

## VA Energy Efficient Mortgage (EEM) Improvements

For existing properties, a borrower may contact the utility company, or a reputable firm, for a home energy audit to identify needed energy efficient improvements, such as: solar or conventional heating/cooling systems, water heaters, insulation, weather stripping/caulking, storm windows/doors, or other energy related improvements.

Veterans may:

- \* Add up to \$3,000 to the 100% financing simply by providing a documented bid from a contractor
- OR-
- \* Add \$3,001 - \$6,000 in EEM's by providing an energy analysis to show that the estimated monthly expense of the EEM Improvement is less than the monthly cost savings to utilities
- OR-
- \* Add more than \$6,000 in EEM's provided the cost is supported by a dollar for dollar increase in value (VA Appraiser must certify the increase in value).

Funds are held in escrow until work is complete.

Items that may be added:

- \* Windows and doors
- \* Clock thermostat
- \* Furnace
- \* Water heater
- \* Insulation and weather stripping
- \* Solar heating and cooling systems
- \* Heat pump
- \* Insulated garage doors on an attached garage

Items that cannot be added:

- \* Air conditioning unit – can be added if Veteran has a medical certification due to breathing issues
- \* New roof or shingles
- \* Vinyl siding
- \* Glass block windows

VA requires an energy analysis for EEM's that result in \$3,001 - \$6,000 of improvements. The analysis must confirm the additional monthly expense will be less than the monthly savings to the Veteran's utility bills. The Department of Energy provides a website to accomplish this analysis, <http://www.homeenergysaver.lbl.gov/consumer/>.