



Energy Saver Rebate Lender Training

For loan commitments beginning September 30, 2010



Energy Saver Rebate

Wednesday, October 6 – 9:30 AM – 10:30 AM CDT

-Welcome-

The presentation will begin at 9:35 AM CDT to allow for registrants to log into the system. When you join the presentation, you will hear background music. Please stay on the line.

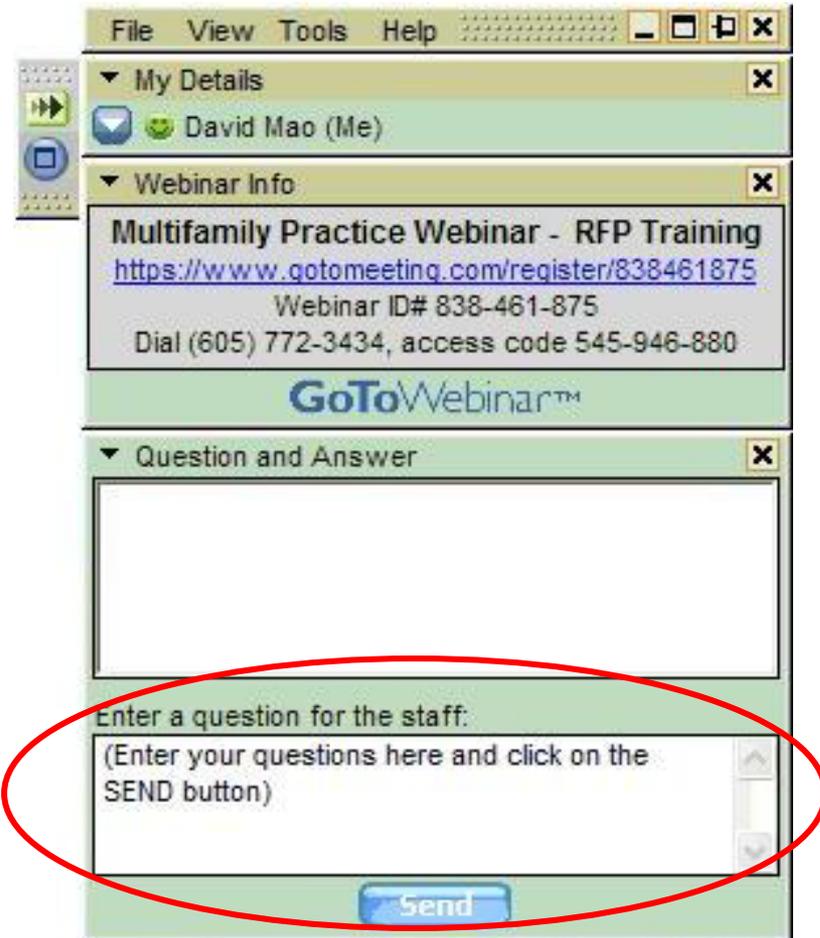
To join the conference call:

Dial: 1-877-241-4293

Access Code: 13906896#

- If you are having difficulty joining the call, please e-mail: Dana Stibbins at dana.stibbins@state.mn.us**

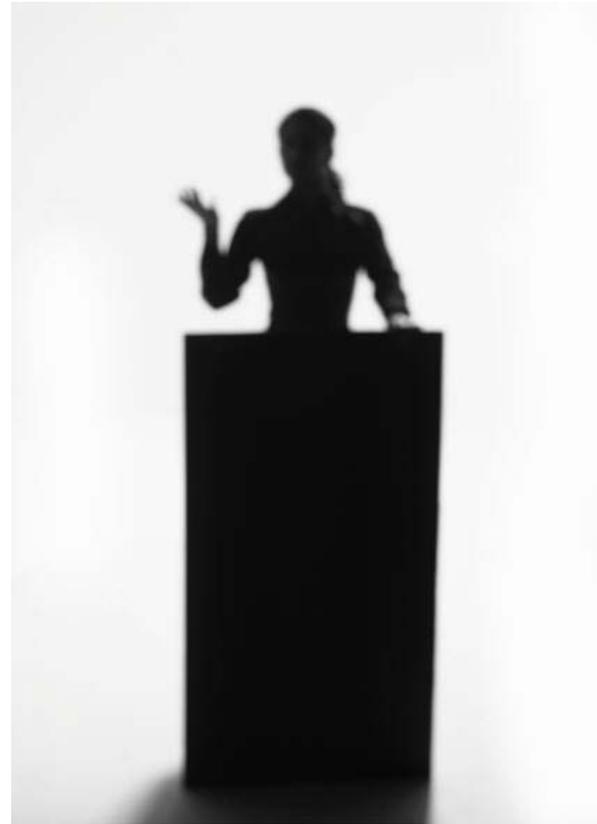
Questions During Presentation



- We will batch online questions and answer them throughout the webinar
- All presentation materials from Minnesota Housing are posted on our website at www.mnhousing.gov

Today's Speaker

- **Minnesota Housing**
 - » **Kathy Aanerud**



Agenda

- **Program Description (with updates)**
- **Eligible/Ineligible improvements**
- **Rebate Process**
- **Documentation**
- **Lender Participation**
- **Summary**



Minnesota Housing finances
and advances affordable housing
opportunities for low and moderate
income Minnesotans to
enhance quality of life and foster
strong communities.

Photo by Scott Stebbins



End long-term homelessness.

Finance new affordable housing opportunities.

Increase emerging market homeownership.

Preserve affordable housing.

Energy Saver Rebate

- **This project is made possible by a grant from the U.S. Department of Energy and the Minnesota Department of Commerce, Office of Energy Security (OES)**
- **Funded with Federal Stimulus money with the goal of creating jobs**
- **A program of the Minnesota Department of Commerce administered by Minnesota Housing**
- **Delivered to homeowners through Rebate - participating Fix-up Fund lenders**

Energy Saver Rebate

- **Provides a Rebate to homeowners for eligible energy conservation work financed and completed with proceeds of a Fix-up Fund or Community Fix-up Fund loan**
 - » **Will refer to both of these as “Fix-up Fund” during the presentation**
- **Only available through Fix-up Fund organizations that have attended training/webinar and have signed Participation Agreement**
- **Lenders are paid \$150 processing fee for each eligible Rebate application package**

Energy Saver Rebate – Funding Phase 3

- **Approximately \$2 million reallocated to Minnesota Housing for Rebates**
- **Lenders with executed Participation Agreements for Energy Saver Rebates may begin committing Fix-up Fund loans, with a Rebate estimate, on September 30, 2010**
 - » **Rebate funds cannot be guaranteed to a Fix-up Fund borrower**

Energy Saver Rebate – Funding Phase 3

- **Estimated amounts from the Fix-up Fund loan commitments will be monitored, and lenders will be notified when Fix-up Fund loans with a Rebate component can no longer be committed**
 - » **Lenders may check the Minnesota Housing website “Program Guidelines, Manuals and Forms” page for the “Energy Saver Rebate Phase 3 Estimated Funds Balance”**

Energy Saver Rebate

Rebate Eligibility

- **Contractor work only, no do-it-yourself**
- **Rebate equals 25% or 35% of cost of eligible improvements up to a maximum of \$10,000**
- **Not retroactive**
 - » **Fix-up Fund loan can not be committed prior to September 30**
- **Completed Rebate application submitted to Rebate participating lender within 120 days of loan closing**

Energy Saver Rebate

Fix-up Fund Program Eligibility

- **All eligible work must be funded with proceeds of a Fix-up Fund loan**
 - » **Owner occupied home**
 - » **Current maximum income of \$96,600 (adj. annually)**
 - » **Decent credit**
- **Contractor will secure all necessary permits and licenses required to perform the work**
- **Property eligibility**
 - » **Single family homes, duplexes, triplexes, fourplexes**
 - » **A unit of a condominium or townhome**
 - **no common areas**

Energy Saver Rebate

Eligible Improvements General Overview

- **Heating Systems**
- **Central Air Conditioning Systems**
- **Light Fixtures**
- **Attic air sealing**
- **Attic and wall insulation that is combined with attic air sealing**
- **“Orphaned” water heaters**
- **Replacement windows**
- **Exterior doors**



Energy Saver Rebate

Examples of Ineligible Improvements

- **Windows and doors that are not direct replacements**
- **Garage doors**
- **Insulated siding and roofing**
- **Awnings, blinds, window coverings**
- **Wood, corn and gas stoves and fireplaces**
- **Solar and wind systems**
- **Air and ground source heat pumps**

Eligible Improvements

Heating Systems = 35% Rebate

- **Must meet Federal Tax Credit for Energy Efficiency standards**
- **Propane, natural gas furnace**
 - » **Annual Fuel Utilization Efficiency (AFUE) greater than or equal to 95%**
- **Oil furnace, gas, oil, propane hot water boiler**
 - » **AFUE greater than or equal to 90%**
- **Rebate doesn't include cost of:**
 - » **New lines or tank removal when changing fuel sources**
 - » **Duct work, humidifier, air cleaner or electrical upgrades**

Eligible Improvements

Central Air Conditioning Systems = 35% Rebate

- **Must meet Federal Tax Credit for Energy Efficiency standards**
- **Replacement only**
- **No window units**
- **Split systems**
 - » **Seasonal Energy Efficiency Ratio (SEER) greater than or equal to 16**
 - » **Energy Efficiency Ratio (EER) greater than or equal to 13**
- **Package systems**
 - » **SEER greater than or equal to 14**
 - » **EER greater than or equal to 12**

Eligible Improvements

Light Fixtures = 35% Rebate



- **Replacement only**
- **Must meet Energy Star standards**
- **Must be attached to the building -- fixture**
- **Compact fluorescent light bulbs are not eligible**

Eligible Improvements

Attic Air Sealing = 35% Rebate



- **Requires before and after blower door testing**
- **See *Resources for Rebate Eligible Improvements* on the program forms page for more information**

Eligible Improvements

Attic Insulation = 35% Rebate

- **Must be combined with attic air sealing**
- **Final R value greater than or equal to R 44**



Eligible Improvements

Wall Insulation = 35% Rebate



- **Must be combined with attic air sealing**
- **Wall cavities must be filled**

Eligible Improvements

“Orphaned” Water Heaters = 35% Rebate

- **Atmospherically vented water heater can be replaced if orphaned because of furnace replacement**
 - » **Orphaned means that the water heater is the only device connected to the chimney**
- **Replacement must be a gas storage unit greater than or equal to .62EF or tankless unit greater than or equal to .82 with 2.5gpm @77 degree rise**

Eligible Improvements

Windows = 25% Rebate

- **Replacement only**
- **Must meet Energy Star standards**
- **Do not have to meet the Federal Tax Credit for Energy Efficiency standards**



Eligible Improvements

Doors = 25% Rebate



- **Must meet Federal Tax Credit for Energy Efficiency standards**
- **Exterior doors between heated space and the outdoors only – no garage doors**
- **Must have U-factor and Solar Heat Gain Coefficient (SHGC) of 0.30 or less**

Energy Saver Rebate

For more information on Eligible Improvements

- **Eligible improvements**
 - » **Resources for Rebate Eligible Improvements**
 - www.mnhousing.gov
 - » **Energy Saver Rebate Application**
 - www.mnhousing.gov
- **Federal Tax Credit for Energy Efficiency eligible improvements**
 - » www.energystar.gov/taxcredits
- **Energy Star certified equipment and materials**
 - » www.energystar.gov

Q & A

- **We will take time here to answer a few questions**



Energy Saver Rebate Process

Homeowner

- **Get application materials from Minnesota Housing website or participating lender**
 - **Energy Saver Rebate Information Sheet**
 - **Energy Saver Rebate Application with Utility Release Form**
 - **List of Participating Fix-up Fund Lenders offering the Energy Saver Rebate**
- **Determine how the Rebate process works and what improvements are eligible**

Energy Saver Rebate Process

Homeowner

- **Gets bids/estimates from contractors**
 - » **Bids must contain adequate information to determine that equipment, materials and labor will meet the Rebate eligibility criteria**
- **Apply for Fix-up Fund loan with Rebate participating lender**

Energy Saver Rebate Process

Homeowner After Closing Fix-up Fund Loan



- **Authorizes the contractor to perform the eligible work**
- **Pays the contractor**
- **Obtains paid receipts and invoices showing evidence of payment for all Rebate eligible improvements**

Energy Saver Rebate Process

Homeowner Applies for Rebate

- **Submits a completed Energy-Saver Rebate Application to the Fix-up Fund Lender within 120 days of closing the Fix-up Fund loan**
 - » **Includes copies of paid receipts and invoices from all contractor(s) specifying the eligible improvements**
- **Retains all documentation that shows that each eligible item is Energy Star certified and/or eligible for Federal Tax Credit for Energy Efficiency**

Energy Saver Rebate Process

Lender – Fix-up Fund

- **Originate a Fix-up Fund Loan to, at minimum, cover the cost of all Rebate eligible improvements**
- **If Homeowner appears eligible for Fix-up Fund Loan sufficient to cover Rebate eligible improvements**
 - » **Discuss Homeowner's intention to use the Energy Saver Rebate**
 - » **Urge close cooperation between Homeowner and contractor to ensure Rebate eligibility**

Energy Saver Rebate Process

Lender - Fix-up Fund

- **Commit Fix-up Fund loan on HDS SF Web Application**
 - » **Enter estimated Rebate amount on a survey question**
 - » **This is not a commitment to fund the Rebate**
- **Close and fund the Fix-up Fund loan**
- **Use all Fix-up Fund program documents, eligibility criteria and established processes**

Energy Saver Rebate Process

Lender “Survey” Question - Fix-up Fund

- **Minnesota Housing will keep lenders apprised of ongoing funding availability**
- **Lenders will assist by replying to HDS “survey” question with each New Loan Commitment:**
- **Survey question will appear on all commitments beginning September 30, 2010**
 - » **If not applicable, enter “0 (zero)”**

The screenshot shows a software interface with a navigation bar at the top containing tabs for 'Loan Info', 'Rehab', 'Property Info', 'Borrowers', 'Finance', and 'Optional'. The 'Optional' tab is selected. Below the navigation bar, there are two main sections: 'Optional Fields' and 'Optional Tables'. In the 'Optional Fields' section, there are two input fields: 'Unguaranteed Estimated Amount' and 'Energy Audit Performed Y / N'. The 'Unguaranteed Estimated Amount' field is circled in red. In the 'Optional Tables' section, there is a dropdown menu labeled 'First Lien Position ?' with a downward arrow.

Energy Saver Rebate Process

Lender Role - Completed Rebate Application

- **Verifies that the Rebate Application is properly completed**
 - » **Work was financed by the Fix-up Fund Loan**
 - » **All information is filled in and meets the criteria**
 - » **Rebate amount is calculated correctly**
 - » **All receipts evidencing improvements and payment are attached**
 - » **Utility Release Form is signed and included**
- **Contractor must certify that the work done meets the Energy Saver Rebate standards**

Energy Saver Rebate Process

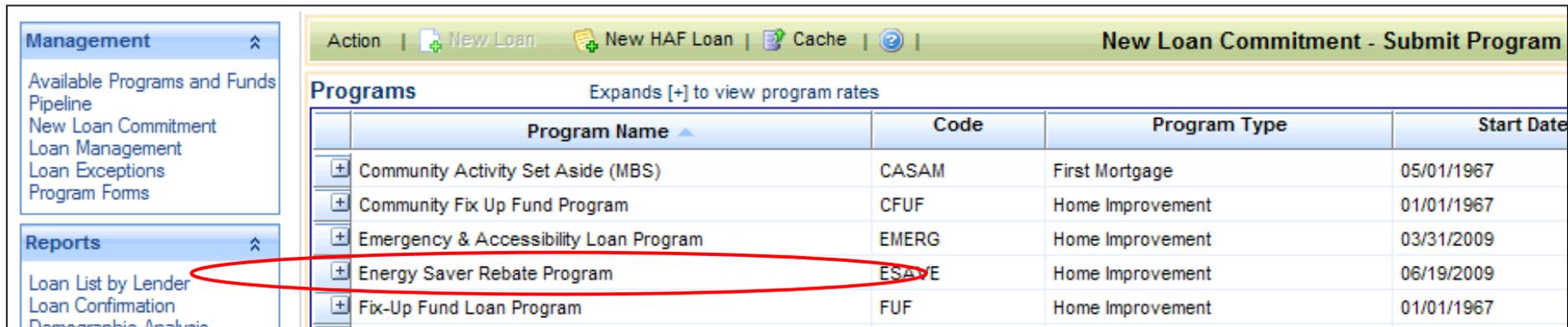
Lender Role - Completed Rebate Application

- **Avoid delays in Rebate payment:**
 - » **All information must be filled in**
 - » **The required documentation for windows and doors must be provided**
 - » **Information on the Rebate Application must reconcile to the paid receipt**
 - » **Remove ineligible costs from Rebate calculation – ductwork, air cleaner, humidifier, electrical work**
 - » **All signature boxes must be completed**

Energy Saver Rebate Process

Lender Role – Rebate Commitment

- Enter a “New Loan Commitment” for the Energy Saver Rebate
- Must commit within 10 business days of receiving Rebate application from homeowner



The screenshot shows a web application interface for loan management. The left sidebar contains a navigation menu with sections for 'Management' and 'Reports'. The main content area displays a table of programs, with the 'Energy Saver Rebate Program' row highlighted by a red oval. The table has columns for Program Name, Code, Program Type, and Start Date.

	Program Name ▲	Code	Program Type	Start Date
+	Community Activity Set Aside (MBS)	CASAM	First Mortgage	05/01/1967
+	Community Fix Up Fund Program	CFUF	Home Improvement	01/01/1967
+	Emergency & Accessibility Loan Program	EMERG	Home Improvement	03/31/2009
+	Energy Saver Rebate Program	ESAVE	Home Improvement	06/19/2009
+	Fix-Up Fund Loan Program	FUF	Home Improvement	01/01/1967

Energy Saver Rebate Process

Lender Role – Rebate Commitment

- Complete data fields on HDS Web Application related to the Rebate Application

Lender: 854001 | American Bank | Program: Energy Saver Rebate Program

Loan Info | Rehab | Property Info | Borrowers | Finance | Optional

Loan Number: Stage:

Lender Loan Number: Status:

Commitment Date: Estimated Closing Date:

Interest Rate: 0.0000 %

Amortization: Forgivable

Loan Amount: See Rehab Details

Term in Months:

Enter Rebate Amount Here

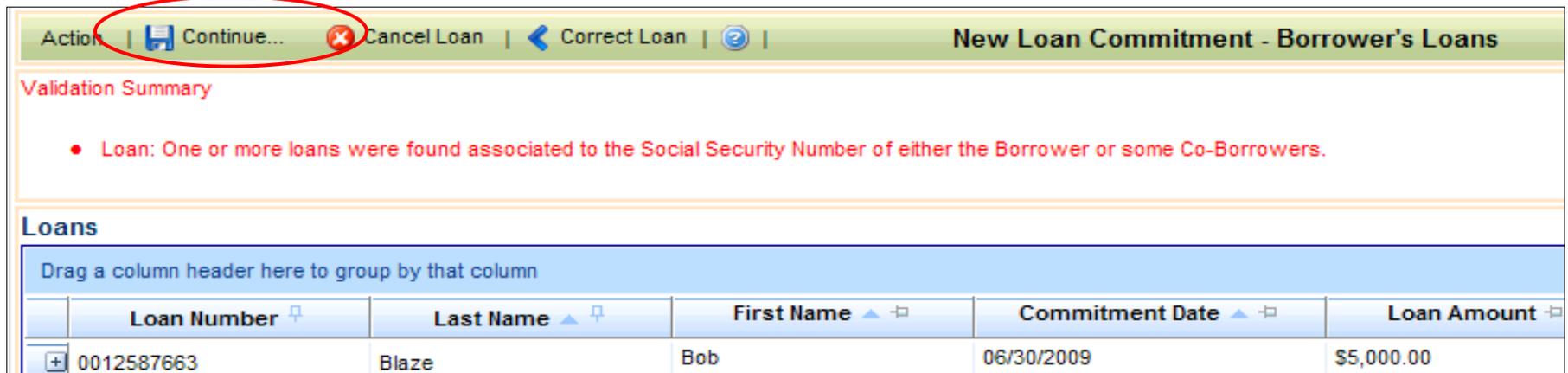
Term must be 12

Energy Saver Rebate Process

Lender Role – Rebate Commitment

- **Must always click “Continue” in the tool bar**
 - » **The HDS Web Application is finding a “duplicate” due to the Fix-up Fund loan entry**

Click “Continue”



The screenshot shows the HDS Web Application interface. At the top, there is a green navigation bar with the following actions: "Continue..." (circled in red), "Cancel Loan", "Correct Loan", and a help icon. The page title is "New Loan Commitment - Borrower's Loans". Below the navigation bar is a "Validation Summary" section with a red error message: "Loan: One or more loans were found associated to the Social Security Number of either the Borrower or some Co-Borrowers." Below the validation summary is a "Loans" table with the following columns: "Loan Number", "Last Name", "First Name", "Commitment Date", and "Loan Amount". The table contains one row of data: Loan Number 0012587663, Last Name Blaze, First Name Bob, Commitment Date 06/30/2009, and Loan Amount \$5,000.00.

Loan Number	Last Name	First Name	Commitment Date	Loan Amount
0012587663	Blaze	Bob	06/30/2009	\$5,000.00

- **Have Fix-up Fund loan file at hand for entering borrower information to validate the Fix-up fund loan/Rebate combination**

Energy Saver Rebate Process

Lender Submits Rebate Application

- **Can't proceed to Purchase Approval of Rebate on the HDS SF Web Application**
- **Instead, mail following documents to Minnesota Housing**
 - » **Completed Rebate Application with Utility Release Form**
 - » **Paid contractor invoice and receipts specifying Rebate eligible improvements**
 - » **Rebate Transmittal Form**

Energy Saver Rebate Process

Minnesota Housing's Rebate Processing Role

- **Review Rebate Application for completeness**
- **Contact lender when submission is incomplete or contains ineligible information**
- **Deliver all required Rebate Application information to Minnesota Department of Commerce, Office of Energy Security**

Energy Saver Rebate Process

Funding the Rebate

- **Upon approval and funding from Minnesota Department of Commerce, Office of Energy Security, Minnesota Housing will:**
 - » **Update the lender's Rebate commitment to "Purchase Approve"**
 - » **Process payment to lender via lender's Direct Deposit pay instructions**
 - **Payment will include Rebate amount, plus processing fee**
 - **Lender's loan status will update to "Purchase"**

Energy Saver Rebate Process

Funding the Rebate



- **Upon lender receiving funds from Minnesota Housing:**
 - » Pays Rebate amount to homeowner
 - » Homeowner has full discretion on use of funds
- **Rebates will take 2 – 3 weeks to process once Rebate submission is complete at Minnesota Housing**

Energy Saver Rebate Documents

- **Energy Saver Rebate Application with Utility Release Form**
- **Rebate Information Sheet**
- **Resources for Rebate Eligible Improvements**
- **Rebate Transmittal Form**
 - » **All on the Minnesota Housing website**

Energy Saver Rebate Documents

Rebate Application

- **Energy Saver Rebate Application is the key document to the program**
- **Lists eligible improvements, cost, installation hours**
- **Calculates the Rebate amount**
- **Contractor and owner certify the work**

Energy Saver Rebate Application

Instructions Section

- **Explains the basics of the program**
- **Lists websites and phone numbers for Minnesota Housing and the Minnesota Department of Commerce, Office of Energy Security**

Energy Saver Rebate Application

Lender and Applicant Section

- **Lender name**
- **Applicant information**
- **Associated Fix-up Fund Loan information**
- **Property Information**



Energy Saver Rebate Application

Eligible Improvement Section

- **Lists for each type of eligible improvement**
 - » **Brief statement of required standards**
 - » **Contractor cost**
 - » **Number of installation hours**
 - » **Contractor information**
 - » **Contractor signature**

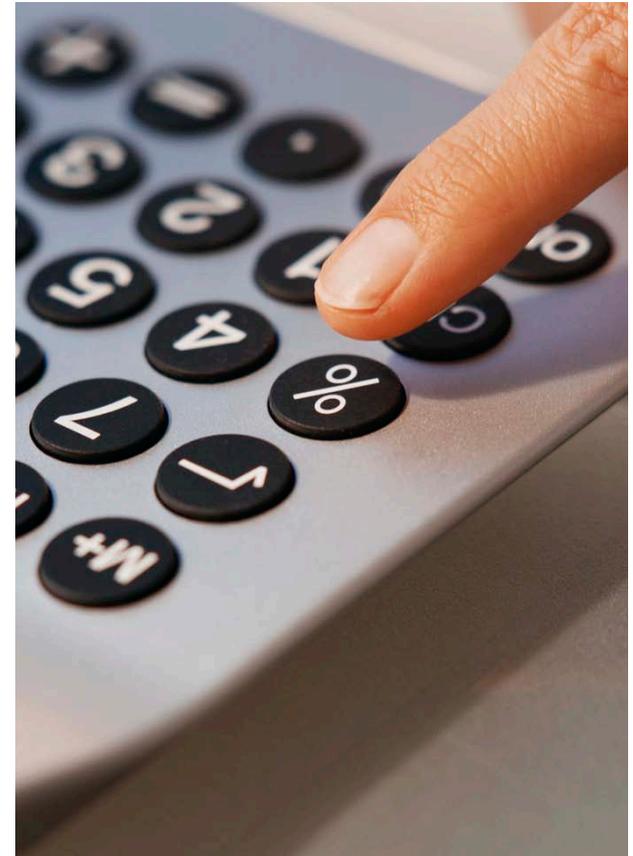
Energy Saver Rebate Application

Contractor Signatures

- **This is the key to the Rebate**
- **Contractor must fill out this section and include**
 - » **work done and equipment installed**
 - » **cost and installation time**
- **By signing, contractor certifies that the work meets all eligibility requirements**

Energy Saver Rebate Application Totals

- **Eligible costs are totaled**
- **Rebate amount is calculated**



Energy Saver Rebate Application Notices and Certification Section

- **Data privacy notice**
- **Minnesota Department of Commerce, Office of Energy Security has the right to inspect the property and improvements**
- **Estimates of Federal Energy Tax Credit and utility Rebates**
- **Applicant certification**
- **Lender certification**

Energy Saver Rebate Application Utility Release Form

- **Allows Minnesota Department of Commerce, Office of Energy Security to evaluate the effectiveness of energy efficiency improvements**
- **Will sample usage data to determine savings**
- **All information and signatures must be provided**

Q & A

- **We will take time here to answer a few questions**



Become an Energy Saver Rebate Participating Lender

- **Submit to Minnesota Housing:**
 - » **Signed Participation Agreement**
 - » **Direct Deposit Authorization for Electronic Funds Transfer form**
- **Forms on the Minnesota Housing website under lender's Fix-up Fund Forms**
- **Mail to: Minnesota Housing at 400 Sibley Street, Suite 300, St. Paul, MN 55101**
- **Participating lenders will be listed on the Minnesota Housing website**

Summary

- **All Rebate eligible work must be financed by a Fix-up Fund loan originated by an Energy Saver Rebate participating lender**
- **Homeowner and contractor must review the Rebate Application form and the Rebate Information sheet to determine Rebate eligible improvements**

Summary

- **Contractors and homeowner fill out the Energy Saver Rebate Application**
- **Contractors certify that the work is eligible for the Rebate**
- **Lender certifies that to the best of their knowledge, the information on the application is complete and accurate**

Summary

- **Lender must enter the information and commit the Rebate on HDS SF Web Application**
- **When the Rebate is approved, Minnesota Housing “purchases” it on HDS**
- **The “purchase” status denotes that Rebate funds and lender fee are being paid to the lender**
 - » **Occurs within 2 business days of the purchase date**
 - » **Via Direct Deposit instructions provided with Lender’s Participation Agreement**

Summary

- **Easy, straight forward process for the lender**
- **\$150 lender processing fee**
- **Rebate will help to increase the lender's Fix-up Fund loan production**
- **Much of the marketing will be done by contractors**
- **Stimulate the economy, increase jobs**
- **Reduce homeowners' utility bills**
- **Sign up now, the money is limited**

Minnesota Housing Customer Service Line

**Homes Division Information Center
7:30 am to 5:00 pm**

651-296-8215 or 800-710-8871

For More Information Contact

Kathy Aanerud

651.297.3121

Kathy.aanerud@state.mn.us

Minnesota Housing

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