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# **Environmental Initiatives**

## **“Building Local Partnerships”**

**RESNET Conference 2003**

Marci Milligan, Sr. Deputy Director, Utah PO, SWRO  
David Wilson, Executive Director ERHU/ President RESNET

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# **Environmental Initiatives Building Local Partnerships**

- 1. Quick Review of EEM Product**
- 2. Discuss Strategies for Local Initiatives**
  - **New Construction - Designing Resource Efficient Building Partnerships**
  - **Older Housing Stock - Designing Energy Improvement Partnerships**
  - **Local Partnership Example – Built Green Utah**
- 3. Engaging Your Fannie Mae Partnership Office**





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# Review of Energy Efficient Mortgages

## Designed to:

- Recognize lower operating costs of energy efficient homes
- Increase affordability for home buyers, regardless of income
  - \$500 down, 97 & 100% LTV products available today
- Have a sizeable impact on borrowing power for low income families
- Promote livable communities
- Encourage resource efficient housing nationwide





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# Review of Energy Efficient Mortgages

- **Working features:**

- Energy Savings

- Estimated monthly energy savings added to borrower's income for qualification purposes

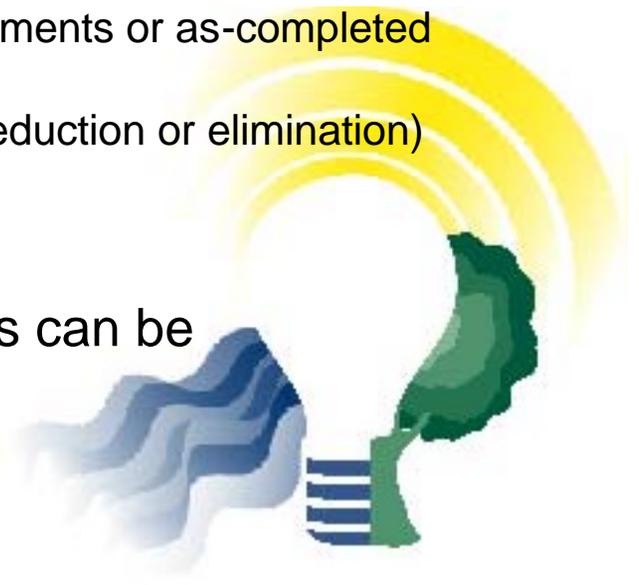
- Energy Value -- Adjusts LTV

- For new construction: Purchase price or appraised value of property plus present value of monthly savings over the expected life of improvements
- For retrofits: As-is value plus cost of improvements or as-completed value
- Use total value to determine need for PMI (reduction or elimination)

- **Financing energy retrofits:**

- Energy improvements to existing homes can be 15% of home's value

- Finance up to 100% of improvements
- Improvements paid over life of mortgage





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# Strategies for Local Initiatives

- **Identifying & Engaging Critical Partners?:**

- For Profit Developers (Single Family and Multi Family)
- Nonprofit Developers (Single Family and Multi Family)
- Architects
- Lenders / Loan Officers / Underwriters / Brokers
- Realtors
- Appraisers
- Energy Raters
- Program Facilitators / Technical Assistance Providers
- Utility Companies
- Contractor / Manufacturer Incentives
- Homebuyer Educators
- Low Interest Community Seconds Program
- Historical Societies
- Governmental Agencies (Federal, State, Local)
- Others?

**Make a matrix outlining potential partners in your community!  
Then determine ways to begin, continue or relate differently with each.**





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# Strategies for Local Initiatives

- **What can raters offer development partners?  
Consider at least the following:**
  - Plan Review
  - Code Compliance Report
  - Marketing Tools
  - Site Inspection(s)
  - Blower Door Test
  - Final Reports & Certifications
  - EPA Program Registration
  - Fannie Mae Mortgage Energy Report

**What is your consultation enticement?  
What are your pricing strategies?**

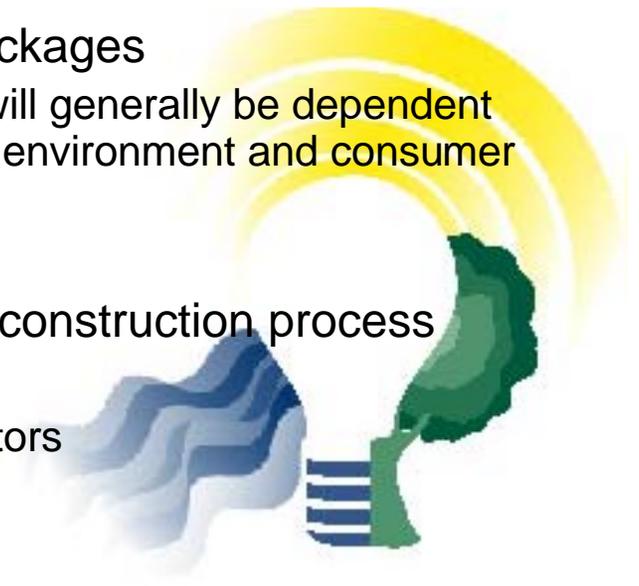




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# Strategies for Local Initiatives

- **Approaching new construction with homebuilders?:**
  - Relaying the sales benefits
    - Expanding Market Share
    - Quality Assurance with Subcontractors (fewer call backs)
    - Consumer Purchasing Power
  - Designing customized energy upgrade packages
    - In and Outside base home prices – these will generally be dependent on a builder's business model, competitive environment and consumer sophistication
  - Providing on site consultations during the construction process
    - Initial Design Review
    - Educational Opportunities with Subcontractors
    - Independent Third Party Verification





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## Strategies

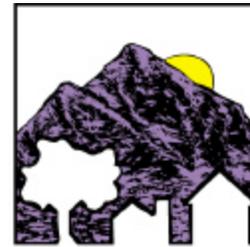
# for Local Initiatives

- **Approaching existing housing stock?:**
  - Considerations for energy improvement rehabilitation
    - Prepare working information on weatherization programs; develop a referral network through these same contacts and other housing industry professionals
    - Know the financing options for rehab, refi with rehab, or acquisition rehab (1-4 unit properties); RESNET web-site
    - Verify participating local lenders
    - Identify local facilitators, if any (consider being one yourself)
    - Develop a preferred contractor list(s) to share with consumers
    - Seek technical assistance from historical societies as appropriate
    - Work with industry leaders and Fannie Mae Partnership Offices to build broad-based local initiatives and to create neighborhood solutions to community housing issues





# Built Green Utah Leadership Team



ENVISION UTAH  
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A Partnership for Quality Growth



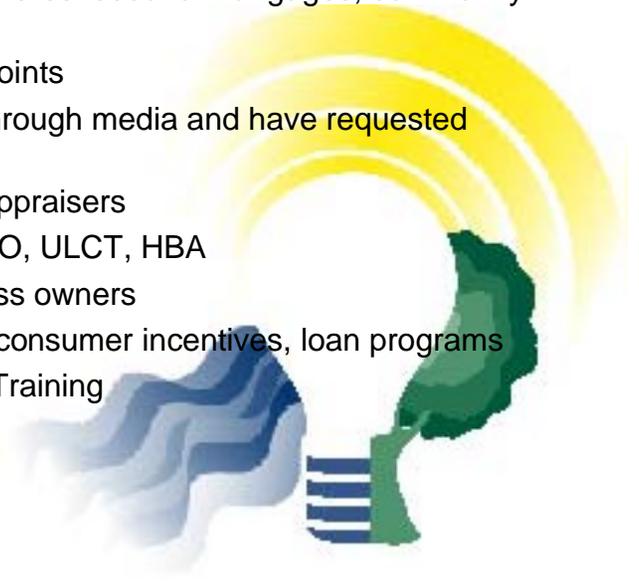


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# Built Green Utah Sharing Program Successes

- **Building a strong foundation~program examples:**

- Identified interested builders – per market area; consider all price points and types of housing
  - Affordable and Custom Homebuilders
  - American Communities Fund Projects
  - Recruited both Urban and Rural non-profits
- Offered design reviews as a way to build a client base – using matched grant funds to support review of best selling home models
- Provided assistance in identifying leveraged community resources – CDBG/Home fund subsidies, downpayment/closing cost assistance, private foundation low interest second mortgages, community land trusts, etc.
- Designed templates for marketing materials and sales talking points
- Created educational venues to expand consumer awareness through media and have requested coverage in local homebuyer classes state wide
- Developed CEU workshops for lenders, brokers, realtors and appraisers
- Taught workshops with key organizations such as UHC, NAHRO, ULCT, HBA
- Designed new rebate and incentive programs with local business owners
- Worked with utility companies to revamp their own builder and consumer incentives, loan programs
- Promoted inter-connectivity through Home Counselor On Line Training





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# Engaging Your Fannie Mae Partnership Office

Marci Milligan

Senior Deputy Director Utah Partnership Office, SWRO

15 West South Temple, Suite #870

SLC, Utah 84101

801.715.6863

List of PO's @: [efanniemae.com](http://efanniemae.com)

