CalHFA Energy Efficient Mortgage (EEM)
The CalHFA EEM + Grant will assist low to moderate income homebuyers fund energy efficient home repairs as part of their FHA-insured first-mortgage.

- CalHFA’s EEM grant will enable the borrower to complete more improvements:
  - Lower energy bills
  - Improve home comfort
  - Improve home value
CalHFA’s EEM "Specialty" Product

- CalHFA Energy Efficient Mortgage (EEM) plus Grant
  - Premium priced interest rate on the first-mortgage allows the loan to be sold at a premium to fund the grant
    - Grant will be for the lesser of 4% of the first-mortgage loan amount or the maximum allowed under the Home Energy Rating System (HERS)
    - Can be combined with CHDAP or ECTP and MCC; cannot be combined with ZIP
Compliance Underwriting

- CalHFA Conventional and EEM + Grant loan programs will:
  - Continue to follow the program and compliance underwriting standards approved by the Board in Resolution 13-09. (e.g. Homebuyer Ed., 43 DTI, etc.)
  - Except CalHFA EEM + Grant program may exceed 103% CLTV when combined with CalHFA subordinate financing (FHA allows the final loan amount to exceed the maximum FHA mortgage limits by the amount of the energy-efficient improvements)
  - Home warranty requirement excludes new construction properties and items covered by a manufactured warranty on EEM.
    - Requiring a one-year warranty which is renewable for an additional one-year
Recommendation:

- Proceed with the development, infrastructure and implementation to launch the Phase II Conventional loan products
- Proceed with the development, infrastructure and implementation to launch the Phase II EEM “Specialty” first mortgage product