



ENERGY STAR[®] Program Requirements for Lenders

Mortgages for Energy-Efficient Homes

Partner Commitments

Commitment

The following are the terms of the ENERGY STAR Partnership Agreement as it pertains to mortgages for energy-efficient homes. The ENERGY STAR Partner must adhere to the following program requirements:

- comply with current ENERGY STAR Eligibility Criteria, defining the criteria that must be met for use of the ENERGY STAR certification mark on mortgages for energy-efficient homes;
- comply with current ENERGY STAR Logo Use Guidelines, describing how the ENERGY STAR label and name may be used. Partner is responsible for adhering to these guidelines and for ensuring that its authorized representatives, such as advertising agencies, dealers, and distributors, are also in compliance;
- qualify at least one ENERGY STAR mortgage within one year of activating the mortgages portion of the agreement. When Partner qualifies the mortgage, it must meet the specification (e.g., Tier 1 or 2) in effect at that time;
- submit proposed product(s) to EPA program manager for review. After EPA determines that the mortgage product(s) complies with the current ENERGY STAR Eligibility Criteria, the mortgage shall be considered an ENERGY STAR mortgage. The Partner may then begin to associate the ENERGY STAR logo and name with that product.
- provide to EPA, on an annual basis, an updated list of ENERGY STAR mortgages. Once the Partner submits its first list of ENERGY STAR mortgages, the Partner will be listed as an ENERGY STAR Partner. Partner must provide annual updates in order to remain on the list of participating financial institutions.
- submit to EPA in writing any proposals to modify an ENERGY STAR mortgage. Any proposed modification of the mortgage product by the Partner will constitute a new application for its designation as an ENERGY STAR mortgage, and shall be reviewed in accordance with the ENERGY STAR Eligibility Criteria. Partner must submit notice 60 days in advance of effective date of proposed modification. The EPA program manager shall review modifications to ENERGY STAR mortgages within 14 working days of receipt of request for modifications by the Partner;
- work cooperatively with EPA to track ENERGY STAR mortgages so that their performance can be evaluated;
- provide Energy Efficient Mortgages (EEMs) and Energy Improvement Mortgages (EIMS) allowed under FHA, Fannie Mae, and Freddie Mac guidelines;
- make the ENERGY STAR mortgage(s) available to consumers through Partner's retail operations;
- strive to make ENERGY STAR mortgages highly competitive and attractive to home buyers;
- notify EPA of a change in the designated responsible party or contacts for mortgages for energy-efficient homes within 30 days.

- provide information about its ENERGY STAR mortgages to all of its employees whose jobs are relevant to the development, marketing, promotion, and servicing of ENERGY STAR mortgages. This includes employees at branches that are within a 50 mile radius of a significant number of ENERGY STAR labeled homes (i.e., more than 100);

Performance for Special Distinction

In order to receive additional recognition and/or support from EPA for its efforts within the Partnership, the ENERGY STAR Partner may consider the following voluntary measures and should keep EPA informed on the progress of these efforts:

- consider energy efficiency improvements in company facilities and pursue the ENERGY STAR label for buildings;
- purchase ENERGY STAR labeled products. Revise the company purchasing or procurement specifications to include ENERGY STAR. Provide procurement officials' contact information to EPA for periodic updates and coordination. Circulate general ENERGY STAR labeled product information to employees for use when purchasing products for their homes;
- ensure the power management feature is enabled on all ENERGY STAR qualified monitors in use in company facilities, particularly upon installation and after service is performed;
- feature the ENERGY STAR label(s) on Partner Web site and in other promotional materials. If information concerning ENERGY STAR is provided on the Partner Web site as specified by the ENERGY STAR Web Linking Policy (this document can be found in the Partner Resources section on the ENERGY STAR Web site at www.energystar.gov), EPA may provide links where appropriate to the Partner Web site;
- provide a simple plan to EPA outlining specific measures Partner plans to undertake beyond the program requirements listed above. By doing so, EPA may be able to coordinate, communicate, and/or promote Partner's activities, provide a EPA representative, or include news about the event in the ENERGY STAR newsletter, on the ENERGY STAR Web pages, etc. The plan may be as simple as providing a list of planned activities or planned milestones that Partner would like EPA to be aware of. For example, activities may include: (1) increase the availability of ENERGY STAR labeled products by converting the entire product line within two years to meet ENERGY STAR guidelines; (2) demonstrate the economic and environmental benefits of energy efficiency through special in-store displays twice a year; (3) provide information to users (via the Web site and user's manual) about energy-saving features and operating characteristics of ENERGY STAR qualified products, and (4) build awareness of the ENERGY STAR Partnership and brand identity by collaborating with EPA on one print advertorial and one live press event;
- provide quarterly, written updates to EPA as to the efforts undertaken by Partner to increase availability of ENERGY STAR mortgages, and to promote awareness of ENERGY STAR and its message.



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Eligibility Criteria

Below is the specification for ENERGY STAR mortgages. A product must meet all of the identified criteria if it is to be labeled as ENERGY STAR by its financial institution.

- 1) Specifications for Qualifying Products: Only those products that meet the criteria (A and B) below may qualify as ENERGY STAR.
 - A. The terms of the mortgage are designed to significantly reduce or offset the additional closing cost associated with the purchase of an ENERGY STAR labeled home (i.e., payment of a HERS rating, additional down payment, closing cost fees based on percentage value of home). These closing cost offsets may include a full or partial waiver in fees, reduction in down payment, or any other means to reduce or eliminate these costs. The present value of an interest rate reduction may also be used to determine the closing cost offsets.
 - B. The mortgage is available only to finance ENERGY STAR labeled homes.
- 2) Effective Date: The ENERGY STAR Mortgage specification is effective immediately.
- 3) Future Specification Revisions: ENERGY STAR reserves the right to change the specification should market changes affect its usefulness to consumers, industry, or the environment. In keeping with current policy, revisions to the specification are arrived at through industry discussions.