and Action Items

- Your program can:
 - Use funds to buy down interest rates
 - Integrate PowerSaver financing into program offerings, especially contractor education and outreach.
 - Identify how PowerSaver offerings fit in with your goals, and understand how PowerSaver complements your existing program offerings. (e.g. Other finance offerings in your area).
 - Understand what role financing can play in your specific market.



Incorporating PowerSaver into HPwES and other Programs

**JASON BOGOVICH and
ANDREW ISAACS**

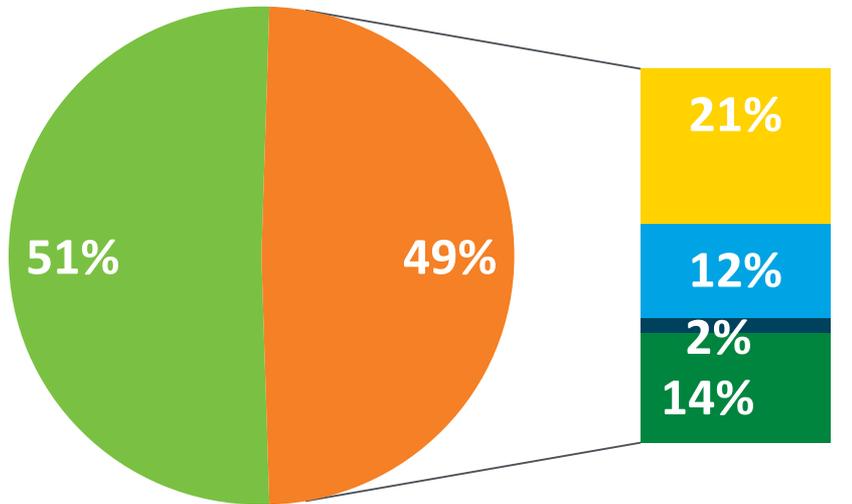
SRA International



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Financing

Credit Enhancements/ Financing Buy Downs

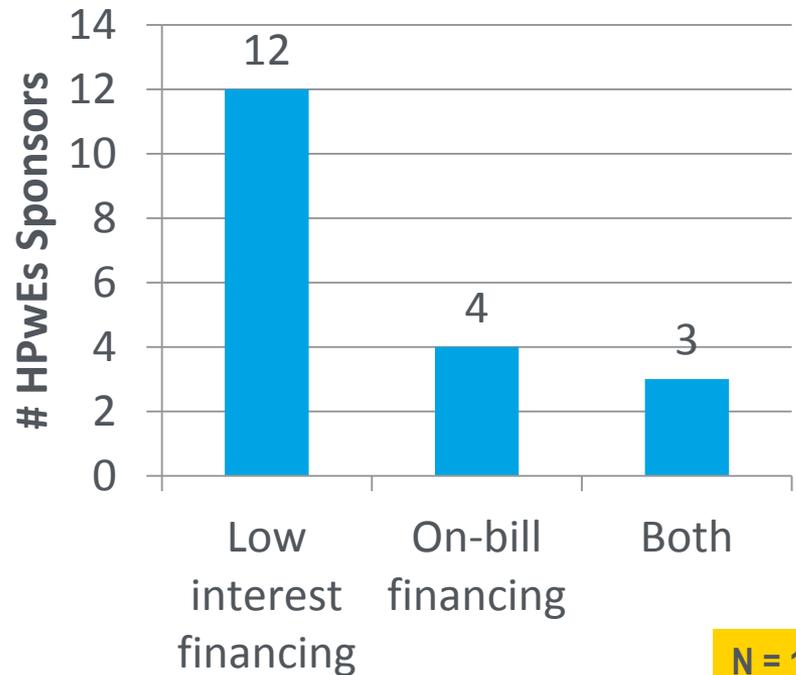


- None
- Interest-rate buy down
- Loan-loss reserve
- Program loan insurance
- Revolving loan fund

N = 48

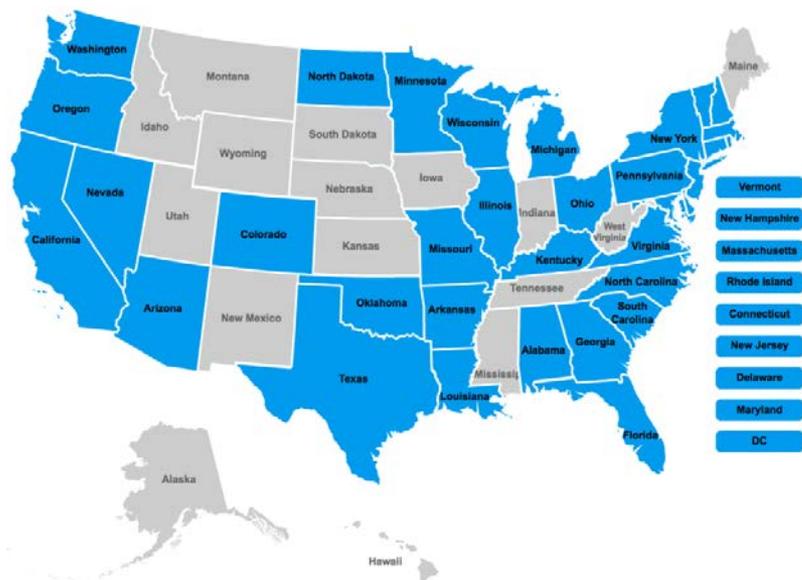
❖ 16 HPwES Sponsors reported completing 17,000 projects using financing in 2013.

Homeowner Incentives



N = 19

Value Proposition For Program Sponsors



- Access to low cost, long term fixed rate financing
- PowerSaver can be a suite of products or can fill a product gap
- Tangible finance product that your program can provide to contractors
- Increased closing rates meaning more HPwES units



Value Proposition For Program Sponsors



- Product can be easily added to existing programs
- PowerSaver can be customized to complement your program design
- Sponsor or utilities can provide additional rate buy-downs
- PowerSaver can complement and/or integrate with utility rebates when available
- Leverage for your program by using outside capital

Value Proposition For Contractors



Low Monthly Payments Helps Closing Rates

- Rates 50% or more lower monthly payments than 36 month same as cash financing options.
- Can help consumers afford more EE and higher quality equipment
- Can help quote lower monthly payments than competitors who do not offer HP Financing helping closing rates

Value Proposition For Contractors

- No cost to contractor to offer financing
- No financing cost to pass on to consumer
- Contractor can Save 5% - 10% -vs- other unsecured financing provider's products
- Example: \$5 Million annual financed
= \$250,000 or \$500,000 savings to contractor
- Long term fixed rates – no 36 month due to be paid by customers



Value Proposition PowerSaver - Consumer



- Long term fixed rate financing
- Low monthly payments
- No prepayment penalty
- No hefty rate adjustment if loan balance is not paid in 36 months

Value Proposition PowerSaver - Consumer



- Certified contractor base
- Grant funds available through PowerSaver lenders to help cover loan fees (closing costs, appraisals, other fees)
- Can be one-stop shopping when integrated with utility rebate programs



PowerSaver Job Types and Product Design

Job Types

- Whole-House Jobs
- Single-Measure - Prescriptive Path
- Renovations

Loan Types

- Unsecured Loans – PowerSaver – Reactive Customers
 - Up to 7 years or longer if sponsor provides capital
- Secured Loans – PowerSaver – Proactive Customers
 - Up to 15-20 year secured loan rate: 6.99% or lower if sponsor provides rate buy-down
 - \$25,000
 - 25% of loan available for non-energy efficient measures
- **203K – Acquisition Rehab or Re-finance Rehabilitation with Energy Efficient Measures**

PowerSaver -vs- Other Loan Options Monthly Payments

Loan Amount = \$7,500

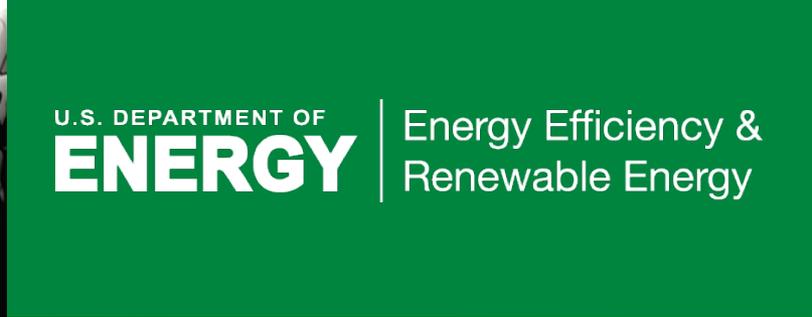
Estimated Monthly Payments by Financing Types:

- **36 Month Same as Cash Manufacturer Offered Financing = \$208.33**
- **10 Year PowerSaver @ 6.99% = \$87.04**
- **15 Year PowerSaver @ 6.99% = \$67.37**

Loan Amount = \$10,000

Estimated Monthly Payments by Financing Types:

- **36 Month Same as Cash Manufacturer Offered Financing = \$277.78**
- **10 Year PowerSaver @ 6.99% = \$116.06**
- **15 Year PowerSaver @ 6.99% = 89.93**



PowerSaver Loan Product

MIKE ELCHINGER

NREL

PowerSaver Solar & Renewable
Initiatives

National Renewable Energy Lab

**Building
Technologies Office**



PowerSaver and Residential RE

Eligible RE technologies

- Solar PV
- Solar thermal
- Small wind
- Geothermal
- Fuel cells/micro-turbines

Residential PV opportunity

Over the last 5 years:

- 50% annual growth rate in installed residential capacity
- 40% reduction in installed costs

An attractive alternative

For customers looking to solar, this is another attractive financing option – especially for:

- Direct ownership (purists)
- FICO scores < 700
- Interest rate deductibility
- Lower rate due to federal insurance

Bundle PV with EE investments to lower overall costs

PowerSaver and Residential RE (Cont'd)

	Unsecured	Title 1	203(k)
Market Opportunity	<ul style="list-style-type: none"> Financing small-scale RE on a standalone basis 	<ul style="list-style-type: none"> Financing RE on a standalone basis 	<ul style="list-style-type: none"> Finance RE as part of a home purchase/re-fi
Advantages	<ul style="list-style-type: none"> Small PV: <ul style="list-style-type: none"> ITC Ownership Pre-paid PV lease: <ul style="list-style-type: none"> Performance guarantee Lower system cost 	<ul style="list-style-type: none"> ITC Mortgage Interest tax deductibility Ownership 	<ul style="list-style-type: none"> ITC Mortgage Interest tax deductibility Ownership Streamlined process Higher loan amount

QUESTIONS?

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DOE PowerSaver Website:

<http://energy.gov/eere/buildings/powersaver-loans>

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