

**DRAFT**

November 19, 2010

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Frederick  
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Falls Church  
Loudoun County  
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Manassas Park  
Prince William County*

Ms. Helen Kanovsky  
General Counsel  
Department of Housing and Urban Development  
451 7<sup>th</sup> street SW  
Washington, DC20410-0500

**Subject:** HUD Power Saver Home Energy Retrofit Loan program

Dear Ms. Kanovsky,

I am writing as the Chair of the Climate, Energy and Environment Policy Committee (CEEPC) of the Metropolitan Washington Council of Governments (COG) to express strong support to the pilot FHA Power Saver loan program and to comment on the notice recently released by HUD. Access to financing is critical to make home energy retrofits happen at the pace needed to address our nation's energy challenge and to bolster our economy by creating jobs in the home energy improvement sector.

At a time when Property Assessed Clean Energy programs including several projects in the Washington region are undermined, the new Power Saver program offers new and exciting perspectives to foster energy retrofits by easing homeowners' access to financing. This new program is a tremendous opportunity to establish references for lenders and the mortgage industry on energy efficiency loans, which will hopefully lead to the creation of a large-scale market for such products. The Metropolitan Washington region strongly supports this pilot program and is confident in its success and its future expansion.

We offer the following suggestions to strengthen the program:

- In the Washington region multi-family units represent almost half in the housing market. Restricting the program to single-family detached homes excludes a significant share of the market and a huge potential for energy savings.
- Overly tight restrictions on the Loan to Value ratio and credit rating requirements, as well as the requirement to conduct a property appraisal, may limit the reach of the program, and increase administrative costs. Setting a minimum energy savings performance to be achieved after improvements are performed could potentially contribute to decreasing the risk of default which might allow loosening these restrictions and requirements

*\*Adjunct member*

- The pilot program will be launched in communities that “have already taken affirmative steps to address energy efficient retrofits”. Further information on the criteria that will determine if an area fulfills this condition would be extremely helpful. Beyond the areas that were awarded a Better Building grant from the US Department of Energy, we believe that areas that have strong records in managing energy efficiency programs or jurisdictions that would make other funding sources available to complement the Power Saver locally should also be eligible
- EECSBG spending limit dates may be an issue for some jurisdictions that could otherwise have reallocated stimulus funding to the program as encouraged by HUD. The implementation timeline is critically important for local jurisdictions that may want to support the Power Saver program.

COG and its member jurisdictions congratulate HUD for this timely initiative. I am hopeful that local and state jurisdictions in the Washington region will have the opportunity to stay involved in the next steps. In the longer term, I also look forward to learn more about the strategy for the deployment of this program beyond the pilot phase and hope local jurisdictions in the Washington region can prepare for this in coordination with HUD.

Sincerely yours,

Jay Fiset, Chair  
COG Climate, Energy and Environment Policy Committee