

Energy: Fannie Mae Announces Options for Financing Efficiency (Including Solar)



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Fannie Mae announced a new program that it believes will help borrowers invest in energy efficiency.

Fannie Mae is a publicly held financial institution created by Congress to facilitate greater access to residential mortgages. Therefore, the company is a significant source of residential mortgage credit in the United States secondary market.

Fannie Mae characterizes the program as an enhanced option for borrowers who want to finance energy and water efficiency improvements to their home.

The Fannie Mae option is titled the HomeStyle Energy Program ("Program").

The Program is stated to provide borrowers the ability to complete energy upgrades up to 15% of the as-completed appraised property value of the home. Further, borrowers can finance energy-efficient upgrades when purchasing or refinancing the home. This feature is stated to eliminate the need for a subordinate lien, home equity line of credit, Property Assessed Clean Energy or unsecured loan.

Energy efficiency measures can include solar power.

A requirement to qualify the Program includes the acquisition of an energy report along with the lender placing the funds into an escrow account. The energy report must demonstrate that the improvements will be "cost effective."

The Program is stated to be available to all Fannie Mae lenders.

[Click here to download a copy of the Fannie Mae Selling Guide Announcement SEL-2016-3 and a Fact Sheet for lenders.](#)