

# RESNET

## ***Residential Energy Services Network***

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June 15, 2001

Bonny Overton  
U.S. Department of Energy  
Office of Energy Efficiency and Renewable Energy  
EE 3.1  
1000 Independence Avenue, SW  
Washington, DC 20585

Dear Ms Overton:

On behalf of the Residential Energy Services Network (RESNET) I express our appreciation for the opportunity to comment on the Office of Energy Efficiency and Renewable Energy.

RESNET is a national network of mortgage lenders and housing and residential energy efficiency professionals. The network's mission is to increase the opportunity of homeownership to more families and improve the energy efficiency of the nation's housing stock by expanding the availability of mortgage finance options for energy efficiency through home energy ratings. RESNET is guided by a national mortgage industry steering committee composed of the chief executives of the nation's leading mortgage institutions such as Fannie Mae, Freddie Mac, Chase Manhattan Mortgage, Bank of America Mortgage, and GMAC Mortgage. RESNET has members from all 50 states. For more information go to [www.natresnet.org](http://www.natresnet.org).

RESNET believes that residential energy efficiency can play an important role in addressing the nation's energy crisis in the near and long terms. We also believe that market forces can be tapped to improve the energy efficiency of our housing stock.

U.S. residences consume more than \$124 billion in energy annually and account for more than 20% of the total energy use in the U.S. This results in millions of tons of greenhouse gases and smog-producing gas emissions. American residential energy use can be cost-

effectively reduced by a third through readily available energy efficiency technologies, thereby saving homeowners billions of dollars annually and significantly improving environmental quality.

From Alaska to Florida RESNET's network has created innovative public/private partnerships with the housing and energy industries to transform local housing markets towards energy efficiency through innovative mortgage financing options and home energy ratings.

A national infrastructure for mortgage financing and home energy ratings is now in place. The secondary mortgage markets of FHA, Fannie Mae, Freddie Mac, and VA have adopted mortgage financing products that add the home's projected energy savings to the borrower's income in the mortgage qualification process. The projected energy savings are documented through a nationally accredited home energy rating provider. Working with the mortgage industry and the nation's state energy offices, RESNET has developed a set of national standards that ensures national consistency and accuracy of home energy ratings. This same infrastructure should also serve as the verification mechanism for the U.S. Department of Energy's residential energy efficiency programs and any tax credit incentives that Congress decides to enact. We have included a chart that outlines the players and relationships in our national organization.

Currently such programs as Building America, PATH, the Weatherization Assistance Program, ENERGY STAR Homes, and compliance to the Model Energy Code and International Energy Conservation Code do not have an uniform verification method that can be tied into mortgage financing and complies with a national set of standards involving independent, third-party verification.

At the 2001 RESNET Conference the home energy rating industry adopted a blue print for action which included calling for the federal government making home energy ratings as the certification instrument for all federal residential energy efficiency programs. This position was developed through a consensus process involving all facets of the home energy rating and building performance industries.

RESNET is eager to explore with the Department of Energy how these market forces can be tapped its effort to make energy efficiency a part of the solution to addressing the nation's energy crisis.

Again, we appreciate the opportunity to comment.

Sincerely

Steve Baden  
Executive Director