

**“Taking it to the Streets”**

**Energy Mortgages from a Lenders  
Perspective**

# Introduction

- **HomeFirst Mortgage Corporation is based out of the Washington D.C. area.**
- **Over 100 mortgage brokers on staff**
- **We currently are licensed in 15 states and pending in 7 additional states.**
- **We work with over 50 wholesale lenders offering literally hundreds of different products**
- **We've been in business 11 years**

# What Is a Mortgage Broker?

**A mortgage broker is basically a middleman between a borrower and a wholesale lender. A broker's job is to provide the borrower with the best possible program that fits their particular financial situation and needs.**

# Example:

## Buying an airline ticket

- They can contact the airline of choice, and purchase the ticket directly from them.

Or

- 2. They can contact their travel agent or an online company like Expedia.com, Travelocity, or Orbitz.com to have them broker the airline ticket on your behalf. By using the broker, you are now in a position to get the best possible deal because the broker will help you find a low fare among the airlines, which mean airlines now have to compete for your business. In 99% of cases, you will get the best deal possible with the broker as opposed to going directly with the airline itself.

# Most lenders have two sides

- The retail side: (Countrywide, Bank of America, Chase Manhattan, Wells Fargo, etc...) which sells their loan products directly to the borrower.

**Of course working with the retail side yields RETAIL RATES!!!**

- The wholesale side: (same lenders as above, but does not sell directly to the borrower) Wholesalers sell their products through mortgage brokers. The wholesaler has less overhead since the mortgage broker brings the customers to them. In turn, the wholesale lender gives the mortgage broker the wholesale rate, which is then left to the broker to charge a rate that is agreeable to the borrower.

# A Brokers Relationship with a Wholesale Lender

- Brokers can offer the EEM only through Wholesale Lenders that have a valid EEM contract with Fannie Mae.
- Currently, Countrywide Home Loan is the only Wholesale Lender that offers the EEM to brokers.
- We are in the process of educating more lenders to offer the EEM.

# Why Use A Broker?

- Mortgage brokers can utilize literally hundreds of different kinds of loan products offered by hundreds of wholesale lenders; therefore, the broker can find the perfect loan product for each customer.
- Retail lenders only offer just a few types of products
- Retail lenders charge higher interest rates on mortgages because they have to pay for buildings, rent, employees, loan processors, etc...
- *And guess who pays for this?* The borrower does by higher interest rates and fees
- Most mortgage brokers work out of their homes; therefore, brokers have lower overhead, lower rent, few/no employee's which means the cost of processing a borrower's loan is lower.
- Simply put, a broker does not have the overhead a lender does.
- The broker can pass on these savings by offering better rates and lower fees than that of a retail lender.

# So What Does This Mean For A HERS Rater?

- Low overhead for brokers means lower rates and costs for the builder's clients, and homeowners.
- Having a relationship with a Mortgage Broker, you will be insuring your client the best rates and lowest fees
- You will have a one-on-one relationship with a mortgage broker that is easy to contact.
- When a Rater is working with a prospective builder or homeowner, they will be much more accepted by them if you are offering their customer's huge financial savings by lower rates and fees on loans.



# Relationship between the HERS Rater & Mortgage brokers

- The rater and the mortgage broker work together to help to borrower through every step of the EEM process.
- The rater's responsibilities are:
  - 1. Perform the required energy rating for the builder or homeowner.
  - 2. Provide to the mortgage broker the hardcopy energy rating with the necessary information needed by the mortgage broker for processing of the loan.

# For Example: Lee O'Neal with N'Spects Ltd.

- Lee O'Neal is a certified HERS rater in the Washington D.C. metro area.
- When Lee has a potential client, he either calls me, or has the client contact me. I talk with the client in order to understand their individual financial needs.
- I walk the client through the loan process making sure that all underwriting guidelines are met in order to successfully complete the Energy Mortgage process.
- When customer calls me looking for an EEM, I call Lee to set up an appointment to have the home rated.
- Our website [www.Energy-Mortgage.com](http://www.Energy-Mortgage.com) gets emails from all across the country with people interested in an EEM, so I want to have nationwide contacts with HERS raters in order to rate these homes.

# HERS Raters and New Construction

- The HERS Rater and the Mortgage Broker will work together with the builder and the builder's customers.
- If a builder decides to build all of the homes to meet energy efficient standards, HomeFirst will give discount pricing for all of his customers that choose the Fannie Mae Energy Efficient Mortgage.

## **Summary: Relationship between a Wholesale Lender and a Mortgage Broker**

- Mortgage brokers have little overhead; therefore, the savings is passed through to your client.
- This relationship guarantees your customer's the best rates and lowest fees
- Since our brokers work with over 50 wholesale lenders, we have hundreds of loan programs available to fit your client's financial situation.

# Summary: Relationship between a HERS Rater and a Mortgage Broker

- The Broker and the Rater will work together to help the borrower through every step of the EEM process.
- Two-way relationship: Brokers call on Raters & Raters call on Brokers
- HomeFirst has over 100 mortgage brokers trained and ready to work with YOU!!!

# Where to Get More Information

- [www.Energy-Mortgage.com](http://www.Energy-Mortgage.com)
- **HomeFirst Mortgage Corporation:**  
[www.homefirstmortgage.com](http://www.homefirstmortgage.com)
- RESNET: [www.nateresnet](http://www.nateresnet)
- Fannie Mae: [www.fanniemae.com](http://www.fanniemae.com)