

**Docket No. 08-HERS-1**  
**California Home Energy Rating System Program**  
**Phase II Regulations Development**

<b>DOCKET</b> 08-HERS-1	
DATE	_____
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From: Bobbi Glassel  
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RE: HERS Rating at Time of Sale

My name is Bobbi Glassel and I use the HERS rating almost every day in my business. I work with and assist Realtors, Lenders and homebuyers to facilitate 3 FHA Time-of-Sale Programs; Energy Efficient Mortgage, Weatherization Program and Streamline 203 (K) Limited Repair Program. In the near future we will be preparing the documentation procedure for the Time-of-Sale Solar financing offered by FHA (up to 20% of purchase price/appraisal may be used for Renewables)

I have been in the real estate industry since 1979 and a full time facilitator in the Time-of-Sale energy efficiency field for over a decade. I have an approved Department of Real Estate Continuing Education class "New Energy Regulations and Financing" And, weekly I am invited to teach real estate and mortgage professionals how to use and utilize Energy Programs.

**HERS Rating**

My purpose today is to educate and help everyone to recognize and understand the tremendous power the HERS Rating gives Time of Sale financing programs. These programs are in place and working and can easily and quickly improve the energy efficiency in 1000's California existing residential.

At the Time of Sale, the HERS Rating is the foundation and starting point to finance energy improvements. Of the many energy financing transactions that I have completed, the CHEERS HERS raters have been professionals that have always generated timely, reliable and responsible energy information that the real estate professional and homebuyer can easily understand.

In order to continue the Time of Sale programs, we must keep the HERS Rating user-friendly. A HERS Rating that gives a reasonable amount of energy savings that substantiates Cost-Effective energy savings. A HERS Rating is a requirement within the Energy Efficient Mortgage guideline; the energy savings calculated by the HERS Rating must be greater than the increase of monthly payment.

Laws and mandates may be passed, but if there is no available long term financing with a low interest rate, it will be very difficult to retrofit existing residential.

A large portion of my business comes from Realtor referrals and can I can attest to the fact that today's real estate professionals are very interested in offering their clients the benefits of energy improvements financing. But, they are determined to keep the right to do business and to fulfill in their customary duties without mandates. Home Inspections are not mandated, but very few homes are sold without a home inspector. If introduced properly to the real estate industry will offer the client the "opportunity" to order a HERS Rating, and it will take on a life of its own like the home inspection

To assist you to understand, recognize and remain within the existing procedures and established guidelines of the California Real Estate industries lawful fiduciary standards and within the course of everyday business that REALTOR and mortgage lenders fulfill in their customary duties during the transaction period:

- Create a hands-on working relationship with the real estate industry that together you could co-produce understandable information and methods to make it achievable for homeowners and refinancing consumers to have the opportunity (not mandatory) to request a HERS Rating at the Time of Sale.

- Consumer information; the existing booklet “Raise Your Energy Efficiency I.Q.” has terminology that is not palatable to the real estate industry, has too many pages with graphics and is almost impracticable to download being very expensive to print out.

### **Time of Sale:**

At this point in time we are just now entering one of the most vulnerable real estate markets that has ever been experienced. The housing market has taken a tremendous change from “Non-Conforming loans” back to FHA and conventional financing. What was old is now new again.

Energy efficiency financing that may be used as a stand-alone program or combined is a straightforward and easy process for FHA programs:

1. Energy Efficient Mortgage  
HERS Rating Required  
100% Financing of Energy Improvements as recommended by a HERS Rating  
Borrower automatically qualifies with no added cash down or income qualifying
2. Weatherization Program:  
Down Payment and Income Qualifying required  
100 % financing of energy improvements  
Attic/Wall Insulation                      Storm Windows/Doors (Dual Pane Windows)  
Thermostats                                  Insulation of Ducts & Pipes  
Weather Stripping/Caulking      Insulation Wrap for Water Heaters
3. Streamline 203 (K) Limited Repair Program  
Down Payment and Income Qualifying required  
Eligible Repairs  
Almost any Discretionary-Non-Structural Repairs and Weatherization,  
All energy efficiency improvements  
Appliances: Washer/Dryer, Refrigerator, Stove, and Microwave  
Cool Roof

### **In closing I would like to add**

Self-Supporting

Time-of-Sale programs offer energy efficiency and Renewables in existing residential with

**No Cost To The State**

The financing key

Time-of-Sale financing offers a very low fixed interest rate as it is part of the first mortgage

Availability of funding

Almost any mortgage broker, bank or credit union can offer the FHA energy programs

Immediate results:

Homeowners immediately have the advantage of energy improvements from the first day they move into their home.

Marketing

1 out of 66 residents of California is a licensed Realtor that can offer homebuyers the opportunity (not mandate) to up-grade existing residential.

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