

Resolution on Energy Efficient Mortgages

WHEREAS, The residential housing sector consumes 22 percent of all energy in the United States and studies estimate potential cost-effective savings of 20 percent or more for that sector; *and*

WHEREAS, Low to moderate-income Americans spend as much as one-third of their monthly income on energy, and energy efficiency is a means to reduce their energy consumption and costs, thus making homeownership more affordable while reducing air emissions; *and*

WHEREAS, Energy efficiency investments in American homes can reduce household expenditures while significantly improving the quality, comfort, and value of homes; *and*

WHEREAS, Energy efficiency mortgage financing programs, which have had limited market penetration to date, could, if properly managed, packaged and marketed, increase energy efficiency in residential housing by amortizing the purchase of insulation, high efficiency appliances, HVAC equipment, windows and other energy conserving improvements over the life of the mortgage with net savings to the homeowner; *and*

WHEREAS, Energy efficiency mortgage programs would complement and help extend the effectiveness of existing energy efficiency grant and utility sponsored programs to more systematically and comprehensively realize the potential for reduced residential energy consumption; *and*

WHEREAS, Energy efficiency mortgage financing products could help to make home ownership more affordable by building on grant assistance provided by State public benefit funds and the Weatherization Assistance Program and provide an alternative to predatory lenders; *and*

WHEREAS, Title XVII of the Energy Policy Act authorizing the Secretary of Energy to provide loan guarantees to support the development of energy efficiency technologies should be clarified to allow the guarantee of energy efficiency mortgage bonds and related financings issued by State housing and energy agencies, thereby supporting energy efficiency improvements for single-family and multi-family residential homes, including new and existing construction; *and*

WHEREAS, The clarifying language should also be expanded to support residential energy efficiency initiatives by nonprofit agencies owning federally-supported housing programs, such as the Low Income Housing Tax Credit, so long as they are approved by their respective State housing finance and energy agencies; *now, therefore, be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners (NARUC), convened in its July 2007 Summer Meetings in New York, New York, urges Congress to clarify that Title XVII of the Energy Policy Act

should be amended to allow the use of government guarantees to support energy efficiency mortgage loans and related financing.

*Sponsored by the Committee on Energy Resources and the Environment
Approved by the NARUC Board of Directors July 18, 2007*