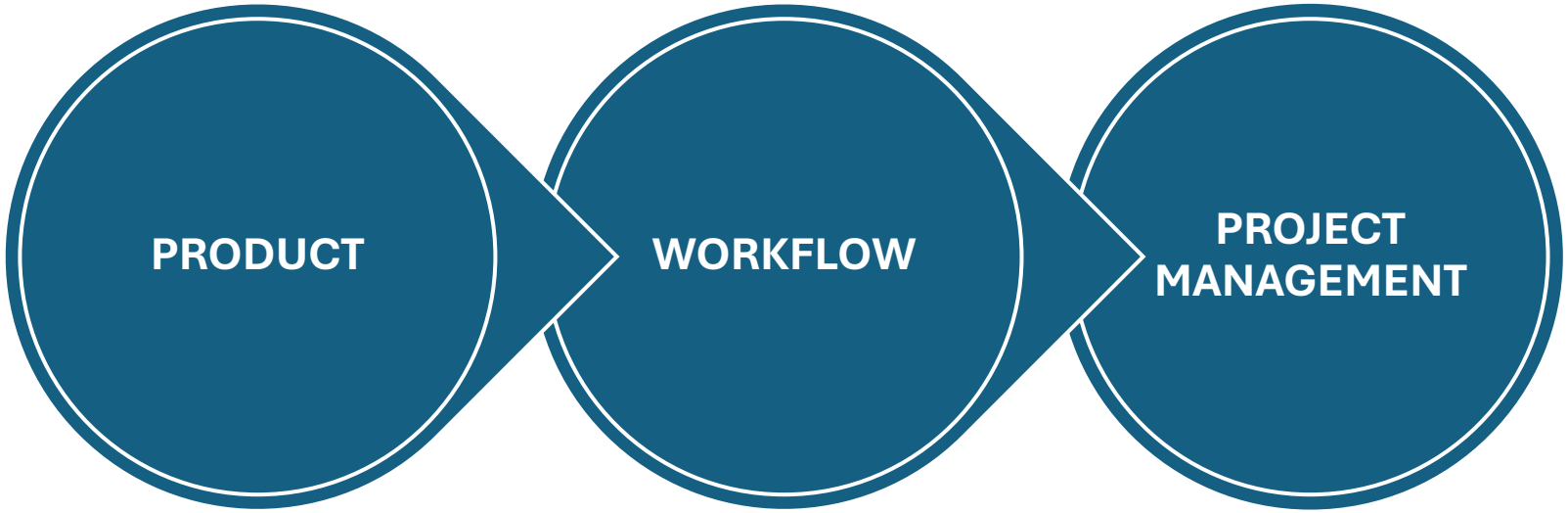
ENERGY SAVER HOME LOAN PROGRAM

September 2026

OVERVIEW



PRODUCT

Energy Saver Home Loan Program – Owner Occupied		
Product 5007- Below 80 AMI .50% Amortized **Product 5008**- Above 80 AMI 2% Amortized		
Loan Structure	Below 80 AMI • 240 Month Term structured as follows: • .50% Interest only for first 18 Months. • .50% Amortized (P&I) for remainder of 222 Months	Above 80% AMI • 240 Month Term structured as follows: • 2% Interest only for first 18 Months. • 2% Amortized (P&I) for remainder of 222 Months
Transaction Type	• Subordinate Mortgage	
Interest Rates	• Up to 80% AMI – .50% Amortized • 80.01 – 135% AMI -2% Amortized	
Income Limits	• Click here for Income Limits	
Min/Max Loan Amount	• Min $10,000 up to a Max of $100,000	
Loan Term	• 240 months	
Property Type	• Single Family & 2-4 Units – NO CONDOMINIUMS	
Partners	• Lender • Concierge Service Provider (CSP) • Energy Service Provider (ESP) • MassHousing	
Lender Fee	• $1,500 per loan (upon funding of the loan)	
MassHousing Processing Fee	• $395	
Eligible Borrower	• All owner-occupied 1-4 family properties (not including Condominiums) with incomes that meet the income limit guidelines • Trusts will be pre-reviewed by the CSP and MassHousing.	
Ineligible Borrower	• Any person(s) who does not have an ownership interest in the property should NOT be on any closing documents or be a part of the loan transaction. • Life Estates are not eligible for this Program.	
Min Credit Score	• 620 – Anything below 620 to be submitted to MassHousing for review	
Max DTI	• 50%	
Max LTV/CLTV	• 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 renovation, including expected rehab.	

	AVMs are also acceptable.
Lien Position	• The ESHLP has been designed as a second mortgage loan program. MassHousing will assume a third position behind a 1st and 2nd DPA or equity line, making sure the borrower meets all the eligibility requirements.
Occupancy	• Owner Occupied/Primary Residence for the Life of the Mortgage
Appraisal	• Assessed or appraised value, based on a drive-by appraisal with external pictures and comps. Value determined is based on as complete of expected renovation, including expected rehab. AVMs are also acceptable.
Closing Costs and Fees	• Borrowers will be responsible for all closing costs and fees (reasonable) which can be rolled into the loan
Required Documents and MH Forms	• Click here for Document Loan Delivery
Right of Recission	• Required
Eligible Improvements	• The work to be performed (including all rebates and incentives) must demonstrate modeled energy savings of at least 20% determined by the Department of Energy (DOE). • Once the borrower reaches 20%, they will be allowed to add additional improvements. (Click here for Eligible Improvements) if they are qualified for the loan amount.
Contingency Reserve	• 10% Contingency Required New
Escrow Agent	• MassHousing will act as Escrow Agent
Maximum Construction Timeframe	• Borrowers applying for mortgage financing have a maximum time limit of 12 months from the closing date of the mortgage to complete the work.
Final Completion	• QA/Inspection Report from Energy Service Provider
Pre-Payment Penalties	• NA

WORKFLOW

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

1

CSP conducts intake and Program Eligibility. Once Customer is eligible:

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

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

2

Lender works with Customer to determine how much of a loan they are eligible for. Conditional Approval –Lock loan & upload Conditional Approval Letter to emasshousing.com

If the loan is denied, Lender will email eshlp@masshousing.com with borrower name, address and copy of denial letter with reason

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, in addition to required Loan Documents, to complete the Loan Application.

5

Customer submits the following documents to Lender for Loan Application

Bids
Energy Reduction Report
Loan Project Summary and required Loan Documents

6

Lender MUST review Bids and Loan Project Summary for accuracy; underwrites and verifies income; adds estimated close date in emasshousing.com; uploads Final CD, 1008, Deter of Value Doc, Bids, Energy Reduction Report, updated 3.4 file and Loan Project Summary to emasshousing.com no later than 3 business days prior to closing; emails eshlp@masshousing.com letting MH know the CD has been uploaded.

7

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.

8

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.

9

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

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

11

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

12

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

13

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.

14

Customer
CSP=Concierge Service Provider
ESP=Energy Service Provider
Lender
MassHousing

CSP & ESP SERVICE PROVIDERS

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**

PRE-SCREENING/LOAN CLOSING/PROJECT MANAGEMENT

Please see Seller Guide located on www.emasshousing.com for more detailed information on these processes.

STEP 1: Program Marketing CSP

- Advertise availability of funds locally
- Inform property owners of eligibility requirements

STEP 2: Applicant Pre-Screening CSP

- Ensure they understand:
  - Loan terms
  - Compliance requirements

Confirm:

- Property eligibility
- Borrower eligibility
- Understanding of program obligations

STEP 3: Conditional Approval Lender

- Income eligible
- DTI
- All Conditional Approvals must be locked in emasshousing.com and upload a copy of the Conditional Approval

STEP 4: Denial Lender

- If a loan is denied, the Lender must email eshlp@masshousing.com along with the borrower name, address and copy of the denial letter stating why they were denied.
- Please instruct the Borrower if they come back to the program at a later date, they **MUST** contact the CSP before going to the Lender. This language should be added to the denial letter.

STEP 3: Inspection & Contractor Selection ESP

- Participate in preliminary inspection/cost discussions
- Provide ESHLP Contractor Network List
- Conduct preconstruction conference (if needed)

Applicant Must Submit:

- Contractor cost estimate/Schedule of Disbursements
- Executed contract

ESP Must Review:

- Contractor licensing and insurance
- Bid accuracy and completeness

Contractors Must:

- Be licensed in Massachusetts
- Be active and in good standing
- Maintain required insurance
- Comply with federal and state regulations

STEP 4. Final Application Loan Closing Lender

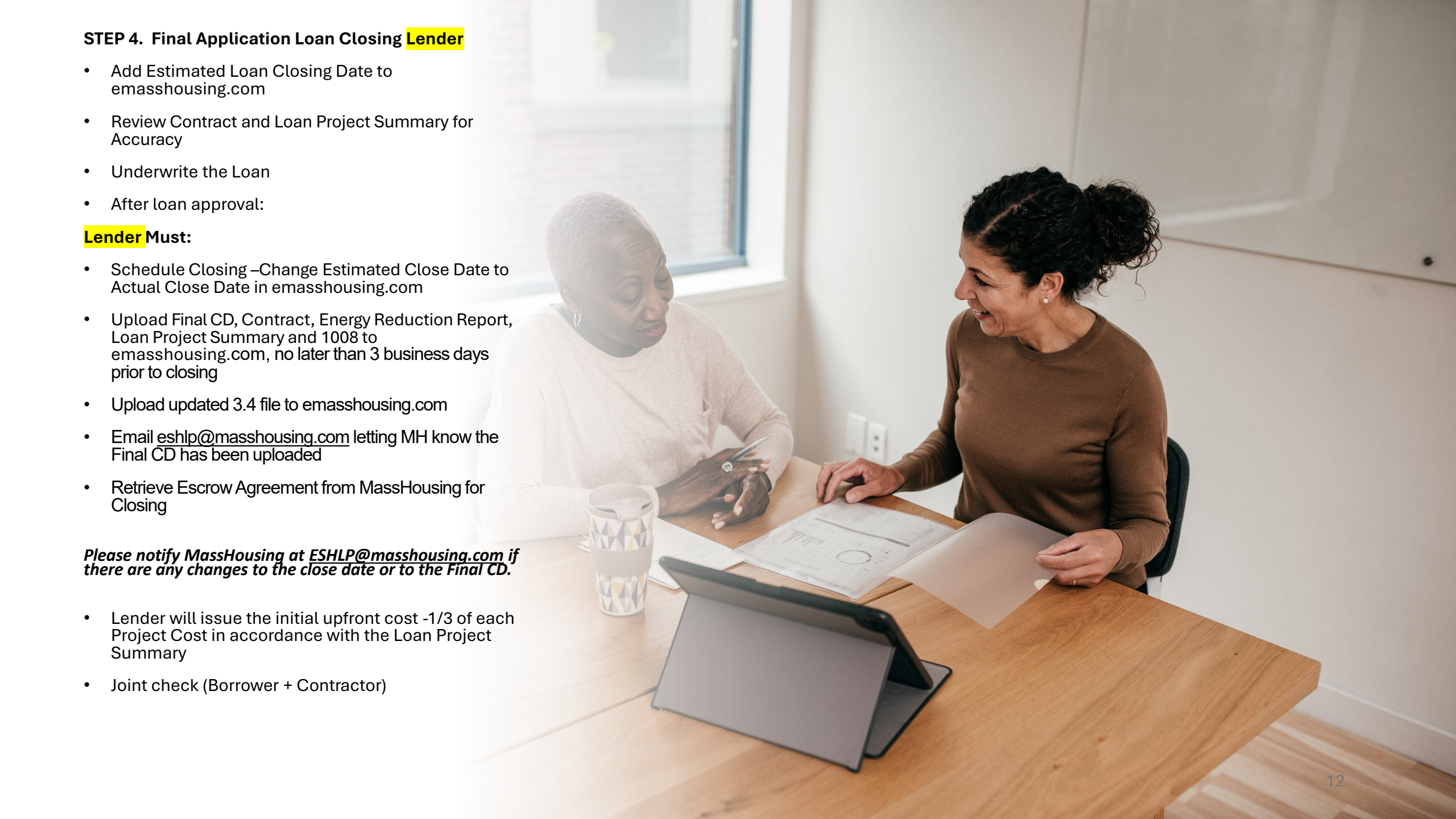
- Add Estimated Loan Closing Date to emasshousing.com
- Review Contract and Loan Project Summary for Accuracy
- Underwrite the Loan
- After loan approval:

Lender Must:

- Schedule Closing –Change Estimated Close Date to Actual Close Date in emasshousing.com
- Upload Final CD, Contract, Energy Reduction Report, Loan Project Summary and 1008 to emasshousing.com, no later than 3 business days prior to closing
- Upload updated 3.4 file to emasshousing.com
- Email eshlp@masshousing.com letting MH know the Final CD has been uploaded
- Retrieve Escrow Agreement from MassHousing for Closing

Please notify MassHousing at ESHLP@masshousing.com if there are any changes to the close date or to the Final CD.

- Lender will issue the initial upfront cost -1/3 of each Project Cost in accordance with the Loan Project Summary
- Joint check (Borrower + Contractor)



STEP 5. Construction Oversight ESP

- Coordinate site overviews
- Monitor project timeline
- Ensure work follows:
  - Plans and specifications
  - Contractor bid
  - Building codes
- Verify required permits are obtained

STEP 6. Disbursement of Fund/Extensions/Project Completion
MASSHOUSING/ESP

- Review Disbursement Requests (with backup) from Borrower for Payment to Contractor
- Issue Joint check (Borrower + Contractor)
- MassHousing will act as Escrow Agent for remainder of funds.
- There will only be 2 disbursements per contractor
- 1st 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.
- 2nd disbursement at each project completion (by MassHousing)
- Order Final QA/Inspection
- Disburse Final Draw

Subordination Requests

- MassHousing will consider subordination of its liens whereby the new Loan amount is to be less than, or equal to, the outstanding principal balance of the existing loan(s) and which is to be subject to an interest rate that is lower than the existing priority loan(s); and which is to be for a term greater than, or equal to, the remaining term of the existing loan(s); this is more commonly referred to as a “no-cash-out, rate/term refinance.”
- The only exception to this policy is that we will allow Borrowers to finance the closing costs into the new Loan amount. All subordination requests should be directed to the Home Ownership Mortgage Service Center 1-888-843-6432.

QUESTIONS?

Contact Information

HOloanrepair@masshousing.com
dramsden@masshousing.com
smelvin@masshousing.com

Additional Resources

MassHousing Lender Forms and Resources - Second Mortgage Programs