



Own or Buying a New Home?

If you're in the process of looking for a new home, or you've found the new home you've been looking for, your mind has to be filled with all kinds of details. But, we urge you to take a moment and think about the cost of operating that new home after you've moved in. In these days of steadily rising energy costs, it makes sense to ask yourself questions like these:

- How much will the house cost to heat and cool?
- How much will hot water cost?
- How much heat and cooling is lost through the windows?
- What will it cost to run major energy-gobbling appliances like dishwashers, washing machine and refrigerators?

On the other hand, if the new home has been "CHEERS® Certified" you can relax.

"CHEERS® Certified" means the new home you're considering is energy efficient inside and out. Our Raters determine whether a builder has used the highest quality systems, techniques, materials and appliances for a cleaner, quieter, more comfortable energy efficient home. The result is a home that meets all California standards and requirements for energy efficiency. And energy efficiency is the key to lower utility bills.

CHEERS® certification ensures your new home gives you all the living comfort you expect. Because energy efficiency is built in, a CHEERS® Certified home is cooler in the summer and warmer in the winter. It also keeps outside noise to a minimum and it can even help increase indoor air quality.

A CHEERS® rating report gives you a profile of energy efficiency. It includes:

- A summary of existing conditions of the home.
- Overall Rating Score of the home, as it is.
- Recommended cost-effective energy updates.
- Estimates of cost, annual savings, and useful life of upgrades.
- Improved Rating Score after the installation of recommended upgrades.
- Estimated annual total energy cost for the existing home before and after upgrades.

CHEERS® Certified Raters are independent professionals who work closely with builders throughout California every day. They've been well trained, they're knowledgeable and they know what it takes to build a house that'll meet all California's high standards for energy efficiency. When a house is "CHEERS® Certified" you'll know the inspection and verification process has been thorough and the evaluation is precise.



A CHEERS® Certified home may qualify for an Energy Efficiency Mortgage (EEM). An EEM includes utility costs in the equation for qualifying and buying a home. The brand new home you may be thinking about, qualifies for an EEM if it has a CHEERS® rating of 80 or higher, and meets ENERGY STAR® criteria. Why is this important? Because an EEM lets you afford more home! It allows the mortgage lender to stretch your qualifying ratio on the basis of the reduced monthly utility bill costs resulting from greater energy efficiency. By counting lower utility bills as an increase in income, you have more borrowing power. With an EEM the lender can finance the cost of energy efficiency upgrades or allow you to qualify for more home.

An EEM makes every dollar you spend work harder. Check it out.

	\$3,000 monthly income		\$5,000 monthly income	
	Standard Mortgage	EEM	Standard Mortgage	EEM
Maximum allowable monthly mortgage payment	\$840	\$900	\$1,400	\$1,500
Maximum Mortgage*	\$132,900	\$142,400	\$221,400	\$237,300
Added Borrowing Power	--	\$9,500	--	\$15,800

Please Note:

The maximum debt-to-income ratio for a standard mortgage is 28%. For an EEM the maximum debt-to-income ratio stretches even higher.

Figures shown here are assumptions based on 30-year mortgage, 7.5% interest rate, 10% down payment, principal and interest only.

Here's another tip: your local utilities have incentive programs for new homes that exceed minimum energy efficiency requirements. It's really worth talking with them.