

Watch For New PowerSaver Pilot Loan Program in Your Area

Energy Savers Blog

For anybody who has heard about the many benefits of upgrading your home with an energy efficient water heater or furnace—or has wanted to make simple energy-saving home improvements such as insulating their attic, sealing their ducts, and installing better doors and windows—there may be a new financing option coming to a lender near you.

As readers of this blog know, putting energy efficient products and installing renewable energy systems in your home can slash your monthly energy bills, but a hurdle that some would-be energy savers run up against is difficulty covering the initial costs of energy efficient products, which may cost a bit more up front than conventional ones. Unfortunately, many families opt to buy the cheaper product even though it will cost them more over the long haul. However, with a financing program to help them purchase the products that make sense for them, many homeowners will make the energy-smart choice.

On April 21, the Department of Energy and the U.S. Department of Housing and Urban Development [announced](#) [1] a new pilot program to help homeowners pay for improvements to their homes that will help them save money on their energy bills. During the two-year pilot, 18 national, regional and local lenders will offer qualified borrowers living in certain parts of the country low-cost loans to make energy-saving upgrades to their homes. These new PowerSaver loans will offer homeowners up to \$25,000 to make the energy efficient improvements of their choice, including the measures mentioned above, as well as renewable energy systems such as solar panels and geothermal systems.

The program will help credit-worthy homeowners finance the energy-saving technologies that they might otherwise not be able to afford to install. The program will help families save money, boost local job markets, and help drive demand for energy efficient products made in the United States. It could also pave the way for more lenders to get into the business of home energy efficiency loans. Obviously, any time American families make wise choices about their energy use it benefits the environment as well.

The PowerSaver pilot program will initially help about 30,000 homeowners to finance energy efficient upgrades, and once word gets out about it, popular demand could help expand its impact. According to HUD projections, more than 3,000 jobs will be created through this pilot program and the impact may be larger if market demand for the loan program increases over time.

The participating lenders were largely selected based on their commitment to partner with established home energy upgrade programs provided by states, cities,

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utilities and home performance contractors. These markets include, but are not limited to areas of the country participating in the Energy Department's [Better Buildings Program](#) [2].

PowerSaver loans will be backed by the Federal Housing Administration but require these lenders to have significant "skin in the game." FHA mortgage insurance will cover up to 90 percent of the loan amount in the event of default. Lenders will retain the remaining risk on each loan, incentivizing responsible underwriting and lending standards. PowerSaver loans are only available to borrowers with good credit, manageable debt and at least some equity in their home (maximum 100% combined loan-to-value).

Here are the FHA PowerSaver Approved Lenders:

1. Admirals Bank
2. AFC First Financial Corporation
3. Bank of Colorado
4. City of Boise, Idaho
5. Energy Finance Solutions
6. Enterprise Cascadia
7. HomeStreet Bank
8. Neighbor's Financial Corporation
9. Paramount Equity Mortgage, Inc.
10. Quicken Loans
11. SOFCU Community Credit Union
12. Stonegate Mortgage Corporation
13. Sun West Mortgage Company, Inc.
14. The Bank at Broadmoor
15. University of Virginia Community Credit Union, Inc.
16. Viewtech Financial Services, Inc.
17. WinTrust Mortgage
18. W. J. Bradley Mortgage Capital Corporation

As with any major home energy upgrade, we recommend beginning with a [home energy evaluation](#) [3] to pinpoint the most cost-effective measures you should take to stop the leaks and start the savings. The PowerSaver loans will be another way that consumers can take steps to save energy in their homes nationwide. Look for them at a lender near you.

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[SOURCE](#) [4]

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Links:

[1] <http://www.energy.gov/news/10292.htm>

[2] <http://www1.eere.energy.gov/buildings/betterbuildings/about.html>

[3]

http://www.energysavers.gov/your_home/energy_audits/index.cfm/mytopic=11160

[4] <http://feedproxy.google.com/~r/EnergySavers/~3/3aOWJgRoDQg/post.aspx>