

110TH CONGRESS
2D SESSION

H. R. 6249

To establish a direct loan program for providing energy efficiency improvements for single family housing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2008

Mr. KUHLMAN of New York introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To establish a direct loan program for providing energy efficiency improvements for single family housing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Helping Home Owners
5 Make Energy-Efficiency Residential Upgrades Now Act of
6 2008” or the “H–HOMERUN Act of 2008”.

7 **SEC. 2. RESIDENTIAL ENERGY EFFICIENCY DIRECT LOAN**
8 **PROGRAM.**

9 (a) ESTABLISHMENT.—The Secretary of Housing
10 and Urban Development (in this Act referred to as the

1 “Secretary”) shall establish and implement a program to
2 make direct loans, to the extent amounts are provided for
3 costs of such loans pursuant to subsection (f), for pro-
4 viding energy efficiency improvements for single family
5 housing.

6 (b) USE OF LOAN FUNDS.—A direct loan made
7 under this section may be made for the costs of the acqui-
8 sition or installation, or both the acquisition and installa-
9 tion, as applicable, of any energy efficiency improvement,
10 including—

11 (1) a solar heating system;

12 (2) a solar cooling system;

13 (3) the application of a residential energy con-
14 servation measure;

15 (4) a photovoltaic energy system;

16 (5) a geothermal heat pump system;

17 (6) a residential wind turbine;

18 (7) a “green roof” (a roof of a building that is
19 partially or completely covered with vegetation and
20 soil, or a growing medium, planted over a water-
21 proofing membrane); and

22 (8) any cost-effective energy efficiency improve-
23 ment eligible to be financed under a mortgage in-
24 sured under the Energy Efficient Mortgage program
25 established by section 513 of the Housing and Com-

1 munity Development Act of 1992 (42 U.S.C. 12712
2 note) and expanded pursuant to section 513(b) of
3 such Act.

4 (c) LOAN ELIGIBILITY REQUIREMENTS.—

5 (1) CONTRACT REQUIREMENT.—The Secretary
6 may make a direct loan under this section only if the
7 Secretary has entered into a contract with a bor-
8 rower setting forth the terms of the loan.

9 (2) REPAYMENT REQUIREMENT.—The Sec-
10 retary shall require full repayment of the principal
11 amount of the loan.

12 (3) INTEREST RATE.—Loans made under this
13 section shall bear interest at a rate that is—

14 (A) fixed over the term of the loan;

15 (B) at least 2 percentage points less than
16 the average rate available from a private source
17 for a comparable loan at the time of the making
18 of the loan; and

19 (C) subject to such other requirements or
20 limitations as the Secretary may prescribe.

21 (4) INVESTMENT REQUIREMENT.—A borrower
22 shall pay on account of the energy efficiency im-
23 provements for which the loan is made at least 5
24 percent of the Secretary's estimate of the cost of ac-

1 quisition, installation, or both acquisition and instal-
2 lation, as applicable, in cash or its equivalent.

3 (5) CREDIT UNDERWRITING STANDARDS.—The
4 Secretary shall establish credit underwriting stand-
5 ards to evaluate the eligibility of borrowers to receive
6 loans under this section.

7 (6) SECURITY FOR LOAN.—The Secretary shall
8 determine the reasonable value of the interest in
9 property that will serve as security for a direct loan
10 made under this section and shall establish proce-
11 dures for appraisals upon which the Secretary may
12 base such determinations.

13 (7) REPAYMENT SCHEDULE.—Direct loans
14 made under this section shall be repaid in monthly
15 installments.

16 (8) PRINCIPAL RESIDENCE REQUIREMENT.—A
17 direct loan made pursuant to this section shall be
18 used only for providing energy efficiency improve-
19 ments for the principal residence of the borrower.

20 (9) OTHER TERMS.—Direct loans made under
21 this section shall be subject to such other terms,
22 conditions, and restrictions as the Secretary may re-
23 quire.

24 (d) ENERGY EFFICIENCY REQUIREMENTS.—

1 (1) COST-EFFECTIVE ENERGY EFFICIENCY IM-
2 PROVEMENTS.—The Secretary shall require, for any
3 energy efficiency improvement for single family
4 housing for which a direct loan is made under this
5 section, that the total present value cost of the im-
6 provement (including any maintenance and repair
7 expenses) is less than the total present value of the
8 energy saved over the useful life of the improvement.

9 (2) ENERGY EFFICIENCY DETERMINATION.—

10 (A) DETERMINATION.—For purposes of
11 paragraph (1), the cost of the improvement and
12 an estimation of the energy savings of the im-
13 provement shall be determined pursuant to a
14 home energy rating report based upon a phys-
15 ical inspection of the property by a home energy
16 ratings system, or energy consultant, approved
17 by the Secretary.

18 (B) QUALIFIED INSPECTION AND DETER-
19 MINATION.—For purposes of subparagraph (A),
20 the physical inspection shall be conducted and
21 the determination shall be made by an indi-
22 vidual certified by an appropriate national orga-
23 nization as the Secretary may provide.

24 (e) DEFINITION OF SINGLE FAMILY HOUSING.—For
25 the purposes of this section, the term “single family hous-

1 ing” means any residential structure consisting of from
2 1 to 4 dwelling units.

3 (f) AUTHORIZATION OF APPROPRIATIONS.—

4 (1) IN GENERAL.—There are authorized to be
5 appropriated to cover the costs (as such term is de-
6 fined in section 502 of the Congressional Budget Act
7 of 1974) of direct loans under this section such
8 sums as may be necessary for each of the fiscal
9 years 2009 to 2019.

10 (2) AGGREGATE OUTSTANDING LIMITATION.—

11 The aggregate outstanding principal balance of di-
12 rect loans made under this section shall not at any
13 time exceed \$100,000,000,000.

14 **SEC. 3. HUD ENERGY EFFICIENT MORTGAGE PROGRAM**
15 **AMENDMENTS.**

16 (a) COST OF IMPROVEMENTS.—Subparagraph (C) of
17 section 513(a)(2) of the Housing and Community Devel-
18 opment Act of 1992 (42 U.S.C. 12712 note) is amended
19 to read as follows:

20 “(C) COST OF IMPROVEMENTS.—The Sec-
21 retary shall not establish a maximum limitation
22 on the cost of the cost-effective energy effi-
23 ciency improvements to be financed by the en-
24 ergy efficient mortgage provided under the pro-

1 gram established by this section and as ex-
2 panded pursuant to subsection (b).”.

3 (b) INVESTMENT REQUIREMENT.—Section 513(a)(2)
4 of the Housing and Community Development Act of 1992
5 (42 U.S.C. 12712 note) is amended by adding at the end
6 the following new subparagraph:

7 “(D) INVESTMENT REQUIREMENT.—A
8 mortgagor shall pay on account of the cost-ef-
9 fective energy efficiency improvements for
10 which the mortgage is made at least 5 percent
11 of the Secretary’s estimate of the cost of acqui-
12 sition, installation, or both acquisition and in-
13 stallation, as applicable, in cash or its equiva-
14 lent.”.

15 (c) COST-EFFECTIVE DETERMINATION.—Paragraph
16 (2) of section 513(c) of the Housing and Community
17 Development Act of 1992 (42 U.S.C. 12712 note) is
18 amended—

19 (1) in the last sentence by—

20 (A) striking “sufficient for” and all that
21 follows; and

22 (B) inserting “based upon a physical in-
23 spection of the property by a home energy rat-
24 ings system, or energy consultant, approved by

1 the Secretary.” after “pursuant to a home en-
2 ergy rating report”; and

3 (2) by adding at the end the following new sen-
4 tence: “Such physical inspection shall be conducted
5 and such determination shall be made by an indi-
6 vidual certified by an appropriate national organiza-
7 tion as the Secretary may provide.”

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