

**Additional Information on FHA PowerSaver Pilot Program:  
Eligible Communities  
December 16, 2010**

Under the PowerSaver Pilot Program (the Program), the U.S. Department of Housing and Urban Development (HUD), through lenders approved by the Federal Housing Administration (FHA), will insure loans for homeowners who are seeking to make energy improvements to their homes. HUD intends to select a limited number of lenders to participate in the Program. The Program will be for loans originated during a 2-year period, will be restricted to lenders approved by HUD to participate in the Program, and will be conducted in geographic areas identified by HUD as optimum locations to conduct the Program.

As noted in the Federal Register Notice describing the Program (Docket No. FR-5450-N-01), HUD believes that the success of the Program and its potential to inform further efforts to expand financing for home energy improvements will be advanced by focusing on properties located in communities that have already taken affirmative steps to address other common market barriers to home energy improvements. In selecting communities in which to conduct the Program, HUD will target communities that have already developed a robust home energy improvement infrastructure.

Specifically, lenders must identify the market(s) they intend to target in their Expression of Interest to Participate. **Locations participating in the U.S. Department of Energy's (DOE's) Better Buildings Program are eligible markets for lenders to target (see the Notice for the list.)**

**In addition, HUD will consider lenders' interest in other communities, subject to an assessment of such communities' infrastructure for implementing home energy improvement programs, and HUD encourages lenders to identify such communities. Communities may also include those that are utilizing funding from the DOE's State Energy Program (SEP) or Energy Efficiency & Conservation Block Grant (EECBG) program to develop home energy improvement programs. In doing so, lenders must include in their Expressions of Interest to Participate in the Power Saver Pilot Program, answers to the following questions with respect to each community that is not named in the Notice as eligible:**

- 1) How is the community currently promoting residential home energy improvements and who are the key partners and their roles? How, if at all, has the community proposed expanding that effort if a lender in their community is selected for the PowerSaver pilot?
- 2) How is the community ensuring homeowners have the best information on the most cost-effective energy improvements for their homes (e.g. audits)? How, if at all, has the community proposed expanding that effort if a lender in their community is selected for the PowerSaver pilot?
- 3) How is the community ensuring that qualified, responsible contractors are doing the work? How, if at all, has the community proposed expanding that effort if a lender in their community is selected for the PowerSaver pilot?
- 4) How is the community investing in evaluation, measurement and verification (EM&V)? How, if at all, has the community proposed expanding that effort if a lender in their community is selected for the PowerSaver pilot?
- 5) What other home energy improvement financing programs are currently being offered in the community? How will PowerSaver complement them?
- 6) What specific actions is the community committing to mobilize partners to make PowerSaver loans most effective for the lender and beneficial for homeowners?

HUD will consult with DOE in evaluating lenders' responses to these questions and will inform lenders of the eligibility of proposed eligible communities in connection with HUD's evaluation of the Lender's Expression of Interest to Participate in the Program.