

FHA PowerSaver Loans

FHA PowerSaver (PowerSaver) supports financing products that are insured by the Federal Housing Administration (FHA), and enables homeowners to make cost-effective, energy saving improvements to their homes. PowerSaver loans are offered through a pilot that was launched in 2011.

PowerSaver is available to borrowers with good credit and manageable overall debt. PowerSaver offers a secure, convenient, and affordable way to finance energy efficiency and renewable energy upgrades.

Lenders also have the ability to provide borrowers with incentives to reduce loan costs and assist with the cost of home energy audits.

Choose from Three Loan Products

There are three PowerSaver products for a variety of projects, from small energy efficiency upgrades to more extensive HVAC system repairs/replacement and renewable energy systems. Homeowners can also include certain non-energy-related improvements.

PowerSaver Home Energy Upgrade—Up to \$7,500

This type of loan is for smaller projects such as insulation, air and duct sealing, water heating, and upgrading or replacing heating and cooling equipment. This is an unsecured consumer loan—no home appraisal is required.

PowerSaver Second Mortgage—Up to \$25,000

Larger retrofit projects that may include energy efficiency, solar PV, solar hot water, geothermal, or other renewable energy projects can be financed with this type of loan.

PowerSaver Energy Rehab—First mortgage up to FHA loan limits

This loan is for home purchase or refinance. It can be used for energy efficiency improvements as part of an FHA 203(k) rehabilitation first mortgage when purchasing a home or refinancing an existing mortgage. For loan limits visit, <https://entp.hud.gov/idapp/html/hicostlook.cfm>.

Realize Comfort and Savings Through Enhanced Home Energy Performance

Does your upstairs overheat while the downstairs is 10 degrees colder? Is your home drafty or do you have high energy bills? Air sealing, insulation, and blower door tests by a certified energy auditor can remedy problems, save an average of \$200 to \$400 annually on energy costs and improve the comfort of your home.

Financing energy efficiency and/or renewable energy improvements through a PowerSaver loan can help make such upgrades affordable for homeowners.



Homeowners can make energy efficiency and renewable energy upgrades with PowerSaver loans. *Photo from AstroPower, NREL 12347.*

Eligible Improvements and PowerSaver Loans

Homeowners can make a variety of residential efficiency or renewable energy improvements, including:

- Insulation
- Air sealing and blower door testing
- Energy efficient doors and windows
- Heating, ventilation, and air-conditioning systems
- Domestic hot water systems
- Solar photovoltaics (PV) and solar thermal
- Renewables such as wind power or geothermal energy
- Retrofits and upgrades approved by a certified energy auditor.



PowerSaver loans can make energy improvements more accessible. *Photo by Dennis Schroeder, NREL 29604.*

Maximize Your Home Investment With a PowerSaver Partner

The PowerSaver Loan Program works collaboratively with the U.S. Department of Energy (DOE) to offer support from Home Performance with ENERGY STAR sponsors and other qualified partners, who may be able to assist you in maximizing your investment with:

- Rebates
- Tax Incentives
- Utility Offers.

A variety of tools and resources are available to help get the most from your home energy upgrade:

- Find a Home Performance with ENERGY STAR sponsor to assist you (energystar.gov/homeperformance).
- Receive a Home Energy Score for your home to see how it stacks up relative to other homes, and get recommendations for how to improve your home's score. Go to homeenergyscore.gov to find out more and see if the score is available in your area.
- Visit the DSIRE database (dsireusa.org) of state incentives for energy upgrades to see your state's utility and government rebates, tax incentives, credits, and exemptions.

Approved PowerSaver Lenders

Borrowers must select from a list of approved PowerSaver FHA lenders.

View the lender list at http://portal.hud.gov/hudportal/documents/huddoc?id=sfh_ti_pslenderinfo.pdf for loans up to \$7,500 and \$25,000.



For a list of lenders for first mortgage home purchase or refinance 203(k) loans under PowerSaver, visit http://portal.hud.gov/hudportal/documents/huddoc?id=sfh_203k_pslenderinfo.pdf.



A Longs Peak Energy Conservation technician inspects and insulates a homeowner's attic. Photo by Dennis Schroeder, NREL 28763.

PowerSaver Transforms 1930s Bungalow Into a Safe and Energy Efficient Prize

Ms. Tyler Kidder bought a 1,000-square-foot, beautifully remodeled 1931 Maine bungalow home that was cold, drafty, and had high energy bills. Kidder started with an energy audit. Through PowerSaver, she borrowed \$25,000 at a competitive interest rate. By the time she finished the upgrades, she had reduced her energy costs by 50-60 percent. The loan allowed her to solve her energy problems and because 25 percent of a PowerSaver loan can be used for non-energy improvements, she was able to integrate radon mitigation and resolve a mold issue. The economics of the PowerSaver loan were also strong.

Getting a PowerSaver loan was a financially sound move for Kidder. Kidder's monthly loan payment is \$170 but she is saving \$200 to \$300 per month in energy costs during the heating season. In addition she received \$2,300 in tax credits and utility rebates. Kidder's upgrades included: solar PV (2 kilowatts), an air source heat pump for space heating, an electric hot water heater, LED lighting replacement kits for recessed lighting, ventilation installations, a basement plastic membrane to prevent water and radon penetration, basement spray foam wall insulation, and fiberglass blown-in ceiling insulation.

"The comfort level has greatly improved due to the insulation and stopping the air leakage—and I have solved my health and safety issues. I have peace of mind in addition to an energy efficient, more comfortable home—and I'm saving money. Instead of fixing one item every few years, I tackled them all at once with the PowerSaver loan so now I can relax and enjoy the benefits."

- Ms. Tyler Kidder

For additional information on HUD PowerSaver and lender lists, visit http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/sfh/title.

Please contact PowerSaver@nrel.gov with questions.

Visit energy.gov/eere/buildings/powersaver-loans for future updates on the program. ■

PowerSaver Partner or Contractor Contact: