

## ENERGY EFFICIENT HOMES DELEGATED CLIENTS ONLY

These programs enable the borrower to cover the cost of making energy efficiency improvements to an existing property at the time of purchase or refinance or for upgrades above the established residential building code for new construction. Funds for energy efficiency improvements are included in the total loan amount.

	<b>FHA Energy Efficient Mortgage (EEM)</b>	<b>FHA Weatherization Loan</b>	<b>FHA Solar and Wind Technologies</b>
<b>Loan Program Description</b>	Finance cost effective and energy efficient improvements in conjunction with 203(b) <ul style="list-style-type: none"> <li>• Purchase</li> <li>• Refinance (Rate/Term, Simple and Streamline)</li> <li>• Weatherization (Existing Construction only)</li> </ul>	Weatherization product permits borrower to finance the cost of energy-related weatherization improvements in conjunction with 203(b) <ul style="list-style-type: none"> <li>• Purchase</li> <li>• Refinance (Rate/Term and Simple)</li> <li>• EEM on Existing Properties</li> </ul>	Finance the cost and installation of new solar and wind energy system improvements made, or to be made, to the property <ul style="list-style-type: none"> <li>• Purchase</li> <li>• Refinance (Rate /Term and Simple)</li> </ul>
<b>Property Types</b>	Eligible Property Types (Existing and new construction) <ul style="list-style-type: none"> <li>• 1-4 units</li> <li>• PUDs</li> <li>• Condos</li> <li>• Manufactured homes</li> <li>• Modular Pre-Cut/Panelized Housing</li> </ul> Ineligible Property Types <ul style="list-style-type: none"> <li>• Co-ops</li> </ul>	Eligible Property Types (Existing construction only) <ul style="list-style-type: none"> <li>• 1-4 units</li> <li>• PUDs</li> <li>• Condos</li> <li>• Manufactured homes</li> <li>• Modular Pre-Cut/Panelized Housing</li> </ul> Ineligible Property Types <ul style="list-style-type: none"> <li>• Co-ops</li> </ul>	Eligible Property Types (Existing and new construction) <ul style="list-style-type: none"> <li>• 1-4 units</li> <li>• PUDs</li> <li>• Manufactured homes</li> <li>• Modular Pre-Cut/Panelized Housing</li> </ul> Ineligible Property Types <ul style="list-style-type: none"> <li>• Condos</li> <li>• Co-ops</li> </ul>
<b>Energy Package (Examples of Improvements to be Financed)</b>	Energy package is cost for improvements agreed by Borrower and recommended and supported by Home Energy Report by qualified Home Energy Rater  Costs may include: <ul style="list-style-type: none"> <li>• Labor</li> <li>• Materials</li> <li>• Inspections</li> <li>• Home energy assessment</li> <li>• Cost of an EEM Facilitator (if utilized)</li> <li>• Energy saving equipment and technologies</li> </ul>	Eligible energy-related weatherization items include: <ul style="list-style-type: none"> <li>• Air sealing (including weather stripping doors, caulking window and plumbing penetrations)</li> <li>• Insulation (attic, floors, walls, basement);</li> <li>• Duct sealing and insulation;</li> <li>• Smart thermostats and equipment controls; and</li> <li>• Windows and doors</li> <li>• Low flow water fixtures</li> <li>• Carbon Monoxide monitors</li> </ul>	<ul style="list-style-type: none"> <li>• Borrower must currently own or are purchasing the solar or wind energy system.</li> <li>• Leased equipment and Solar Power Purchase Agreements are not eligible</li> <li>• Eligible Solar and Wind Technologies               <ul style="list-style-type: none"> <li>• Active and Passive solar systems and wind driven systems.</li> <li>• Photovoltaic System - must provide electricity and meet fire and electrical code requirements</li> <li>• Wind Turbine must meet technical standards (e.g. IEC, AWEA, SWCC, etc.) and have nameplate capacity of no more</li> </ul> </li> </ul>

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			than 100 kilowatts (generation) and <ul style="list-style-type: none"> <li>• Be installed by installer with North American Board of Certified Energy Practitioners Small Wind Installer Certification</li> </ul>
<b>Cost-Effective Test</b>	<p><b>For Existing Construction:</b></p> <p>The cost of energy efficient improvements including maintenance and repair over estimated useful life must be less than the value of the energy saved over the estimated useful life of the improvements.</p> <p>Example (for EEM to finance Water Heater)</p> <ul style="list-style-type: none"> <li>• Annual energy Savings = \$ 164</li> <li>• Estimated Useful life = 7 years</li> <li>• Total Savings over useful life = 164 x 7= \$1,148</li> <li>• Water Heater cost = \$ 1,000</li> <li>• Maintenance/Repairs (over 7 years) = \$ 100</li> </ul> <p>Meets cost effective test because savings (\$1,148) is greater than cost plus maintenance (\$1,100)</p> <p><b>For New Construction:</b></p> <p>The loan amount is limited to those cost effective energy improvements over and above the greater of the following standards:</p> <ul style="list-style-type: none"> <li>• 2006 IECC</li> <li>• Successor energy code adopted by HUD</li> <li>• Applicable IECC used by local building authority code</li> </ul> <p>If the work that is done after closing differs from the approved energy package, a change order along with a revised home energy audit must be submitted to the Direct Endorsement</p>	N/A	N/A

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	(DE) underwriter for approval. If the changes still meet the cost-effective test, no further analysis is required. If not, the funds for the work not included in the approval energy package must be used to pay down the mortgage principal		
<b>EEM Calculator (FHA Connection)</b>	<ul style="list-style-type: none"> <li>The dollar amount of a cost-effective energy package must be calculated as determined by the home energy audit. The EEM Calculator, located in FHA Connection (FHAC) on the Case Processing screen, will perform the calculation of Maximum Financeable Energy Package. The EEM Calculator uses data entered for the Mortgage to calculate the maximum energy package.</li> <li>For a Streamline Refinance, the EEM Calculator uses the appraised value from the initial transaction, contained within FHA Connection records, as the Adjusted Value.</li> </ul>	N/A	N/A
<b>Documentation of Cost</b>	<ul style="list-style-type: none"> <li>Contractor estimate</li> <li>The borrower must obtain a home energy assessment (HERS). The assessment must be conducted by a qualified energy rater, assessor, or auditor using whole-home assessment standards, protocols and procedure.</li> <li>The HERS report provides recommendations of energy saving improvements including estimates of the energy savings and cost effective analysis of each improvement.</li> <li>On newly constructed housing, the HERS report must identify improvements that are over and above the greater of the following: <ul style="list-style-type: none"> <li>the requirements of the 2006 IECC, or a <u>successor energy code standard</u> that has been adopted by HUD for its MPS, pursuant to <u>42 U.S.C. § 12709</u>; or</li> </ul> </li> </ul>	Document the cost of work including the weatherization materials and labor	Document the cost of work, including the energy systems' material and labor

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<b>Qualified Home Energy Raters/Assessors</b>	<ul style="list-style-type: none"> <li>Qualified home energy raters/assessors must be trained and certified as one of the following and the report must reflect one of these professional credentials. <ul style="list-style-type: none"> <li>Building Performance Institute Building Analyst Professional;</li> <li>Building Performance Institute Home Energy Professional Energy Auditor;</li> <li>Residential Energy Services Network Home Energy Rater; or</li> <li>energy rater, assessor or auditor who meets local or state jurisdictional requirements for conducting residential energy audits or assessments, including training, certification, licensure and insurance requirements.</li> </ul> </li> </ul>	N/A	N/A																						
<b>Maximum Financeable Amount</b>	<p>Maximum amount that can be added to the Base Loan Amount is the lesser of:</p> <ul style="list-style-type: none"> <li>Dollar amount of energy package as determined by HER/Contractor Estimate, or</li> <li><b>The lesser of 5% of</b> <ul style="list-style-type: none"> <li>The adjusted value</li> <li>115% of the median sales price in county, or</li> <li>150 %of FHFA national conforming loan limit</li> </ul> </li> </ul> <table border="1"> <tr> <td>Energy Package =</td> <td>\$17,000</td> </tr> <tr> <td>Adjusted Value = \$330,000 x 5% =</td> <td>\$16,500</td> </tr> <tr> <td>Median Sales Price = \$330,000 x 115% = \$379,500 x 5% =</td> <td>\$18,975</td> </tr> <tr> <td>150% of FHFA Conforming Limit = \$424,000 x 150% = \$636,150 x 5% =</td> <td>\$31,807</td> </tr> <tr> <td><b>Max Financeable Amount =</b></td> <td><b>\$16,500</b></td> </tr> </table>	Energy Package =	\$17,000	Adjusted Value = \$330,000 x 5% =	\$16,500	Median Sales Price = \$330,000 x 115% = \$379,500 x 5% =	\$18,975	150% of FHFA Conforming Limit = \$424,000 x 150% = \$636,150 x 5% =	\$31,807	<b>Max Financeable Amount =</b>	<b>\$16,500</b>	<p>Maximum allowable cost of energy-related weatherization items that can be financed is:</p> <table border="1"> <thead> <tr> <th>Max allowable cost of weatherization items</th> <th>Appraisal requirement-value determination</th> <th>Inspection requirements</th> </tr> </thead> <tbody> <tr> <td>\$2,000 not to exceed actual cost</td> <td>Not required</td> <td>Not required</td> </tr> <tr> <td>\$3,500 not to exceed actual cost</td> <td>FHA Appraisal or DE Underwriter</td> <td>Not required</td> </tr> <tr> <td>No Limit/not to exceed actual cost</td> <td>FHA Appraisal or DE Underwriter and separate on-site inspection</td> <td>Onsite inspection by FHA appraiser</td> </tr> </tbody> </table>	Max allowable cost of weatherization items	Appraisal requirement-value determination	Inspection requirements	\$2,000 not to exceed actual cost	Not required	Not required	\$3,500 not to exceed actual cost	FHA Appraisal or DE Underwriter	Not required	No Limit/not to exceed actual cost	FHA Appraisal or DE Underwriter and separate on-site inspection	Onsite inspection by FHA appraiser	<p>Compute Adjusted Value by using the purchase price, excluding the cost and installation of the Solar or Wind technology system and the Property Value excluding the cost and installation of the Solar and Wind technology</p> <p>Max loan amount is the lesser of</p> <ul style="list-style-type: none"> <li>Cost and installation of the solar or wind technology system or</li> <li>20% of the Property Value plus the Base Loan Amount</li> </ul> <p>Rebates identified in the contract and assigned to the contractor in determining cost be excluded from financeable amount</p> <p>Base loan amount may exceed the statutory mortgage limit by no more than 20%.</p>
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	<p>EEM Calculator in FHA Connection will do this calculation. Print out must be included in the file at the time of delivery</p>	<ul style="list-style-type: none"> <li>For loan amounts greater than \$2,000, will require the FHA appraisal or a statement from the FHA roster appraiser supporting the proportional increase in the base loan amount or adjusted value by the amount of the weatherization package.</li> <li>Cost of work including the weatherization materials and labor (Sweat equity not permitted)</li> </ul>																											
<p><b>Loan Structure When Calculating Total Loan Amount (LTV)</b></p>	<ul style="list-style-type: none"> <li>The maximum mortgage amount must be calculated without factoring in the cost of the energy package</li> <li>The cost of these improvements may be added to determine the Base Loan Amount.</li> <li>The UFMIP is added to determine the Total Loan amount</li> <li>The Base Loan Amount may not exceed 110% of the After Improved Value of the Property (100% for condos)</li> <li>For New Construction, the cost of the financeable energy package must be subtracted from the sales price when computing the Adjusted Value. <ul style="list-style-type: none"> <li>Step 1 <ul style="list-style-type: none"> <li>Sales Price minus Energy Package reflected in HER = Adjusted value for calculating the base loan amount</li> </ul> </li> <li>Step 2 <ul style="list-style-type: none"> <li>Base Loan amount plus</li> <li>Max Financeable Energy Package calculation = subtotal</li> <li>Plus UFMIP = Total FHA Loan amount</li> </ul> </li> </ul> </li> <li>May exceed the statutory mortgage limits for the area by the EEM amount</li> </ul>	<ul style="list-style-type: none"> <li>The maximum mortgage amount must be calculated without factoring in the cost of the energy package</li> <li>The cost of these improvements may be added to determine the Base Loan Amount.</li> <li>The UFMIP is added to determine the Total Loan amount</li> <li>The Base Loan Amount may not exceed 110% of the After Improved Value of the Property (100% for condos)</li> <li>When determining the Adjusted Value, the dollar limit of the weatherization items may be added to both the Sales Price and the Property Value</li> <li>May exceed the statutory mortgage limits for the area by the energy package amount</li> </ul> <p>Example of Weatherization Purchase Loan</p> <table border="1" data-bbox="913 982 1486 1331"> <tr><td>Adjusted Value =</td><td>\$300,000</td></tr> <tr><td>Initial Base Loan Amount = \$300,000 x 96.5%</td><td>\$289,500</td></tr> <tr><td>Adjusted Value + Weatherization Package =</td><td>\$2,000</td></tr> <tr><td>New Adjusted Value</td><td>\$302,000</td></tr> <tr><td>Final Base Loan Amount = \$302,000 x 96.5%</td><td>\$291,430</td></tr> <tr><td>UFMIP = \$291,430 x 1.75% =</td><td>\$5,100</td></tr> <tr><td>Total FHA Loan Amount =</td><td>\$296,530</td></tr> </table>	Adjusted Value =	\$300,000	Initial Base Loan Amount = \$300,000 x 96.5%	\$289,500	Adjusted Value + Weatherization Package =	\$2,000	New Adjusted Value	\$302,000	Final Base Loan Amount = \$302,000 x 96.5%	\$291,430	UFMIP = \$291,430 x 1.75% =	\$5,100	Total FHA Loan Amount =	\$296,530	<ul style="list-style-type: none"> <li>The maximum mortgage amount must be calculated without factoring in the cost of the energy package</li> <li>The cost of these improvements may be added to determine the Base Loan Amount.</li> <li>The UFMIP is added to determine the Total Loan amount</li> <li>The Base Loan Amount may not exceed 110% of the After Improved Value of the Property</li> <li>May exceed the statutory mortgage limits for the area by the energy package amount</li> </ul> <p>Example – Existing Construction Refinance</p> <table border="1" data-bbox="1516 917 2020 1234"> <tr><td>Adjusted Value =</td><td>\$330,000</td></tr> <tr><td>Initial Base Loan Amount = \$330,000 x 97.75% =</td><td>\$322,575</td></tr> <tr><td>Solar and Wind Package</td><td>\$16,500</td></tr> <tr><td>Final Base Loan Amount = \$322,575 + \$16,500</td><td>\$339,075</td></tr> <tr><td>UFMIP = \$339,075 x 1.75% =</td><td>\$5,933.81</td></tr> <tr><td>Total FHA Loan Amount =</td><td>\$350,433</td></tr> </table>	Adjusted Value =	\$330,000	Initial Base Loan Amount = \$330,000 x 97.75% =	\$322,575	Solar and Wind Package	\$16,500	Final Base Loan Amount = \$322,575 + \$16,500	\$339,075	UFMIP = \$339,075 x 1.75% =	\$5,933.81	Total FHA Loan Amount =	\$350,433
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<b>DTI Ratio</b>	<ul style="list-style-type: none"> <li>The cost of the improvement is not included in the DTI calculation. The DTI ratio is calculated using the Initial Base Loan Amount plus the portion of the UFMIP attributable to the Initial Base Loan Amount</li> </ul>	<ul style="list-style-type: none"> <li>The cost of the improvement is not included in the DTI calculation. The DTI ratio is calculated using the Initial Base Loan Amount plus the portion of the UFMIP attributable to the Initial Base Loan Amount</li> </ul>	<ul style="list-style-type: none"> <li>The cost of the improvement is not included in the DTI calculation. The DTI ratio is calculated using the Initial Base Loan Amount plus the portion of the UFMIP attributable to the Initial Base Loan Amount</li> </ul>																																																														

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	<ul style="list-style-type: none"> <li>The stretch ratios permitted for Energy Efficient Homes underwriting feature may be used for the EEM program <ul style="list-style-type: none"> <li>New Construction – property must meet or exceed the high of: <ul style="list-style-type: none"> <li>2006 IECC,</li> <li>Any successor energy code adopted by HUD for its MPS or</li> <li>Applicable IECC year used by state or local building code</li> </ul> </li> <li>Existing Construction <ul style="list-style-type: none"> <li>Home’s current score must be 6 or higher on the Home Energy Score scale or</li> <li>Energy improvements will increase home’s score to a 6 or higher</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The stretch ratios permitted for Energy Efficient Homes underwriting feature may be used for the Weatherization program <ul style="list-style-type: none"> <li>Home’s current score must be 6 or higher on the Home Energy Score scale or</li> <li>Energy improvements will increase home’s score to a 6 or higher</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The stretch ratios permitted for Energy Efficient Homes underwriting feature may be used for the Solar and Wind program <ul style="list-style-type: none"> <li>New Construction – property must meet or exceed the high of: <ul style="list-style-type: none"> <li>2006 IECC,</li> <li>Any successor energy code adopted by HUD for its MPS or</li> <li>Applicable IECC year used by state or local building code</li> </ul> </li> <li>Existing Construction <ul style="list-style-type: none"> <li>Home’s current score must be 6 or higher on the Home Energy Score scale or</li> <li>Energy improvements will increase home’s score to a 6 or higher</li> </ul> </li> </ul> </li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>Use the initial Base Loan Amount prior to addition of the financeable energy package to submit the loan to TOTAL Scorecard</li> <li>If an Accept or Approve is received on a loan application that does not include the financeable energy package, FHA will recognize the risk rating from TOTAL Mortgage Scorecard and permit the increase to the Mortgage Payment without re-underwriting or rescoring.</li> <li>Two FHA Loan Underwriting and Transmittal Summary forms, HUD-92900-LT, must be provided in the case binder: <ul style="list-style-type: none"> <li>One showing the qualifying ratios without the financeable energy package</li> <li>Second showing the mortgage amount calculation that includes the financeable energy package as reflected in FHAC. <ul style="list-style-type: none"> <li>The underwriter must attest that they have reviewed the calculations associated with the energy efficient improvements and found the loan and the</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Use the initial Base Loan Amount prior to addition of the financeable energy package to submit the loan to TOTAL Scorecard</li> <li>If an Accept or Approve is received on a loan application that does not include the financeable energy package, FHA will recognize the risk rating from TOTAL Mortgage Scorecard and permit the increase to the Mortgage Payment without re-underwriting or rescoring.</li> <li>Two FHA Loan Underwriting and Transmittal Summary forms, HUD-92900-LT, must be provided in the case binder: <ul style="list-style-type: none"> <li>One showing the qualifying ratios without the financeable energy package</li> <li>Second showing the mortgage amount calculation that includes the financeable energy package as reflected in FHAC. <ul style="list-style-type: none"> <li>The underwriter must attest that they have reviewed the calculations associated with the energy efficient improvements and found the loan and the property to be in compliance with FHA’s underwriting instructions</li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Use the initial Base Loan Amount prior to addition of the financeable energy package to submit the loan to TOTAL Scorecard</li> <li>If an Accept or Approve is received on a loan application that does not include the financeable energy package, FHA will recognize the risk rating from TOTAL Mortgage Scorecard and permit the increase to the Mortgage Payment without re-underwriting or rescoring.</li> <li>Two FHA Loan Underwriting and Transmittal Summary forms, HUD-92900-LT, must be provided in the case binder: <ul style="list-style-type: none"> <li>One showing the qualifying ratios without the financeable energy package</li> <li>Second showing the mortgage amount calculation that includes the financeable energy package as reflected in FHAC. <ul style="list-style-type: none"> <li>The underwriter must attest that they have reviewed the calculations associated with the energy efficient improvements and found the loan and the</li> </ul> </li> </ul> </li> </ul>

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	property to be in compliance with FHA's underwriting instructions		property to be in compliance with FHA's underwriting instructions
<b>Appraisal</b>	<ul style="list-style-type: none"> <li>The appraisal does not need to reflect the value of the energy package</li> <li>If the value of the energy package is included in the appraisal, the value must be subtracted from the Property Value when computing the Adjusted Value</li> </ul>	<ul style="list-style-type: none"> <li>The appraisal does not need to reflect the value of the energy package for amounts &lt;= \$2,000</li> <li>For amounts &gt; \$2,000 &lt;= \$3,500 the value must be supported by a value determination by an approved FHA Roster Appraiser or DE Underwriter</li> <li>For amounts &gt; \$3,500 the value must be supported by a value determination by an approved FHA Roster Appraiser or DE Underwriter and a separate on-site inspection by an FHA Roster Inspector or DE staff appraiser</li> <li>If the value of the energy package is included in the appraisal, the value must be subtracted from the Property Value when computing the Adjusted Value</li> </ul>	<ul style="list-style-type: none"> <li>The appraisal does not need to reflect the value of the energy package</li> <li>If the value of the energy package is included in the appraisal, the value must be subtracted from the Property Value when computing the Adjusted Value</li> </ul>
<b>Escrow</b>	<ul style="list-style-type: none"> <li>Excess funds must be applied to principal. No cash back.</li> <li>Escrow accounts must be established in accordance with Repair Completion Escrow Requirements for remaining costs of the energy improvements that are not completed by closing</li> </ul> <p>If energy efficient improvements will be done after closing and delivery to ditech, the following is required:</p> <ul style="list-style-type: none"> <li>Lender to execute form HUD-92300, Mortgagee's Assurance of Completion, to indicate that the escrow for energy package improvement has been established</li> <li>Closing Disclosure to list EEM portion as escrow holdback if improvements have not been made prior to closing</li> </ul>	<ul style="list-style-type: none"> <li>Excess funds must be applied to principal. No cash back.</li> <li>Escrow accounts must be established in accordance with Repair Completion Escrow Requirements for remaining costs of the energy improvements that are not completed by closing</li> </ul> <p>If energy efficient improvements will be done after closing and delivery to ditech, the following is required:</p> <ul style="list-style-type: none"> <li>Lender to execute form HUD-92300, Mortgagee's Assurance of Completion, to indicate that the escrow for weatherization improvement has been established</li> <li>Closing Disclosure to list energy efficient portion as escrow holdback if improvements have not been made prior to closing</li> </ul>	<ul style="list-style-type: none"> <li>Excess funds must be applied to principal. No cash back.</li> <li>Escrow accounts must be established in accordance with Repair Completion Escrow Requirements for remaining costs of the energy improvements that are not completed by closing</li> </ul> <p>If energy efficient improvements will be done after closing and delivery to ditech, the following is required:</p> <ul style="list-style-type: none"> <li>Lender to execute form HUD-92300, Mortgagee's Assurance of Completion, to indicate that the escrow for weatherization improvement has been established</li> <li>Closing Disclosure to list energy efficient portion as escrow holdback if improvements have not been made prior to closing</li> </ul>

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	<ul style="list-style-type: none"> <li>When EEM improvements are completed and the escrow funds are disbursed, provide evidence of completion and costs (inspection, signed invoices, receipts, etc.) to dittech at following email address: Post.Funding.Adjustments@dittech.com</li> <li>Apply unused escrow funds to reduce the outstanding principal balance.</li> <li>Work must be completed within 90 days after closing.</li> <li>Escrow may not include costs for labor or work performed by the borrower (sweat equity)</li> </ul>	<ul style="list-style-type: none"> <li>When energy efficient improvements are completed and the escrow funds are disbursed, provide evidence of completion and costs (inspection, signed invoices, receipts, etc.) to dittech at following email address: Post.Funding.Adjustments@dittech.com</li> <li>Apply unused escrow funds to reduce the outstanding principal balance.</li> <li>Work must be completed within: <ul style="list-style-type: none"> <li>30 days after closing or</li> <li>90 days after closing if improvements are part of an EEM</li> </ul> </li> <li>Escrow may not include costs for labor or work performed by the borrower (sweat equity)</li> </ul>	<ul style="list-style-type: none"> <li>When energy efficient improvements are completed and the escrow funds are disbursed, provide evidence of completion and costs (inspection, signed invoices, receipts, etc.) to dittech at following email address: Post.Funding.Adjustments@dittech.com</li> <li>Apply unused escrow funds to reduce the outstanding principal balance.</li> <li>Work must be completed within 120 days after closing</li> <li>Escrow may not include costs for labor or work performed by the borrower (sweat equity)</li> </ul>
<b>Timeframe and Inspection of Completion</b>	<ul style="list-style-type: none"> <li>The energy package is to be installed within 90 Days of the mortgage Disbursement.</li> <li>If the work is not completed within the required timeframe, the EEM funds must be applied to a prepayment of the mortgage principal</li> <li>The lender, the rater, or an FHA Roster Inspector may inspect the installation of the improvements. The Borrower may be charged an inspection fee</li> </ul>	<ul style="list-style-type: none"> <li>Installation of weatherization improvements must be completed within: <ul style="list-style-type: none"> <li>30 days of mortgage disbursement</li> <li>90 days of mortgage disbursement if the improvements are part of an energy package for EEM</li> </ul> </li> <li>If the work is not completed within the required timeframe, the funds must be applied to a prepayment of the mortgage principal</li> <li>The lender or their agent must <ul style="list-style-type: none"> <li>inspect the weatherization items or</li> <li>obtain evidence from local authority that the system was installed in accordance with local requirements</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Solar-Wind Energy system must be completed within 120 days of the mortgage disbursement</li> <li>If the work is not completed within the required timeframe, the funds must be applied to a prepayment of the mortgage principal</li> <li>The lender or their agent must <ul style="list-style-type: none"> <li>Inspect the solar and wind improvement, or</li> <li>Obtain evidence from local authority that the system was installed in accordance with local code</li> </ul> </li> </ul>
<b>Special Processing Requirements</b>	<ul style="list-style-type: none"> <li>HUD 92900 LT (2 –one without EEM and one with EEM) - Must be included in the file at the time of delivery</li> <li>FHA Connection Insurance Screen</li> <li>FHAC Escrow Closeout Screen</li> <li>HUD 92300 Mortgagee Assurance of Completion</li> <li>EEM Calculator - Print out must be included in the file at the time of delivery</li> </ul> <p><b>Changes to the Energy Package after Mortgage Closing</b></p>	<ul style="list-style-type: none"> <li>HUD 92900 LT (2 –one without EEM and one with EEM) - Must be included in the file at the time of delivery</li> <li>FHA Connection Insurance Screen</li> <li>FHAC Escrow Closeout Screen</li> <li>HUD 92300 Mortgagee Assurance of Completion</li> </ul>	<ul style="list-style-type: none"> <li>HUD 92900 LT (2 –one without EEM and one with EEM) - Must be included in the file at the time of delivery</li> <li>FHA Connection Insurance Screen</li> <li>FHAC Escrow Closeout Screen</li> <li>HUD 92300 Mortgagee Assurance of Completion</li> </ul>

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	<ul style="list-style-type: none"><li>• If the work that is done differs from the approved energy package, a change order along with a revised home energy audit must be submitted to the Direct Endorsement (DE) underwriter for approval. If the changes still meet the cost-effective test, no further analysis is required. If not, the funds for the work not included in the approval energy package must be used to pay down the mortgage principal</li></ul>		
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Product Summaries contain eligibility guidelines only.  
Consult the Client Guide for full details.