



A GREENER  
FUTURE STARTS  
WITH HOMES

## ENERGY SAVER HOME LOAN PROGRAM

Powered by



# FREQUENTLY ASKED QUESTIONS

*EFFECTIVE AUGUST 2024*

## EXPLORE BY TOPIC

# CONTENTS

PROGRAM COMPLIANCE .....	3
OWNERSHIP .....	3
INCOME .....	4
EXCEPTION PATHWAYS .....	4
CONTRACTORS .....	5
SOLAR ONLY AND OTHER AVAILABLE RESOURCES .....	5
CLOSING/POST CLOSING .....	6
TRAINING RESOURCES AND MATERIALS .....	7
DEFINITIONS .....	7

# PROGRAM COMPLIANCE

## **Q. What constitutes an eligible Customer?**

A. Owner-occupants of a 1-4 family property (not including Condominiums) with incomes that meet the income limit guidelines and the work to be performed (inclusive of all rebates and incentives) must demonstrate modeled energy savings of at least 20% determine by the Department of Energy (DOE).

## **Q. What is the maximum amount a Customer can borrower?**

A. The maximum loan amount is \$100,000 and the minimum loan amount is \$10,000.

## **Q. Can the ESHLP be used on a condominium?**

A. No. The ESHL is on available for 1-4 Family units.

## **Q. Can a heat loan be combined with the ESHLP?**

A. Yes. There is no prohibition on combining the HEAT loan and ESHL. All the same conditions and considerations around underwriting and energy savings will continue to apply to ESHL.

## **Q. Can a Customer put their own funds into a transaction?**

A. Yes. A Customer can put their own funds into a transaction if they provide evidence that these funds are available. These funds will need to be held in an Escrow Account and they would need be used before they can tap into ESHLP funds.

## **Q. Can a state employee apply for the ESHLP?**

A. The State Ethics opinion for the Energy Saver Home Loan program that would allow state employees to participate in the program under 930 CMR 6.12, which provides an exemption to § 7 to permit state employees to participate in public agency mitigation, disaster relief, and renewable energy programs administered by a state agency, provided that the employee does not participate in or have official responsibility for the administration of such program or decision-making with respect to the award of benefits or relief under such program. The Energy Saver Home Loan Program would fall under the renewable energy program category and would be exempt state employees from the prohibition under § 7. This information can be shared with potential Customers, but the Customer should also be told to not rely on Mass Housing's interpretation but to contact the State Ethics Commission directly.

# OWNERSHIP

## **Q. Does MassHousing allow for a non-owner to be on the loan?**

A. All persons having an ownership interest in the property must be on the Application and all closing documents. Any person(s) who does not have an ownership interest in the property should NOT be on any closing documents or be a of the loan transaction. NOTE: Realty Trusts, Life Estates, or similar entities are not eligible for this Program.

# INCOME

**Q. Is the income qualification requirement based on household income or Customer income?**

**A.** Income qualification is based on the gross annual income of the homeowner's listed on the deed. Because this is a second mortgage program, we use the GSE income limits which are determined by county and updated each year (this is different from the HUD AMI limits for rental housing). Please refer to the 2024 ESHLP Income Limits.

**Q. What is the process for income qualification? Who is doing it, and at what point in the Customer journey does it happen?**

**A.** Income qualification happens at two stages: 1) the Concierge Service Provider conducts an initial review including a self-attestation from the Customer (in some cases the CSP will ask for additional documentation, especially if the Customer is close to the upper limit); 2) the lender who is underwriting the loan does the full income verification and includes this documentation in the loan package, which is reviewed by MassHousing. Please refer to the Program Eligibility Instructions.

# EXCEPTION PATHWAYS

**Q. What are the exception pathways available under the ESHLP? What if a Customer has already installed heat pumps or has been through a major energy efficiency program already, and wants to take their next steps using ESHLP as a support?**

**A.** There are two exception pathways for the Energy Saver Home Loan Program (ESHLP):  
1. If a homeowner has added heat pumps since 1/1/23, they can use the loan to add PV. As indicated in Abode's 20% Energy Reduction Screening 2024-05-17 document the PV Solar must offset at least 20% of the total energy consumption of the home on an annual basis. This is written in the PDF as the shorthand "20% PV reduction" and this meaning was clarified at the 07-22-2024 meeting with MCCB and Abode.

MCCB asks for a brief written summary of the heat pump additions that the homeowner has already made. Appropriate documentation could include final paid contractor bill with evidence of completed work, or final signoff assessments from appropriate heat pump installation support programs. MCCB asks for a brief written evaluation by Abode that the installation of PV at this property will reduce total energy consumption of the home by at least 20% on an annual basis. MCCB asks Abode to separate out the modeled and measured energy use for such exception cases into its own dataset or data grouping. MCCB wants to be sure that energy savings data from these special exception cases do not influence overall program results when results are reported.

2. If a homeowner has done substantial work towards reducing home energy use using a MassCEC or similar program, and the ESHLP measures do not enable a further 20% modeled

energy savings, an exception can be made. Specifically, if a homeowner has already taken significant steps to weatherize and electrify their home using other programs (MassSave, MassCEC, etc) and is seeking financing for further energy use reduction measures, they can use the loan to pay for a deep energy retrofit (e.g. comprehensive building envelope improvements).

MCCB asks for a brief written summary of the program the homeowner has been through to reduce energy use including the measures already taken, and a brief written evaluation by Abode that a further 20% energy savings is not achievable with the typical ESHL program measures. MCCB will evaluate each request for the exception and will get back to Abode within 10 business days. MCCB asks Abode to separate out the modeled and measured energy use for such exception cases into its own dataset or data grouping. MCCB wants to be sure that energy savings data from these special exception cases do not influence overall program results when results are reported.

## CONTRACTORS

**Q. Does MassHousing have a list of “approved contractors” for the Customer to choose from?**

**A.** Home Ownership does not keep a list of “approved contractors”. It will be up to the Customer to work with the ESP and their Contractor Referral List to choose their own contractor.

## SOLAR ONLY AND OTHER AVAILABLE RESOURCES

**Q. What can we say to a Customer who only wants to use the ESHLP to add solar to their rooftop, and they have not installed heat pumps since 1/1/2023? What are the other resources we can share with them?**

**A.** You can use this Phone Script for when a homeowner is only interested in adding Solar PV to their house. If a Customer is not interested in other energy savings measures, you can explain to them the following:

1. The Energy Saver Home Loan program supports the installation of solar PV if it is part of a package of efficiency measures for a home which saves at least 20% energy overall, as modeled using utility bills and the energy modeling software Snugg Pro.
2. To support homeowners in helping them achieve 20% overall energy savings, the Energy Saver Home Loan program offers homeowners advising help and guidance throughout the

renovation process. Because the program brings a homeowner all these resources and guidance, the program does not provide loans for solar only projects.

3. If you are only looking to add solar to your home currently, here are the resources available to you:

Loan

- The Mass Housing Home Improvement Loan can be used to finance Solar PV Installations. Please see the Home Improvement Loan section of this webpage for more details on this loan: [Homeownership - Existing Homeowners \(masshousing.com\)](https://masshousing.com/homeownership-existing-homeowners)

State Incentives

- [SMART per-kWh incentive](#), with adders depending on project characteristics (note that this is currently going through a policy review and will be updated later this year)
- [15% tax credit](#) up to \$1,000

Federal Incentives

- [30% tax credit](#)

4. Solar for All resources are currently under development and will be available in the future.

## CLOSING/POST CLOSING

**Q. Can a Customer be allowed to add additional improvements (within the eligible improvements) once they have reached the 20% energy savings?**

**A.** Yes. A Customer will be allowed to add additional improvements (within the eligible improvements) once they have reached the 20% energy savings if they qualify for the loan amount.

**Q. Can closing costs and fees be rolled into the loan?**

**A.** Yes. The Customer is responsible for all closing costs and fees which may be rolled into the loan. Closing Costs may include, but not limited to, Recording Fees, MERs Fee, Credit Report, Attorney/Title Rundown, Flood Cert, Overnight Fees and \$150 Application Fee.

**Q. After closing, will the Customer receive funds directly paid to them?**

**A.** No. All disbursements will be in the form of a check made out to both the Customer and the Contractor. MassHousing will not disburse any funds any proceeds from the Escrow Account without a signed request form disbursement from the Customer.

**Q. What is the maximum timeframe for work to be completed?**

**A.** The maximum timeframe for work to be completed is 18 months. If the work cannot be completed within this timeframe, the Customer must notify MassHousing in writing the reason for an extension and the projected completion date.

**Q. Who will be the Escrow Agent for the Customers ESHL?**

**A.** MassHousing will be acting as the Escrow Agent and shall be held in trust for the benefit of the Customer in an interest-bearing Escrow Account until the projection is completed.

MassHousing is responsible for managing all disbursements from this account per the terms of the Escrow Agreement. Disbursements should occur only after the energy improvements for which the disbursement is being requested has been inspected and approved.

**Q. What if there are excess funds in the Escrow Account once the project has been completed?**

**A.** Any excess funds, after project completion will be applied to the Customer principal.

**Q. Will the Customer be charged a pre-payment penalty if they pay off the loan early?**

**A.** No. There are no Pre-payment penalties associated with this loan. In fact, additional payments are strongly encouraged to paydown the Customers principal balance with the Rebates they may receive but they are not required to do so. Loans can be recast with a minimum principal payment of \$2,500 with no fee.

## **TRAINING RESOURCES AND MATERIALS**

**Q. Where can I find additional Program and Training material for the ESHLP?**

**A.** In SharePoint, there is a document available with links to the following ESHLP resource materials.

## **DEFINITIONS**

1. Customer: Homeowner and Borrower