

## **Appendix A:**

### **Home Energy Retrofit Loan Pilot Program Criteria for Expressions of Interest from Lenders**

#### **Introduction**

Lender participation in the Retrofit Pilot Program is voluntary. HUD intends to select a limited number of lenders to participate.

Lenders interested in potentially participating in the Retrofit Pilot Program must submit an Expression of Interest using the format below and following the instructions in this notice.

Lenders that fail to do so will not be considered for participation.

Lenders interested in potentially participating may also provide general comments on the Pilot Program. Any such comments should be submitted separately from the Expression of Interest, following the instructions in the notice, but may be referenced in the Expression of Interest.

As noted in the notice, all properly submitted comments and communications submitted to HUD in connection with this pilot program will be available for public inspection and copying. Expressions of Interest should not therefore contain any proprietary information. HUD may seek additional information from lenders that submit Expressions of Interest. Such information would be available for public inspection and copying as well, unless it is proprietary.

Expressions of Interest are non-binding. HUD will execute contracts with participating lenders after reviewing all Expressions of Interest and the issuance of the final notice for the Retrofit Pilot Program in the Federal Register.

#### **Submission Instructions**

**To be considered for participation in the Pilot Program, a lender must email its Expression of Interest to FHAPowerSaver@hud.gov by the public comment deadline set**

**forth in the “DATES” section of this notice. Late submissions and Expressions of Interest not submitted to [FHAPowerSaver@hud.gov](mailto:FHAPowerSaver@hud.gov) will not be considered for participation in the Pilot Program.**

Expressions of Interest must address each of the 10 factors identified below (labeled I through X). There is no minimum or maximum page number or required format for Expressions of Interest. Lenders should provide whatever manner of information they believe would be most relevant to HUD in evaluating their Expression of Interest in participating in the Retrofit Pilot Program. Each Expression of Interest must also contain a one page executive summary that sequentially summarizes the factors addressed below.

**Factors to be Addressed in Expressions of Interest**

**I. Contact Information**

Institution Name:

Address:

Contact Name, Title, Phone Number and Email Address:

**II. Statement of Interest**

Please describe your institution’s interest in potentially participating in the program. HUD is interested in understanding the reasons for your interest, how it fits with your business strategy and goals, and how, specifically, your institution would be able to meet the goals of the Pilot Program as described in the notice.

**III. Status as an FHA Title I or Title II Program lender**

Please provide evidence that your institution has a valid Title I contract of insurance and is approved under the requirements of 24 CFR part 202 to originate, purchase, hold, service, or sell loans insured under the Title I program regulations at 24 CFR part 201.

If you do not meet the criteria above but are an approved Title II lender, please provide evidence to that effect.

#### **IV. Experience with similar lending initiatives**

Please describe your experience successfully originating and/or servicing small loans, home equity loans, second liens, FHA section 203(k) rehabilitation loans, and/or Title I Property Improvement Loans.

If your institution does not have such experience and capacity, please describe how any other experience is relevant to determining your institution's ability to participate in the Pilot Program.

#### **V. Computer system capabilities**

Please provide evidence of your institution's technical capability to interface with FHA through FHA Connection and the Single Family Default Monitoring system.

Note: Participating lenders will be required have the technical capability to interface with any other computer systems utilized by FHA or its contractors pertaining to the Retrofit Pilot Program.

#### **VI. Audit and reporting capabilities**

Please provide evidence of your institution's capacity to provide timely reports to FHA on origination and performance of loans under the Pilot Program, specifically including an electronic loan package to HUD for a random sample of loans chosen for quality reviews.

Note: FHA envisions requiring monthly reports on loan and portfolio performance.

#### **VII. Collaborative capacity**

Please provide evidence of your institution's capacity to work with public sector agencies, nonprofit organizations, utilities, and/or home improvement contractors.

### **VIII. Projected activity and markets**

Please describe the volume of lending your institution anticipates doing under the two-year Pilot Program and the markets you intend to serve.

Note: FHA may allow less volume than described.

### **IX. Product plan and business model**

Please describe your institution's product plan and business model as you envision it for lending under the Pilot Program. Specifically, please inform HUD of the following: (1) Will you originate and service loans, or originate only? (2) What do you expect in terms of loan performance? (3) What fees will you charge? (4) What steps will you take to ensure the lowest cost of financing for consumers? (5) How will you market the product? (6) To what extent will you work with public agencies, contractors, utilities, and other organizations? (7) How will you ensure quality control of contractors? (8) Will you hold loans, sell whole loans and/or issue securities backed by pools of loans, or some combination?

### **X. Use of HUD incentive payments**

To the extent that you request to utilize funds from HUD for incentive payments to lower costs for borrowers, either through lower interest rates, lower servicing costs, and potentially other purposes, please describe how much funding you request, the number of loans you anticipate making (a range is appropriate if necessary), and the bona fide benefit that would accrue to borrowers through the uses of the funds.

Note: As noted, Expressions of Interest are non-binding. The purpose of this question is to get a sense of your institution's intent at this stage, understanding that specifics may change.

Note: To the extent these answers would contain proprietary information, please contact HUD based on information provided in the notice.

## **X. Final comments**

Please provide any additional information that would be relevant to HUD in evaluating your Expression of Interest to participate in the Retrofit Pilot Program, either as a narrative response or attachment(s), or both.