

Energy Efficient Mortgage Comparison Chart

	Fannie Mae EEM	FHA Energy Mortgage	VA EEM	Freddie Mac Energy Mortgage
Value of Product	Energy savings are added to income Value of energy improvements added to value of the home	Provides borrowers with 2% ratio stretch Can exceed FHA loan limits No additional down payment HERS rating not required	No additional down payment No mortgage insurance	Energy savings added to PITI Higher ratios if supported by savings Value of energy improvements added to property value to adjust LTV
Eligible Properties	New or existing homes 1 unit	New or existing 1-2 unit Up to 4 if tied to home rehabilitation 203(k) loans	New or existing	New or existing homes 1-4 units
Eligible Loans	Purchase or refinance	Purchase or refinance	Purchase or refinance	Purchase or refinance
Maximum Loan Amount	Conventional loan limits, currently \$300,700	FHA loan limits can be exceeded by value of energy efficiency improvements	VA loan limits cannot be exceeded; usually \$203,000	Conventional loan limits currently \$300,700
Eligible Improvements	Must be cost effective No minimum HERS rating	Must be cost effective	Must be cost effective No minimum HERS rating	All identified by HERS No minimum HERS rating
Improvement Financing	Can finance 100% of energy improvements up to 15% of the value of the home if existing home or 5% if a new home	Greater of \$4,000 or 5% of appraised value up to maximum of \$8,000	Can finance 100% up to \$3,000 based on documented costs, or up to \$6,000 provided HERS rating projects energy savings > increase in mortgage payment. More if VA performs value determination.	Can finance 100% of energy improvements up to 10% of the mortgage amount for retrofits
Down Payment	100% LTV with 3% Borrower contribution For borrowers meeting the MCM EEM income restrictions lesser of 1% or \$500.	3%, all can be from FHA flexible sources. No additional down payment on energy improvements if PV>improvements	Zero No additional down payment if improvements create positive cash flow	3% Borrower must provide additional down payment not to exceed 97% LTV
Maximum LTV	100%, including energy upgrades LTV calculated on adjusted value (lower of appraised value plus present value of energy savings or purchase price)	97% base, final LTV can exceed 100%	May exceed 100% if energy improvement measures have positive cash flow	97%, including energy upgrades LTV calculated on the lower of appraised value or purchase price after energy value added to both