



A GREENER  
FUTURE STARTS  
WITH HOMES

# Energy Saver Home Loan Program

## Program Summary



# **PROGRAM HISTORY AND PURPOSE**

# PROGRAM HISTORY

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- In collaboration with the Massachusetts Community Climate Bank (MCCB), the nation's first green bank dedicated to affordable housing, MassHousing has created a new Energy Efficient Program.
- Strategically placed at MassHousing, **the MCCB™ will leverage MassHousing's existing capabilities and infrastructure to support** financing to help deliver decarbonization benefits to low- and moderate-income homeowners across the Commonwealth.

# PROGRAM PURPOSE

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- As part of this undertaking, MassHousing has created a new program called Energy Saver Home Loan Program (ESHLP) which will be funded by the MCCB™.
- Energy Saver Home Loans will be initiated Statewide through Concierge Service Providers (CSP) & Energy Service Providers (ESP) designated by MassHousing. The CSP's and ESP's work in conjunction with participating Lenders, approved by MassHousing, to assist borrowers through the step-by-step Energy Assessment, Decarbonization Plan and loan application process.
- The Energy Saver Home Loan Program will assist homeowners to cut their energy use and reduce or eliminate their reliance on fossil fuels. The Program will provide financing and technical support to households and/or for measures not covered by other programs such as Mass Save®.
- Homeowners must be income-qualified (<135% AMI) owner-occupants, either of a single-family home or of at least one unit in 2-4 family home.
- The work to be performed (inclusive of all rebates and incentives) must demonstrate modeled energy savings of at least 20% determined by the Department of Energy (DOE).

# PRODUCT OVERVIEW

# INCOME LIMITS – RATE – TERM

*(Revised)*

**Loan Rate and Term** *(Borrowers will be qualified at the full amortized rate)*

**240 Month Term with the following structure:**

- First 18 months interest only  
Amortized Payments for remainder 222 months (P&I)
- Borrowers up to 80% AMI -0.50%
  - Borrowers above 80% AMI up to 135% AMI -2%
- Loan due upon sale, transfer or refinance – no assumptions/maybe eligible for subordination (no cash out/rate and term only)

# LOAN MODEL

## REBATES/INCENTIVES

Borrower is qualified at the full amortized rate. Rebates are not part of the loan.

Months 1-18 bridging the gap until the Borrower receives the Rebate.  
We are strongly encouraging Borrowers to paydown their principal balance with the Rebates but they are not required to.

There are no pre-payment penalties and additional payments can be made as a single payment. Loans can be recast with a minimum principal payment of \$2,500 with no fee.

			LOAN AMOUNT	LOAN AMOUNT
			\$50,000	\$100,000
BORROWERS UP TO 80% AMI				
Term	Rate	Amort Type	Payment	Payment
1-18 Months	0.50%	Interest Only	\$20.83	\$41.67
19-240 Months	0.50%	Amortizing	\$235.85	\$471.70
BORROWERS ABOVE 80% AMI- 135% AMI				
Term	Rate	Amort Type	Payment	Payment
1-18 Months	2.00%	Interest Only	\$83.33	\$166.67
19-240 Months	2.00%	Amortizing	\$269.64	\$539.28

# ENERGY SAVER HOME LOAN - INCOME LIMITS BY COUNTY

(Effective May 20, 2024)

	80%	135%		80%	135%
<b>BARNSTABLE</b> Barnstable, Bourne, Brewster, Chatham, Dennis, Eastham, Falmouth, Harwich, Mashpee, Orleans, Provincetown, Sandwich, Truro, Wellfleet, Yarmouth	\$98,160	\$165,645	<b>HAMPSHIRE</b> Amherst, Belchertown, Chesterfield, Cummington, Easthampton, Goshen, Granby, Hadley, Hatfield, Huntington, Middlefield, Northampton, Pelham, Plainfield, South Hadley, Southampton, Ware, Westhampton, Williamsburg, Worthington	\$77,200	\$130,275
<b>BERKSHIRE</b> Adams, Alford, Becket, Cheshire, Clarksburg, Dalton, Egremont, Florida, Great Barrington, Hancock, Hinsdale, Lanesborough, Lee, Lenox, Monterey, Mt. Washington, New Ashford, New Marlborough, North Adams, Otis, Peru, Pittsfield, Richmond, Sandisfield, Savoy, Sheffield, Stockbridge, Tyringham, Washington, West Stockbridge, Williamstown, Windsor	\$81,520	\$137,565	<b>MIDDLESEX</b> Acton, Arlington, Ashby, Ashland, Ayer, Bedford, Belmont, Billerica, Boxborough, Burlington, Cambridge, Carlisle, Chelmsford, Concord, Dracut, Dunstable, Everett, Framingham, Groton, Holliston, Hopkinton, Hudson, Lexington, Lincoln, Littleton, Lowell, Malden, Marlborough, Maynard, Medford, Melrose, Natick, Newton, North Reading, Pepperell, Reading, Sherborn, Shirley, Somerville, Stoneham, Stow, Sudbury, Tewksbury, Townsend, Tyngsborough, Wakefield, Waltham, Watertown, Wayland, Westford, Weston, Wilmington, Winchester, Woburn	\$113,600	\$191,700
<b>BRISTOL</b> Acushnet, Attleboro, Berkley, Dartmouth, Dighton, Easton, Fairhaven, Fall River, Freetown, Mansfield, New Bedford, North Attleborough, Norton, Raynham, Rehoboth, Seekonk, Somerset, Swansea, Taunton, Westport	\$90,560	\$152,820	<b>NANTUCKET</b> Nantucket	\$122,480	\$206,685
<b>DUKES</b> Chilmark, Edgartown, Aquinnah, Gosnold, Oak Bluffs, Tisbury, West Tisbury	\$110,000	\$185,625	<b>NORFOLK</b> Avon, Bellingham, Braintree, Brookline, Canton, Cohasset, Dedham, Dover, Foxborough, Franklin, Holbrook, Medfield, Medway, Millis, Milton, Needham, Norfolk, Norwood, Plainville, Quincy, Randolph, Sharon, Stoughton, Walpole, Wellesley, Westwood, Weymouth, Wrentham	\$113,600	\$191,700
<b>ESSEX</b> Amesbury, Andover, Beverly, Boxford, Danvers, Essex, Georgetown, Gloucester, Groveland, Hamilton, Haverhill, Ipswich, Lawrence, Lynn, Lynnfield, Manchester, Marblehead, Merrimac, Methuen, Middleton, Nahant, Newbury, Newburyport, North Andover, Peabody, Rockport, Rowley, Salem, Salisbury, Saugus, Swampscott, Topsfield, Wenham, West Newbury	\$113,600	\$191,700	<b>PLYMOUTH</b> Abington, Bridgewater, Brockton, Carver, Duxbury, East Bridgewater, Halifax, Hanover, Hanson, Hingham, Hull, Kingston, Lakeville, Marion, Marshfield, Mattapoisett, Middleborough, Norwell, Pembroke, Plymouth, Plympton, Rochester, Rockland, Scituate, West Bridgewater, Wareham, Whitman	\$113,600	\$191,700
<b>FRANKLIN</b> Ashfield, Bernardston, Buckland, Charlemont, Colrain, Conway, Deerfield, Erving, Gill, Greenfield, Hawley, Heath, Leverett, Leyden, Monroe, Montague, New Salem, Northfield, Orange, Rowe, Shelburne, Shutesbury, Sunderland, Warwick, Wendell, Whately	\$110,000	\$185,625	<b>SUFFOLK</b> Boston, Chelsea, Revere, Winthrop	\$113,600	\$191,700
<b>HAMPDEN</b> Agawam, Blandford, Brimfield, Chester, Chicopee, East Longmeadow, Granville, Hampden, Holland, Holyoke, Longmeadow, Ludlow, Monson, Montgomery, Palmer, Russell, Southwick, Springfield, Tolland, Wales, West Springfield, Westfield, Wilbraham	\$77,200	\$130,275	<b>WORCESTER</b> Ashburnham, Athol, Auburn, Barre, Berlin, Blackstone, Bolton, Boylston, Brookfield, Charlton, Clinton, Douglas, Dudley, East Brookfield, Fitchburg, Gardner, Grafton, Hardwick, Harvard, Holden, Hopedale, Hubbardston, Lancaster, Leicester, Leominster, Lunenburg, Mendon, Milford, Millbury, Millville, New Braintree, North Brookfield, Northborough, Northbridge, Oakham, Oxford, Paxton, Petersham, Phillipston, Princeton, Royalston, Rutland, Shrewsbury, Southbridge, Southborough, Spencer, Sterling, Sturbridge, Sutton, Templeton, Upton, Uxbridge, Warren, Webster, West Boylston, West Brookfield, Westborough, Westminster, Winchendon, Worcester	\$89,120	\$150,390



# PRODUCT OVERVIEW

<b>Transaction Type</b>	<ul style="list-style-type: none"> <li>Second Mortgage for Energy Improvements (could go into 3<sup>rd</sup> position after 1<sup>st</sup> and DPA) Borrower does not need to have a MassHousing 1<sup>st</sup> Mortgage.</li> </ul>
<b>Loan Limits</b>	<ul style="list-style-type: none"> <li>Min \$10,000 up to a Max of \$100,000</li> </ul>
<b>Contingency Amount</b>	<ul style="list-style-type: none"> <li>There is a 5% contingency amount required. (The contingency is a part of a project's budget put aside to cover any unforeseen costs, risks, events, or changes in scope that may affect the project's cost over the course of its life. )</li> </ul>
<b>Closing Costs and Fees</b>	<ul style="list-style-type: none"> <li>Borrowers 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. MassHousing Processing Fee \$300 (<i>Lenders will not be able to charge any additional origination charges</i>).</li> </ul>
<b>Lender Fee</b>	<ul style="list-style-type: none"> <li>Lender-\$1,500 per loan (upon funding of the loan)</li> </ul>
<b>MassHousing Application Fee</b>	<ul style="list-style-type: none"> <li>MassHousing will charge the Borrower a \$300 Processing Fee. This Processing Fee can be rolled into the loan. This fee will not be collected if the Borrower's loan is denied. MassHousing will deduct the \$300 fee from the Lender at time of Funding.</li> </ul>
<b>Eligible Borrower</b>	<ul style="list-style-type: none"> <li>Owner Occupied/Must meet Program Income Limits</li> </ul>
<b>Min Credit Score</b>	<ul style="list-style-type: none"> <li>620 - Anything below 620 to be submitted to MassHousing for review.</li> </ul>
<b>Max DTI</b>	<ul style="list-style-type: none"> <li>50%</li> </ul>
<b>Max CLTV</b>	<ul style="list-style-type: none"> <li>105% of assessed or appraised value, based on a drive-by appraisal with external pictures and comps. Value determined is based on as-complete of expected improvements, including expected rehab.</li> </ul>
<b>Property Type</b>	<ul style="list-style-type: none"> <li>Single Family &amp; 2-4 Units – NO CONDOMINIUMS</li> </ul>
<b>MassHousing Documents</b>	<ul style="list-style-type: none"> <li>Initial Program Disclosure</li> <li>0.50% Note</li> <li>2% Note</li> </ul>

# ELIGIBLE IMPROVEMENTS & INELIGIBLE\* IMPROVEMENTS

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## Health and Safety Improvements

Combustion Safety repair  
Mold remediation  
Knob and tube wiring remediation  
Asbestos remediation  
Oil tank removal  
Basement moisture  
Non structural leak repair (cladding, roofing, window, door)  
Structural repair

## Energy Efficiency/Weatherization

Air sealing and insulation  
Duct sealing and insulation  
Roofing\*  
Fortified roofing  
White roofing  
Windows  
Exterior doors

## HVAC

Ventilation  
Air source heat pumps  
Ground source heat pumps  
Thermostats

## Domestic Hot Water

Heat pump water heater  
Solar thermal

## Electrical/Clean Energy Technologies

Electrical panel upgrade and wiring  
Electrical vehicle charging station  
Solar PV  
Battery Storage

## Appliances, Lighting, Fixtures

Electric/Induction cooking (cooktop, range, oven)  
Heat pump clothes dryer  
Low flow faucets and toilets  
LED lighting

## Site Work

Arborist-approved shade trees  
Tree pruning

## INELIGIBLE IMPROVEMENTS

No Fossil Fuel Allowed – Only Electric

Eligible Improvements will be determined by the Energy Service Provider (not the Lender)

\*Please note Luxury Items are not eligible for this program

Customer reaches out to CSP for more information on the ESHLP.

1

CSP conducts intake application and Program Eligibility. Once Customer is eligible for the program:

2A. CSP will have the Customer reach out to a Lender to determine how much of a loan the Customer can be approved for.

2B. Handoff Customer to ESP to schedule a Home Energy Assessment.

2

Lender will work with the Customer to determine how much of a loan the Customer could be eligible for and relay that back to the Customer.

2A

ESP works with Customer to schedule the Home Energy Assessment.

2B

Customer submits the information received from the Lender to the CSP/ESP. This will assist the ESP in determining what improvements the Customer can do based on how much they have been approved for.

3

ESP finalize the Home Energy Assessment and prepares the Decarbonization Plan working with the Customer on what improvements can be done based on how much of a loan the Customer is approved for. ESP works with the Customer on Contractor Selection; Bids; Disbursement Schedule and sends the Customer back to the CSP.

4

CSP assists Customer packaging up required documents including Bids, Loan Project Summary and Energy Reduction Report to complete the Loan Application.

5

Customer submits the following documents to Lender for Loan Application  
Bids  
Energy Reduction Report  
Loan Project Summary

6

Lender MUST review Bids and Loan Project Summary for accuracy; underwrites and verifies income; adds estimated close date in [emasshousing.com](mailto:emasshousing.com); uploads Final CD, Bids, Energy Reduction Report, and Loan Project Summary to [emasshousing.com](mailto:emasshousing.com) no later than 3 business days prior to closing; emails [eshlp@masshousing.com](mailto:eshlp@masshousing.com) letting MH know the CD has been uploaded.

7

For the 1<sup>st</sup> few loans, MassHousing sets up a call with the Lender to review the Loan Project Summary and generates Escrow Agreement based on the Final CD and uploads to [emasshousing.com](mailto:emasshousing.com) in ESHLP Final CD Container.

8

Lender closes the loan and makes initial disbursements based on the Loan Project Summary after the Right of Recission is up. Lender delivers the loan package to MH no later than 2 days after Right of Recission.

9

MassHousing conducts Pre-Purchase Review; Conditions the Loan if needed; Funds the Loan; Onboards and Services the Loan for the Customer for the life of the Loan. A Welcome Letter along with disbursement instructions will be emailed to the Customer.

10

MassHousing will act as the Escrow Agent and manage the Escrow Account and Disbursement of Funds on behalf of the Customer.

11

Customer will reach out to MassHousing to request a disbursement based on the Loan Project Summary as each Contract completes a project. Customer will also reach out to MH if there is a Change Order or if an Extension is needed.

12

MassHousing reaches out to ESP for QA/inspection confirming that work has been completed and all permits have been signed off (if applicable).

13

ESP Conducts final inspection and signs off QA/Inspection and submits to MassHousing for final disbursement.

14

MassHousing cuts a check to Customer and Contractor and mails to Property Address on file. After the entire project has been completed, MassHousing will close out the Escrow Account and apply any unused funds to the Borrowers principal.

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## CONCIERGE SERVICE PROVIDER (CSP)

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- **Conduct targeted outreach to low and moderate-income homeowners**, with a particular **emphasis** on
  - **Gateway Cities,**
  - **Environmental Justice Population\***
  - **Bilingual or multi-lingual households.**
- **Manage** all inbound **inquiries from interested homeowners.**
  - Within five business days of customer contact, set up a [20 minute] call to **review the Energy Saver Home Loan Program and conduct initial eligibility screening.**
  - **Direct homeowner to participating Lender early in the process to determine how much of a loan the homeowner is eligible for based on information provided by the homeowner.**
- **For homeowners who choose to move forward, facilitate** connection with **Energy Services Provider and assist with scheduling home energy assessment**
- **Assist homeowners** with identifying a local **Lender and preparing and submitting the loan application with supporting documentation.**

## ENERGY SERVICE PROVIDER (ESP)

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- **Establish contractor networks** and Conduct annual training for approved contractors.
- **Conduct home energy assessment and prepare decarbonization plan with recommended** measures, phasing, and associated energy savings, clean energy generation (if applicable) and utility cost impacts.
- **Conduct energy audit** using DOE minimum BPI 2400 software to determine total energy savings based on recommended measures.
- **Prepare analysis of available rebates**, incentives and tax credits available for recommended measures based on homeowner's income and location and assist homeowner with decision-making on priority measures.
- **Assist homeowner with identifying and selecting qualified and approved contractors** for selected measures, reviewing/comparing quotes and finalizing project scope, budget and schedule.
- **Answer questions about rebates**, incentives and tax credits as needed
- **Construction contract review, construction oversight, quality control and final building inspection, project certification**

# CSP & ESP SERVICE PROVIDERS

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## Concierge Service Providers (CSP)

- All in Energy - Lawrence, Methuen, Andover & North Andover (Merrimack Valley)
- Cape Light Compact - Cape Cod, Martha's Vineyard, Nantucket
- CET - Rest of State outside of Merrimack Valley

## Energy Service Providers (ESP)

- Abode - Statewide

# LENDER

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## Emasshousing.com

- Register Loan
- Certify Income
- Lock Loan on emasshousing.com – Add estimated close date to emasshousing.com

## Disclose & Underwrite

- Verify Borrower Information
- Run Credit Report
- Review Documents- Loan Project Summary must be checked against Bids for accuracy
- Conduct Title Search and Flood Check
- Underwrite Loan to ESHLP Guidelines
- Issues Loan Approval Letter

## Close the loan

- Schedule Closing
- Upload Final CD, Contractor Bids, Energy Reduction Report and Loan Project Summary to emasshousing.com, no later than 3 business days prior to closing
- Email [eshlp@masshousing.com](mailto:eshlp@masshousing.com) letting MH know the Final CD has been uploaded
- Retrieve Escrow Agreement from MassHousing for Closing
- Close the Loan
- Record Mortgage
- Obtain Hazard Insurance Binder Indicating Sufficient Coverage
- Disburse 1<sup>st</sup> disbursement(s) to borrower and contractor after Right of Recission (1/3 of contract amount according to the Loan Project Summary) *This amount should go on the CD page 3. The lender should show the escrow as a whole and they can put the disbursement there. If there is a contingency, it must be included in the escrow amount.*
- Deliver Loan to MassHousing no later than 2 days after Right of Recission is up

# After Loan is Locked in [emasshousing.com](https://emasshousing.com)

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- Lender must put in estimated close date into [emasshousing.com](https://emasshousing.com)
- Once the closing has been scheduled and the Final CD is completed, Lender must upload the Final CD to [emasshousing.com](https://emasshousing.com) along with the Final Contractor Bid, Loan Project Summary and Energy Reduction Report no later than 3 business days prior to closing.\*
- Lender must email MassHousing at [ESHLP@masshousing.com](mailto:ESHLP@masshousing.com) confirming the closing date and that they uploaded the Final CD and required documents listed above.
- MassHousing will prepare the Escrow Agreement for the Lender to download and have the borrower sign at closing

*\*Please notify MassHousing at [ESHLP@masshousing.com](mailto:ESHLP@masshousing.com) if there are any changes to the close date or to the Final CD.*



# MASSHOUSING

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## OVERSEE PROJECT AND MANAGE ESCROW ACCOUNT AND DISBURSEMENT OF FUNDS

- MassHousing will act as Escrow Agent for remainder of funds.
- There will only be 2 disbursements per contractor
- For the 1<sup>st</sup> few loans, MassHousing will review the Loan Project Summary with the Lender to determine the initial Disbursements.
- 1<sup>st</sup> disbursement at closing, by Lender, after Right of Recission (1/3 of contract amount that are above \$3,000).
- For contracts \$3,000 and below, there will be no disbursement at closing. The Contractor will be paid the entire amount at the project end.
- 2<sup>nd</sup> disbursement at each project completion (by MassHousing)
- Order Final QA/Inspection
- Disburse Final Draw

## CONTACT INFORMATION

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[eshlp@masshousing.com](mailto:eshlp@masshousing.com)

**Complete Guidelines, Training Information and Forms can be found on**

**[www.emasshousing.com](http://www.emasshousing.com)**

Lock Training  
Closing/Post Closing  
Doc Sets  
Lender Resources  
Program Updates



# **CUSTOMER JOURNEY AND PROGRAM PARTNERS**

## MASSHOUSING ENERGY SAVER HOME LOAN PROGRAM CUSTOMER JOURNEY



### CSP & ESP MARKETS ESHLP PROGRAM TO CUSTOMER



### CSP AND CUSTOMER

Customer & CSP meet to review program options.  
CSP determines if Customer is eligible for ESHLP.  
CSP hands Customer over to ESP for Home Assessment  
and Decarb Pathway. CSP & ESP work together in  
providing Customer Support

### ESP AND CUSTOMER



CSP directs  
Customer to Lender  
to determine how  
much of a loan they  
would qualify for

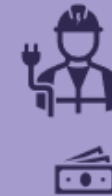
### LENDER AND CUSTOMER

Customer submits Loan  
Application to Lender.  
Lender discloses,  
underwrites & closes  
ESHLP loan.



### CSP AND CUSTOMER

CSP assists Customer in Lender selection &  
collection of documents for Loan Application.  
CSP submits loan documents, Bid, Energy  
Home Assessment & Disbursement Schedule  
to Lender. Assists Customer with Rebate  
filing.



ESP conducts Energy Home Assessment  
creating a Decarb Plan & determines if  
improvements are eligible for the ESHLP.  
Assists Customer in contractor selection,  
finalize pricing, & reviews available Rebates.  
ESP hands Customer back to CSP.



MassHousing

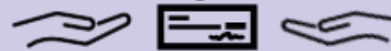
MassHousing Funds  
and services the  
loan and acts as the  
Escrow Agent.

### PROJECT BEGINS



### MASSHOUSING AND CUSTOMER

MassHousing manages  
disbursements according to  
Escrow Agreement



### CUSTOMER SUPPORT THROUGH LIFE OF PROJECT



CSP  
ESP  
MassHousing



### REBATES/INCENTIVES LOAN PAYDOWN

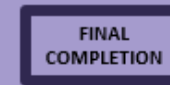
Borrower receives rebates.  
Borrower may send in  
Rebates to MH to paydown  
or recast the loan.

### NEW ENERGY EFFICIENT HOME



### ESP AND MASSHOUSING

MassHousing  
uploads final  
documents to  
emasshousing.com



ESP conducts Final  
Inspection & provides  
MassHousing with  
Final Completion  
Documents.

### PROJECT COMPLETE

### MassHousing Borrower Statement

Orig ESHLP Loan \$50,000  
Monthly Payment 1<sup>st</sup> 18  
months \$20.83.

Monthly Payment after  
18 months \$235.85.

Rebate Applied \$25,000  
Recast ESHLP Loan.

New Monthly Payment  
\$117.92