



## Michigan Saves Home Mortgage Pilot Program: *Highlights for Real Estate Professionals*

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The Michigan Saves Home Mortgage Program makes it easy and affordable to package energy-saving improvements with other renovations, like a new bath or kitchen, as part of a home mortgage at the time of sale or refinancing. Utility **rebates** are also available to help offset costs to the new homeowner for making energy efficiency improvements.

### **Who?**

- Michigan Saves—a nonprofit organization dedicated to making energy-saving improvements easy and affordable—has teamed up with Prospect Mortgage and others to make you aware of this special program.<sup>1</sup>
- New mortgages, refinancing, and renovation loans are available through Prospect Mortgage, one of the nation’s largest independent mortgage companies. Prospect Mortgage is the largest lender in FNMA’s “HomePath” mortgage program and is FNMA’s preferred lender for renovation products.

### **What?**

- This is a “point-of-sale” program, with energy improvements rolled into the mortgage and completed as part of the home sale by specially authorized contractors. Real estate agents can showcase the opportunities to turn REO and other distressed properties into dream homes.
- Financing products include conventional and federally backed mortgages and secured loans offered by Prospect Mortgage.
- The process is streamlined with the help of Prospect Mortgage loan officers and Michigan Saves contractors.
- Utility rebates for energy efficiency improvements are available to home buyers (or clients who are refinancing). The rebate amounts vary but typically range from \$500 to \$2,500 and are based on the extent and type of energy-saving improvements. An authorized contractor will tell you and your client the rebate amount before work is approved by your client.
- Like all Michigan Saves programs, quality assurance is built into the process to oversee the contractor’s work and ensure customer satisfaction. A typical homeowner may expect to see energy savings of 20 percent or more each year compared to what the house likely would have used without the energy-saving improvements.

### **How Does It Work?**

1. Your client fills out a short, online application for pre-approval through Prospect Mortgage. Go to <http://www.MyProspectMortgage.com/MISaves>.

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<sup>1</sup> Michigan Saves has no right, power, or authority, express or implied, under this program to approve loan applications, issue loan commitments, or offer renovation loans.

2. You show properties and explain program benefits to your client. Once a home is identified, your client works with one of the Michigan Saves authorized contractors to complete a whole-home assessment, and to develop a work plan with a list of improvements, cost, and energy savings.
3. Your client will work directly with the Prospect Mortgage loan officer to select the loan product that best meets their needs and complete the appraisal, loan origination, and closing process.
4. After closing, the contractor installs the improvements according to the work plan and is paid directly (funds are held in escrow until work is satisfactorily completed).
5. Rebates are available at the time of closing. Rebates are typically paid directly to the homeowner.

### ***Where?***

Financing is available statewide but is targeted for initial rollout in Kent and Washtenaw Counties during the summer of 2011. Additional target areas include Southeast Michigan, Lansing, Traverse City, and the Saginaw Bay area.

### ***How Do I Learn More?***

Visit [www.michigansaves.org](http://www.michigansaves.org) for updates on upcoming information sessions for realtors offered by Prospect Mortgage.

To **get questions answered about the Michigan Saves Home Mortgage Program**, including ongoing improvement projects, or to schedule a one-on-one or small group meeting, contact Building Science Energy Services, at [mortgageloans@michigansaves.org](mailto:mortgageloans@michigansaves.org) or (855) 887-2313 (toll free). Building Science Energy Services works with Michigan Saves and Prospect Mortgage to oversee renovation improvements and assist both realtors and contractors.

For **general** information about Michigan Saves, contact [info@michigansaves.org](mailto:info@michigansaves.org) or (734) 494-2190.