



The SAVE Act
(Sensible Accounting to Value Energy)
Overview & Update
February 27, 2013

The SAVE Act: Two Simple Goals

- Improve the accuracy of underwriting by adding energy to the cost of homeownership (PITI+**E**)
- Ensure that energy savings are taken into account when determining the value of a home and the amount of income that can be used to make mortgage payments

SAVE Act Adoption Strategy: Legislative

- Introduced in the 112th Congress as S.1791
- Sponsored by Senators Michael Bennet (D-CO) and Johnny Isakson (R-GA)
- Expect re-introduction in the current Congress with Senator Bennet as lead sponsor
- Broad coalition remains engaged and committed
- May substitute HERS annual energy cost estimate for Residential Energy Consumption Survey

SAVE Act Adoption Strategy: Regulatory

- All essential features of the SAVE Act can be adopted through a combination of rulemaking and policy changes by the GSE's
- In dialog with FHA, FHFC and the Administration about adopting features of the SAVE Act
- FHA has reached out to Coalition for help updating their current EEM program to include SAVE Act features

SAVE Act Adoption Strategy: Research

Study conducted by University of North Carolina to quantify default rates for energy efficient homes

- Identified a national sample of 200,000 E Star homes
- Compared to sample of non-energy efficient homes
- E Star rated homes were nearly 1/3 less likely to default

SAVE Act Adoption Strategy: Research

Pilot program to demonstrate effectiveness of the Appraisal Institute's Green Building Addendum (GBA)

- Quantify valuation differences between GBA and non-GBA appraised homes
- Evaluate the consistency of appraisals where the GBA is used
- Demonstrate to policy makers that GBA can be integrated into underwriting process

SAVE Act Adoption Strategy: Your Role

- Spread the word among efficiency advocates
- Encourage your Senators and Congressman to support the SAVE Act in Congress

Resources

www.imt.org/save-act

ken.gear@leadingbuildersofamerica.org

Robert@imt.org