

FHA Energy Efficient Mortgage

HIGHLIGHTS



FHA Energy Efficient Mortgages (EEM) use the energy savings from a new energy efficient home to increase the homebuying power of consumers and capitalizes the energy savings in the appraisal.

PROGRAM GUIDELINES

- For one-to-four-unit properties, owner-occupied only
- Maximum energy improvement financing amount is the lesser of 5 percent of the value of the property or 115 percent of the single median area price of a single dwelling or 150 percent of the national conforming mortgage limit
- Doesn't require an additional down payment on the energy improvements if the improvements have a current value greater than the cost of the energy upgrades
- FHA maximum loan limits can be exceeded by the energy improvements being financed
- Final loan-to-value (LTV) ratio may exceed 100 percent of appraised value if the energy improvements have a current value greater than the cost of upgrades
- Eligible improvements are identified by home energy rating as having a combined current value greater than the cost of upgrades
- All improvements must be completed within 90 days
- Energy mortgage can be combined with an FHA 203(k) loan



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Not a commitment to lend. Borrower must meet qualification criteria. All approvals/qualifications for this program subject to but not limited to full guideline review and underwriting procedures.
Equal Housing Opportunity.