



"Rating the Rating Industry"

Steve Baden

2003 RESNET Conference

Monday

February 24, 2003

Rating the Rating Industry

Two Categories:

- Infrastructure
- Market Penetration

Rating the Rating Industry

Infrastructure

- Industry Standards
- Policy Development
- Financing
- Energy Code Implementation
- Organization Structure

Industry Standards

1995 – No national standard – Department of Energy
Stops HERS Standards Adoption Process

2003 – RESNET Standard

- Rating Provider Accreditation
- Technical Standards
- Rater Training and Certification Standard

Accredited rater programs in all 50 states

Industry Standards' Rating



Five Stars

Policy Development

2001 – RESNET Conference Adopts “Blue Print for Action”

- Enact tax incentives for energy efficient new homes
- Enact tax incentive for improving existing homes
- Make energy ratings the benchmark for all federal new homes initiatives

2003 – Progress Achieved

- Tax incentive for new and existing homes passes House and Senate
- Tax incentives to be introduced in new Congress
- Ratings base line for ENERGY STAR Homes and Building America

Policy Development's Rating



Four Stars

Financing

1995 – “Debt-to-income stretch”

- FHA, Fannie Mae, and Freddie Mac Pilot Programs

2003 – Progress Achieved

- Fannie Mae Energy Efficient Mortgage
- Utility Public Benefit Funds (California, Massachusetts, New Jersey, New York, Texas, Vermont, and Wisconsin)

Financing's Rating



Five Stars

Energy Code Implementation

**1995 – One state (Alaska) code
recognizes ratings for code compliance**

2003 – Progress Achieved

- **Nine states recognize ratings for code compliance
(Alaska, Arkansas, California, Florida, Iowa,
Massachusetts, New York, Texas, and Vermont)**

Codes' Rating



Four Stars

Organization Structure

**1995 – RESNET formed as project by
NASEO, Mortgage Industry and Energy
Rated Homes of America**

**2003 – RESNET Incorporated with Board
representing entire rating industry**

RESNET Organization's Rating



Five Stars

Total Infrastructure's Rating



Four Stars Plus

Rating the Rating Industry

Market Penetration

- Existing Homes Ratings
- ENERGY STAR Homes
- Energy efficient mortgages

Market Penetration

Existing Homes Ratings

**Over 18,000 existing homes rated in
2002 (89% in California)**

Existing Homes' Rating



Two Stars

Market Penetration

ENERGY STAR Homes

**35,428 ENERGY STAR Homes Labeled in
2002 (3.51% of new homes built)**

ENERGY STAR Homes's Rating



Four Stars

Market Penetration

Energy Efficient Mortgages

**Less than 1% of mortgage underwritten
in 2002 were energy mortgages)**

Energy Mortgage' Rating



One Star

Total Market Penetration's Rating



Three Stars

Total Industry's Rating



Four Stars



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