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Environmental Initiatives

"Building Local Partnerships"

RESNET Conference 2003

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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**





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





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

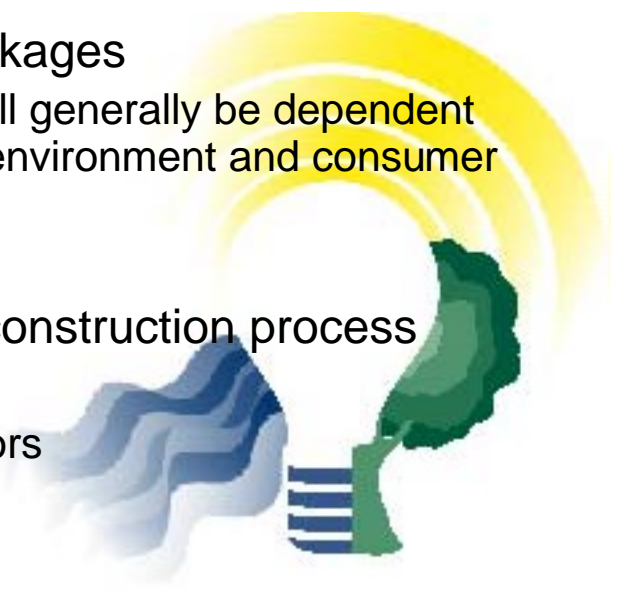
**What is your consultation enticement?
What are your pricing strategies?**





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



State of Utah

DEPARTMENT OF NATURAL RESOURCES
Utah Energy Office
www.nr.utah.gov/energy/





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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





Engaging Your Fannie Mae Partnership Office

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