

The Comfort Corner

Selling with Energy Efficient Mortgages

There are many ways of approaching Energy Efficient Mortgages (or EEMs) but simply being aware of them can be worth the extra attention - and qualify more buyers.

Potential buyers can qualify for larger houses through energy efficient building. An FHA-approved lender can expand the borrower's debt-to-income ratio by 2% because financial institutions that offer EEMs know that less money will be spent on energy costs, so more money can be spent on the house itself. With natural gas prices continuing to rise, this could be a very important selling point.

Plus, more first time buyers can qualify using EEMs. In fact, the EPA estimates that an average of 6.8% more families would be able to get a loan when using more efficient guidelines. As interest rates look to be inching upwards, having a pool of qualified customers can offset higher rates.



Fannie Mae and Freddie Mac, not to mention HUD and the VA all offer different programs regarding energy efficiency. In fact, one of the mortgages even offers 100% financing on the value of the home.

Using EEMs is not necessarily a more complicated step. As Fannie Mae CEO Franklin Raines pointed out in a recent interview, "Qualification is much quicker and easier. Lenders can use their automated loan underwriting systems to get an immediate decision."

While we are not in the business of making loans, we do have information and services that can help in the design or build stage. A more efficient home is not necessarily a more expensive one. Let us know what you need and we can point the way.

Information for this article was found at the Alliance to Save Energy website (www.ase.org) and at the U.S. Department of Energy Efficiency and Renewable Energy (www.eere.org)

Check out our website for more information as well - www.northstarcomfort.com