



Conventional Energy Efficient Mortgages (EEM)

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The conventional (or Fannie Mae) Energy Efficient Mortgage is the most powerful of the three EEM programs specifically designed to make existing homes more comfortable and affordable. This mortgage is perfect if you are buying or refinancing a home and you are thinking about renovating or updating it as you do so. It also enables you to do ANY energy efficient upgrades without touching the equity or the down-payment on your home.

What should I know about the Conventional EEM?

- ANYTHING that contributes to the energy efficiency of your home is covered by the Energy Efficient Mortgage. If you have something specific you'd like to do to your home, call us and we'll let you know if you can do it.
- You can borrow up to 15% of the home's appraised value for energy efficient improvements. For a home that appraises for \$150,000, you could finance up to \$22,500 in energy efficient upgrades.
- The cost of the improvements are added onto the appraised value of the home. If you did \$10,000 in improvements on a home that appraises for \$150,000, your new appraised value is immediately \$160,000.
- You do not need to have as much income for a conventional Energy Efficient Mortgage as you would for a conventional mortgage. The Energy Efficient Mortgage takes into consideration the fact that your home is more affordable and rewards you accordingly.
- One positive side effect of an energy efficient home (other than lower utility bills) is that it has a good impact on the environment. The average home that goes through an Energy Efficient Mortgage will reduce greenhouse gas emissions by 2-4 TONS per year.
- The conventional Energy Efficient Mortgage can be combined with both fixed-rate and adjustable-rate mortgages.

The Conventional Energy Efficient Mortgage at work

	Non-Energy Efficient Home	Energy Efficient Home
Purchase Price	\$130,000	\$130,000
Down Payment	\$15,000	\$15,000
Loan Amount	\$115,000	\$125,000
Interest Rate*	6%	6%
Monthly PITI**	\$957	\$1,017
Average Utility Bill	\$224	\$112
Total Expenses	\$1,181	\$1,129
Monthly Savings	\$0	\$112
Annual Savings	\$0	\$1,344

* The interest rate of 6% is only being used to help illustrate this example of the EEM at work. Actual rates may vary from the rate used here. If you'd like to know what markets are doing today, please call us for a customized quote for your scenario.

** PITI stands for Principal, Interest, Taxes and Insurance. The taxes and insurance have been estimated for this example and may vary from where you live. If you would like a

customized comparison for your home, contact us and we'll put one together for you.



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