

The Honorable Ron Wyden
Chairman, Committee on Energy
and Natural Resources
United States Senate

The Honorable Lisa Murkowski
Ranking Member, Committee on Energy
and Natural Resources
United States Senate

The Honorable Jeanne Shaheen
United States Senate

The Honorable Rob Portman
United States Senate

Dear Senators Wyden, Murkowski, Shaheen and Portman:

The undersigned groups write today to ask for your help and support in advancing legislation that Senators Johnny Isakson of Georgia and Michael Bennet of Colorado have introduced and appear open to moving either on its own or as an amendment to other legislation. The bill, S.1106, is aimed at encouraging greater homeowner investment in energy efficiency by correcting a “blind spot” in current mortgage underwriting and home appraisals. Enacting this carefully crafted and broadly supported bill will serve consumers and bring overdue recognition of energy cost savings to the home appraisal and mortgage underwriting processes.

S. 1106, the Sensible Accounting to Value Energy Act, or SAVE Act, instructs federal loan agencies and the Department of Housing and Urban Development (HUD) to issue updated underwriting and appraisal guidelines for borrowers who submit a qualified home energy report. These guidelines will allow a home’s expected energy cost savings to be included when determining the value and affordability of the home. In situations where a borrower does not have a qualified home energy report, the guidelines will instruct lenders to inform loan applicants of the costs and benefits of energy efficiency measures. Since utility bills are usually larger than either real estate taxes or homeowners insurance, this pro-consumer measure will both stimulate greater demand for energy-efficiency and protect borrowers from unforeseen costs that can imperil mortgage repayment.

Unfortunately, we understand that the Congressional Budget Office (CBO) has scored this bill as resulting in direct spending of approximately \$15-20 million (in total) over the 10-year budget window. While we have provided CBO with data showing that there should be no negative budgetary impact, and indeed that the budgetary impact may in reality be positive, we further understand that unless an offset of \$1.5-2 million per year is found, the SAVE Act will fail if it is considered during debate on S. 1392.

Members of our coalition have been working with Senators Isakson and Bennet to identify an appropriate offset to satisfy this CBO scoring issue. We write today to ask that you and your staffs, in coordination with the Department of Energy, help in this endeavor.

Thank you for your consideration.

Sincerely,

Affordable Comfort, Inc.
Alliance for Environmental Sustainability
American Institute of Architects
Appraisal Institute
Blow In Blanket Contractors Association
California Energy Efficiency Industry Council
Center for American Progress
CNT Energy
Community Home Energy Retrofit Program
Consumer Federation of America
Council of the North American Insulation Manufacturers Association
Environmental Defense Fund
Green Builder Coalition
Insulation Contractors Association of America
International Code Council
Johns Manville
Leading Builders of America
Masco Corporation
Midwest Energy Efficiency Alliance
National Association of Home Builders
National Association of Manufacturers
National Association of the Remodeling Industry
Northeast Energy Efficiency Partnerships
Passive House Institute US
Residential Energy Services Network
Southeast Energy Efficiency Alliance
The Dow Chemical Company
U.S. Chamber of Commerce
U.S. Green Building Council

cc: The Honorable Michael Bennet
United States Senate

The Honorable Johnny Isakson
United States Senate