

111TH CONGRESS  
1ST SESSION

# S. 1379

To encourage energy efficiency and conservation and development of renewable energy sources for housing, commercial structures, and other buildings, and to create sustainable communities.

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## IN THE SENATE OF THE UNITED STATES

JUNE 25, 2009

Mr. WHITEHOUSE (for himself, Mr. SCHUMER, and Mr. MENENDEZ) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To encourage energy efficiency and conservation and development of renewable energy sources for housing, commercial structures, and other buildings, and to create sustainable communities.

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 AND TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Energy Efficiency in Housing Act of 2009”.

6       (b) TABLE OF CONTENTS.—The table of contents for  
7       this Act is as follows:

Sec. 1. Short title and table of contents.

- Sec. 2. Findings and purposes.
- Sec. 3. Definitions.
- Sec. 4. Implementation of energy efficiency participation incentives for HUD programs.
- Sec. 5. Incentives for energy efficient mortgages and location efficient mortgages.
- Sec. 6. Mortgage incentives for energy efficient multifamily housing.
- Sec. 7. Energy efficiency and conservation demonstration program for multifamily housing projects assisted with project-based rental assistance.
- Sec. 8. Additional credit for Fannie Mae and Freddie Mac housing goals for energy efficient mortgages.
- Sec. 9. Duty to serve underserved markets for energy efficient and location efficient mortgages.
- Sec. 10. Consideration of energy efficiency under FHA mortgage insurance programs and Native American and Native Hawaiian loan guarantee programs.
- Sec. 11. Energy efficient mortgages education and outreach campaign.
- Sec. 12. Collection of information on energy efficient and location efficient mortgages through Home Mortgage Disclosure Act.
- Sec. 13. Energy efficiency certifications for housing with mortgages insured by FHA.
- Sec. 14. Assisted housing energy loan pilot program.
- Sec. 15. HOPE VI green developments requirement.
- Sec. 16. Consideration of energy efficiency improvements in appraisals.
- Sec. 17. Additional requirements for the Housing Assistance Council.
- Sec. 18. Rural housing and economic development assistance.
- Sec. 19. Revolving fund for loans to States and Indian tribes to carry out renewable energy sources activities.
- Sec. 20. Competitive grant program to increase sustainable low-income community development capacity.
- Sec. 21. Insurance coverage for loans for financing of renewable energy systems leased for residential use.
- Sec. 22. Green banking centers.
- Sec. 23. GAO reports on availability of affordable mortgages.
- Sec. 24. Public housing energy cost report.

## 1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) CONGRESSIONAL FINDINGS.—The Congress finds  
3 that—

4 (1) making the United States energy efficient is  
5 essential for enhancing national security, fighting  
6 climate change, and creating jobs;

7 (2) unchecked use of energy resources poses a  
8 significant threat to the national security, economy,

1 public health, and welfare of the people of the  
2 United States, the well-being of other nations, and  
3 the global environment;

4 (3) prompt, decisive action is critical to encour-  
5 age energy efficiency and conservation and the devel-  
6 opment of renewable energy sources for housing,  
7 commercial structures, and other buildings, and to  
8 create sustainable communities; and

9 (4) it is possible and desirable to reduce energy  
10 consumption in the United States while employing—

11 (A) cost containment measures;

12 (B) periodic review of requirements;

13 (C) an aggressive program for deploying  
14 advanced energy technology; and

15 (D) programs to assist low- and middle-in-  
16 come energy consumers.

17 (b) PURPOSES.—The purposes of this Act are—

18 (1) to encourage the use of energy efficiency  
19 and conservation methods in Federal housing pro-  
20 grams;

21 (2) to expand the use of energy efficient mort-  
22 gages;

23 (3) to provide for the development and installa-  
24 tion of renewable energy sources for housing, com-  
25 mercial structures, and other buildings;

- 1 (4) to create sustainable communities;
- 2 (5) to support the creation of a stable “green
- 3 jobs” sector by increasing demand for energy effi-
- 4 cient products and professionals with expertise in
- 5 green building standards; and
- 6 (6) to achieve these goals while preserving the
- 7 development, benefits, and affordability of Federal
- 8 housing programs.

### 9 **SEC. 3. DEFINITIONS.**

10 In this Act, the following definitions shall apply:

11 (1) ENERGY AUDIT.—The term “energy audit”  
 12 means an investment grade energy audit conducted  
 13 for purposes of paragraph (2)(B)(iii), in accordance  
 14 with such standards as the Secretary shall establish,  
 15 after optional consultation with any advisory com-  
 16 mittee established pursuant to section 7(c)(2) of this  
 17 Act.

18 (2) ENHANCED ENERGY EFFICIENCY STAND-  
 19 ARDS.—The term “enhanced energy efficiency stand-  
 20 ards” means any one of the following:

21 (A) GREEN BUILDING STANDARDS.—Green  
 22 building standards, as that term is defined in  
 23 paragraph (3).

24 (B) RESIDENTIAL STRUCTURES.—In the  
 25 case of a residential single family or multifamily

1 structure, standards established by the Sec-  
2 retary, by regulation, that—

3 (i) impose requirements additional to,  
4 or more stringent than, minimum energy  
5 efficiency standards, as that term is de-  
6 fined in paragraph (6);

7 (ii) in the case of a newly constructed  
8 structure, are identical to the Energy Star  
9 standards established by the Environ-  
10 mental Protection Agency, or any suc-  
11 cessor thereto adopted by the Secretary by  
12 regulation;

13 (iii) in the case of an existing struc-  
14 ture, require a reduction in energy con-  
15 sumption from the previous level of con-  
16 sumption for the structure, as determined  
17 in accordance with energy audits per-  
18 formed both before and after any rehabili-  
19 tation or improvements undertaken to re-  
20 duce such consumption, that exceeds the  
21 reduction necessary for compliance with  
22 minimum energy efficiency standards.

23 (C) NONRESIDENTIAL STRUCTURES.—In  
24 the case of a nonresidential structure, include  
25 such energy efficiency and conservation require-

ments, standards, checklists, or rating systems for nonresidential structures as the Secretary determines are necessary.

(3) GREEN BUILDING STANDARDS.—The term “green building standards” means systems and standards for residential and nonresidential structures that are established or adopted by the Secretary, by regulation, and that—

(A) require the use of sustainable design principles to—

(i) reduce the use of nonrenewable resources;

(ii) encourage energy efficient construction and rehabilitation and the use of renewable energy resources;

(iii) minimize the impact of development on the environment;

(iv) improve indoor air quality;

(v) maximize water conservation; and

(vi) encourage the selection of building materials that reduce adverse impacts on the environment;

(B) impose requirements additional to, or more stringent than, minimum energy efficiency

standards, as that term is defined in paragraph  
(6);

(C) include—

(i) the national Green Communities  
criteria checklist for residential construc-  
tion, which provides criteria for the design,  
development, and operation of affordable  
housing, or any successor thereto adopted  
by the Secretary by regulation;

(ii) the Leadership in Energy and En-  
vironmental Design (LEED) certification  
for new construction, the LEED for  
Homes rating system, the LEED for Core  
and Shell rating system, as applicable, or  
any successors thereto adopted by the Sec-  
retary by regulation;

(iii) the Green Globes assessment and  
rating system of the Green Building Initia-  
tive;

(iv) in the case of manufactured hous-  
ing, the Energy Star standards established  
by the Environmental Protection Agency  
with respect to fixtures, appliances, and  
equipment in such housing, or any suc-

cessor thereto adopted by the Secretary by  
regulation;

(v) the National Green Building  
Standard, only—

(I) if such standard is ratified  
under the American National Stand-  
ards Institute process;

(II) upon expiration of the 180-  
day period beginning upon such ratifi-  
cation; and

(III) if, during such 180-day pe-  
riod, the Secretary does not reject the  
applicability of such standard for pur-  
poses of this paragraph; and

(vi) any other requirement, standard,  
checklist, or rating system for green build-  
ing or sustainability that the Secretary—

(I) determines is necessary for a  
specific type of residential single fam-  
ily or multifamily structure; or

(II) may determine to adopt or  
apply not later than 180 days after  
the date of receipt of any written re-  
quest, made in such form as the Sec-



1                   retary shall provide, for such adoption  
2                   and application; and

3                   (D) may be waived by the Secretary, if the  
4                   Secretary determines that waiver of such regu-  
5                   lations would promote enhanced energy effi-  
6                   ciency or conservation.

7                   (4) HUD.—The term “HUD” means the De-  
8                   partment of Housing and Urban Development.

9                   (5) HUD ASSISTANCE.—The term “HUD as-  
10                  sistance” means financial assistance that is awarded,  
11                  competitively or noncompetitively, allocated by for-  
12                  mula, or provided by HUD through loan insurance  
13                  or guarantee.

14                  (6) MINIMUM ENERGY EFFICIENCY STAND-  
15                  ARDS.—

16                  (A) IN GENERAL.—The term “minimum  
17                  energy efficiency standards” has the meaning  
18                  given that term by regulations of the Secretary.

19                  (B) REGULATIONS FOR RESIDENTIAL  
20                  STRUCTURES.—Regulations issued by the Sec-  
21                  retary under subparagraph (A) shall, in the  
22                  case of a residential single family or multifamily  
23                  structure—

24                         (i) require the structure to comply  
25                         with the applicable provisions of the Amer-

1            ican Society of Heating, Refrigerating, and  
2            Air-Conditioning    Engineers    Standard  
3            90.1–2007, or any successor thereto adopt-  
4            ed by the Secretary, by regulation;

5            (ii) require the structure to comply  
6            with the applicable provisions of the 2009  
7            International Energy Conservation Code,  
8            or any successor thereto adopted by the  
9            Secretary, by regulation;

10           (iii) in the case of an existing struc-  
11           ture—

12                    (I) where the Secretary deter-  
13                    mines such action is cost effective, re-  
14                    quire—

15                            (aa) the structure to have  
16                            undergone rehabilitation or im-  
17                            provements that are completed  
18                            after the date of enactment of  
19                            this Act; and

20                            (bb) the energy consumption  
21                            for the structure to have been re-  
22                            duced by not less than 20 per-  
23                            cent from the previous level of  
24                            consumption, as determined in  
25                            accordance with energy audits

1 performed both before and after  
2 any rehabilitation or improve-  
3 ments undertaken to reduce such  
4 consumption;

5 (II) if the structure has 4 stories  
6 or more, require the structure to dem-  
7 onstrate a 20 percent improvement in  
8 the proposed building performance  
9 rating when compared to a baseline  
10 building performance rating resulting  
11 from a whole building project simula-  
12 tion conducted in accordance with the  
13 Building Performance Rating Method  
14 in Appendix G of American Society of  
15 Heating, Refrigerating, and Air-Con-  
16 ditioning Engineers Standard 90.1–  
17 2004, or any successor thereto adopt-  
18 ed by the Secretary, by regulation;  
19 and

20 (III) if the structure has fewer  
21 than 4 stories, require the structure  
22 to demonstrate, by modeling based on  
23 the Home Energy Rating System  
24 Index of the Residential Energy Serv-  
25 ices Network, a 20 percent improve-

1                   ment in the proposed building per-  
2                   formance rating; and

3                   (iv) require the structure to comply  
4                   with any provisions of such other energy  
5                   efficiency requirements, standards, check-  
6                   lists, or ratings systems as the Secretary  
7                   determines are necessary for a specific  
8                   type of residential single family or multi-  
9                   family structure; and

10                  (C) REGULATIONS FOR NONRESIDENTIAL  
11                  STRUCTURES.—Regulations issued by the Sec-  
12                  retary under subparagraph (a) shall, in the case  
13                  of a nonresidential structure that is constructed  
14                  or rehabilitated with HUD assistance—

15                   (i) require the structure to be not less  
16                   than 30 percent more energy efficient than  
17                   required by local residential and commer-  
18                   cial building codes regarding energy effi-  
19                   ciency; and

20                   (ii) require the structure to comply  
21                   with such additional energy efficiency re-  
22                   quirements, standards, checklists, or rating  
23                   systems as the Secretary determines are  
24                   applicable to nonresidential structures.

1           (7) NONRESIDENTIAL STRUCTURES.—The term  
 2           “nonresidential structures” means only nonresiden-  
 3           tial structures that are appurtenant to single family  
 4           or multifamily housing residential structures, or  
 5           those that are funded by the Secretary through the  
 6           HUD Community Development Block Grant pro-  
 7           gram established under title I of the Housing and  
 8           Community Development Act of 1974 (42 U.S.C.  
 9           5301 et seq.).

10           (8) SECRETARY.—The term “Secretary”, unless  
 11           otherwise specified, means the Secretary of Housing  
 12           and Urban Development.

13 **SEC. 4. IMPLEMENTATION OF ENERGY EFFICIENCY PAR-**  
 14 **TICIPATION INCENTIVES FOR HUD PRO-**  
 15 **GRAMS.**

16           Not later than 180 days after the date of enactment  
 17           of this Act, the Secretary shall issue such regulations as  
 18           may be necessary to establish annual energy efficiency  
 19           participation incentives to encourage participants in pro-  
 20           grams administered by the Secretary, including recipients  
 21           under programs for which HUD assistance is provided,  
 22           to achieve substantial improvements in energy efficiency.

1 **SEC. 5. INCENTIVES FOR ENERGY EFFICIENT MORTGAGES**  
2 **AND LOCATION EFFICIENT MORTGAGES.**

3 (a) IN GENERAL.—The Secretary shall establish  
4 budget-neutral incentives for encouraging lenders to make,  
5 and homebuyers and homeowners to participate in, energy  
6 efficient mortgages and location efficient mortgages.

7 (b) INCENTIVES.—The incentives required under sub-  
8 section (a) may include—

- 9 (1) fee reductions;  
10 (2) fee waivers;  
11 (3) interest rate reductions; and  
12 (4) adjustment of mortgage qualifications.

13 (c) ADDITIONAL CONSIDERATION.—In establishing  
14 the incentives required under subsection (a), the Secretary  
15 shall consider the lower risk of default on energy efficient  
16 mortgages and location efficient mortgages in comparison  
17 to mortgages that are not energy efficient or location effi-  
18 cient.

19 (d) DEFINITIONS.—The terms “energy efficient  
20 mortgage” and “location efficient mortgage” have the  
21 same meaning as in section 1335(e) of the Federal Hous-  
22 ing Enterprises Financial Safety and Soundness Act of  
23 1992 (12 U.S.C. 4565(e)) (as added by section 8 of this  
24 Act).

1 **SEC. 6. MORTGAGE INCENTIVES FOR ENERGY EFFICIENT**  
2 **MULTIFAMILY HOUSING.**

3 (a) IN GENERAL.—The Secretary shall establish—

4 (1) incentives for increasing the energy effi-  
5 ciency of multifamily housing that is subject to a  
6 mortgage to be insured under title II of the National  
7 Housing Act (12 U.S.C. 1707 et seq.) so that such  
8 housing meets minimum energy standards; and

9 (2) incentives to encourage compliance of such  
10 housing with enhanced energy efficiency standards,  
11 to the extent that such incentives are based on the  
12 impact that savings on utility costs have on the op-  
13 erating costs of the housing, as determined by the  
14 Secretary.

15 (b) INCENTIVES.—The incentives required under sub-  
16 section (a) may include, for any such multifamily housing  
17 that meets minimum energy efficiency standards—

18 (1) providing a discount on the chargeable pre-  
19 miums for the mortgage insurance for such housing  
20 from the amount otherwise chargeable for such  
21 mortgage insurance;

22 (2) allowing mortgages to exceed the dollar  
23 amount limits otherwise applicable under law to the  
24 extent such additional amounts are used to finance  
25 improvements or measures designed to meet the  
26 standards referred to in subsection (a); and

1           (3) reducing the amount that the owner of such  
2       multifamily housing is required to contribute.

3       **SEC. 7. ENERGY EFFICIENCY AND CONSERVATION DEM-**  
4                       **ONSTRATION PROGRAM FOR MULTIFAMILY**  
5                       **HOUSING PROJECTS ASSISTED WITH**  
6                       **PROJECT-BASED RENTAL ASSISTANCE.**

7       (a) AUTHORITY.—

8           (1) IN GENERAL.—For multifamily housing  
9       projects for which project-based rental assistance is  
10      provided under a covered multifamily assistance pro-  
11      gram, the Secretary shall, subject to the availability  
12      of amounts provided in advance in appropriation  
13      Acts, carry out a program to demonstrate the effec-  
14      tiveness of funding a portion of the costs of meeting  
15      enhanced energy efficiency standards.

16          (2) INDIAN HOUSING.—At the discretion of the  
17      Secretary, the demonstration program required  
18      under paragraph (1) may include incentives for  
19      housing that is assisted with Indian housing block  
20      grants provided pursuant to the Native American  
21      Housing Assistance and Self-Determination Act of  
22      1996 (25 U.S.C. 4101 et seq.), but only to the ex-  
23      tent that such inclusion does not violate such Act,  
24      regulations promulgated pursuant to such Act, and  
25      the goal of such Act of tribal self-determination.



1 (b) GOALS.—The demonstration program under this  
2 section shall be carried out in a manner that—

3 (1) protects the financial interests of the Fed-  
4 eral Government;

5 (2) reduces the proportion of funds provided by  
6 the Federal Government and by owners and resi-  
7 dents of multifamily housing projects that are used  
8 for costs of utilities for such projects;

9 (3) encourages energy efficiency and conserva-  
10 tion by owners and residents of multifamily housing  
11 projects and installation of renewable energy im-  
12 provements, such as improvements providing for use  
13 of solar, wind, geothermal, or biomass energy  
14 sources;

15 (4) creates incentives for project owners to  
16 carry out such energy efficiency renovations and im-  
17 provements by allowing a portion of the savings in  
18 operating costs resulting from such renovations and  
19 improvements to be retained by the project owner,  
20 notwithstanding otherwise applicable limitations on  
21 dividends;

22 (5) allows project owners and tenants to share  
23 the savings in operating costs resulting from such  
24 renovations and improvements in accordance with an  
25 appropriate ratio;

1           (6) promotes the installation, in existing resi-  
2           dential buildings, of energy efficient and cost-effec-  
3           tive improvements and renewable energy improve-  
4           ments, such as improvements providing for use of  
5           solar, wind, geothermal, or biomass energy sources;

6           (7) tests the efficacy of a variety of energy effi-  
7           ciency measures for multifamily housing projects of  
8           various sizes and in various geographic locations;

9           (8) tests methods for addressing the various,  
10          and often competing, incentives that impede owners  
11          and residents of multifamily housing projects from  
12          working together to achieve energy efficiency or con-  
13          servation; and

14          (9) creates a database of energy efficiency and  
15          conservation, and renewable energy, techniques, en-  
16          ergy savings management practices, and energy effi-  
17          ciency and conservation financing vehicles.

18          (c) APPROACHES.—In carrying out the demonstra-  
19          tion program under this section, the Secretary may take  
20          the following actions:

21               (1) Enter into agreements with the Building  
22               America Program of the Department of Energy and  
23               other consensus committees under which such pro-  
24               grams, partnerships, or committees assume some or

1 all of the functions, obligations, and benefits of the  
2 Secretary with respect to energy savings.

3 (2) Establish advisory committees to advise the  
4 Secretary and any such third party partners on tech-  
5 nological and other developments in the area of en-  
6 ergy efficiency and the creation of an energy effi-  
7 ciency and conservation credit facility and other fi-  
8 nancing opportunities that—

9 (A) include representatives of home-  
10 builders, realtors, architects, nonprofit housing  
11 organizations, environmental protection organi-  
12 zations, renewable energy organizations, State  
13 housing finance agencies, and advocacy organi-  
14 zations for low-income individuals, the elderly,  
15 and persons with disabilities; and

16 (B) are not subject to the Federal Advi-  
17 sory Committee Act (5 U.S.C. App.).

18 (3) Develop a competitive process for the award  
19 of such additional assistance for multifamily housing  
20 projects seeking to implement energy efficiency, re-  
21 newable energy sources, or conservation measures.

22 (4) Waive or modify any existing Federal regu-  
23 latory provision that would otherwise impair the im-  
24 plementation or effectiveness of the demonstration  
25 program under this section, including provisions re-

1       lating to methods for rent adjustments, com-  
2       parability standards, maximum rent schedules, and  
3       utility allowances. Notwithstanding the preceding  
4       provisions of this paragraph, the Secretary may not  
5       waive any statutory requirement relating to fair  
6       housing, nondiscrimination, labor standards, or the  
7       environment, except pursuant to existing authority  
8       to waive nonstatutory environmental and other ap-  
9       plicable requirements.

10       (d) REQUIREMENT.—During the 4-year period begin-  
11       ning 12 months after the date of enactment of this Act,  
12       the Secretary shall carry out demonstration programs  
13       under this section with respect to not fewer than 50,000  
14       dwelling units.

15       (e) SELECTION.—

16           (1) SCOPE.—

17               (A) IN GENERAL.—In order to provide a  
18               broad and representative profile for use in de-  
19               signing a program which can become oper-  
20               ational and effective nationwide, the Secretary  
21               shall carry out the demonstration program  
22               under this section with respect to dwelling units  
23               located in a wide variety of geographic areas  
24               and project types assisted by the various cov-  
25               ered multifamily assistance programs and using

1 a variety of energy efficiency and conservation  
2 and funding techniques to reflect differences in  
3 climate, types of dwelling units, technical and  
4 scientific methodologies, and financing options.

5 (B) INDIAN LANDS.—The Secretary shall  
6 ensure that the geographic areas included in  
7 the demonstration program under this section  
8 include dwelling units on Indian lands (as that  
9 term is defined in section 2601 of the Energy  
10 Policy Act of 1992 (25 U.S.C. 3501)), to the  
11 extent that dwelling units on Indian land have  
12 the type of residential structures that are the  
13 focus of the demonstration program.

14 (2) PRIORITY.—The Secretary shall provide pri-  
15 ority for selection for participation in the program  
16 under this section based on the extent to which, as  
17 a result of assistance provided, the project will meet  
18 minimum energy efficiency standards or enhanced  
19 energy efficiency standards.

20 (f) USE OF EXISTING PARTNERSHIPS.—To the ex-  
21 tent feasible, the Secretary shall—

22 (1) utilize the Partnership for Advancing Tech-  
23 nology in Housing of the Department of Housing  
24 and Urban Development to assist in carrying out the  
25 requirements of this section and to provide education

1 and outreach regarding the demonstration program  
2 authorized under this section; and

3 (2) consult with the Secretary of Energy, the  
4 Administrator of the Environmental Protection  
5 Agency, and the Secretary of the Army regarding  
6 utilizing the Building America Program of the De-  
7 partment of Energy, the Energy Star Program, and  
8 the Army Corps of Engineers, respectively, to deter-  
9 mine the manner in which such programs might as-  
10 sist in carrying out the goals of this section and pro-  
11 viding education and outreach regarding the dem-  
12 onstration program authorized under this section.

13 (g) REPORTS.—

14 (1) ANNUAL REPORT.—Not later than 2 years  
15 after the date of enactment of this Act, and for each  
16 year thereafter during the term of the demonstration  
17 program, the Secretary shall submit to Congress a  
18 report that describes and assesses the demonstration  
19 program under this section.

20 (2) FINAL REPORT.—Not later than 6 months  
21 after the expiration of the 4-year period described in  
22 subsection (d), the Secretary shall submit to Con-  
23 gress a final report assessing the demonstration pro-  
24 gram that—

1 (A) assesses the potential for expanding  
2 the demonstration program on a nationwide  
3 basis; and

4 (B) includes descriptions of—

5 (i) the size of each multifamily hous-  
6 ing project for which assistance was pro-  
7 vided under the program;

8 (ii) the geographic location of each  
9 project assisted, by State and region;

10 (iii) the criteria used to select the  
11 projects for which assistance is provided  
12 under the program;

13 (iv) the energy efficiency and con-  
14 servation measures and financing sources  
15 used for each project that is assisted under  
16 the program;

17 (v) the difference, before and during  
18 participation in the demonstration pro-  
19 gram, in the amount of the monthly assist-  
20 ance payments under the covered multi-  
21 family assistance program for each project  
22 assisted under the program;

23 (vi) the average length of the term of  
24 the assistance provided under the program  
25 for a project;

1 (vii) the aggregate amount of savings  
 2 generated by the demonstration program  
 3 and the amount of savings expected to be  
 4 generated by the program over time on a  
 5 per-unit and aggregate program basis;

6 (viii) the functions performed in con-  
 7 nection with the implementation of the  
 8 demonstration program that were trans-  
 9 ferred or contracted out to any third par-  
 10 ties;

11 (ix) an evaluation of the overall suc-  
 12 cesses and failures of the demonstration  
 13 program; and

14 (x) recommendations for any actions  
 15 to be taken as a result of such successes  
 16 and failures.

17 (3) CONTENTS.—Each annual report pursuant  
 18 to paragraph (1) and the final report pursuant to  
 19 paragraph (2) shall include—

20 (A) a description of the status of each mul-  
 21 tifamily housing project selected for participa-  
 22 tion in the demonstration program under this  
 23 section; and

24 (B) findings from the program and rec-  
 25 ommendations for any legislative actions.



1 (h) COVERED MULTIFAMILY ASSISTANCE PRO-  
2 GRAM.—For purposes of this section, the term “covered  
3 multifamily assistance program” means—

4 (1) the program under section 8 of the United  
5 States Housing Act of 1937 (42 U.S.C. 1437f) for  
6 project-based rental assistance;

7 (2) the program under section 202 of the Hous-  
8 ing Act of 1959 (12 U.S.C. 1701q) for assistance  
9 for supportive housing for the elderly;

10 (3) the program under section 811 of the Cran-  
11 ston-Gonzalez National Affordable Housing Act (42  
12 U.S.C. 8013) for supportive housing for persons  
13 with disabilities; and

14 (4) the program for assistance under the Native  
15 American Housing Assistance and Self-Determina-  
16 tion Act of 1996 (25 U.S.C. 4111).

17 (i) AUTHORIZATION OF APPROPRIATIONS.—There is  
18 authorized to be appropriated to carry out this section  
19 \$50,000,000 for each fiscal year in which the demonstra-  
20 tion program under this section is carried out.

21 (j) REGULATIONS.—Not later than 180 days after  
22 the date of enactment of this Act, the Secretary shall issue  
23 any regulations necessary to carry out this section.

1 **SEC. 8. ADDITIONAL CREDIT FOR FANNIE MAE AND**  
 2 **FREDDIE MAC HOUSING GOALS FOR ENERGY**  
 3 **EFFICIENT MORTGAGES.**

4 Section 1336(a) of the Housing and Community De-  
 5 velopment Act of 1992 (12 U.S.C. 4566(a)) is amended—

6 (1) in paragraph (2), by striking “paragraph  
 7 (5)” and inserting “paragraphs (5) and (6)”; and

8 (2) by adding at the end the following:

9 “(6) ADDITIONAL ENERGY EFFICIENCY CRED-  
 10 IT.—

11 “(A) IN GENERAL.—In assigning credit to-  
 12 ward achievement under this section of the  
 13 housing goals for mortgage purchase activities  
 14 of the enterprises, the Director shall assign—

15 “(i) more than 125 percent credit, for  
 16 purchases that—

17 “(I) comply with the require-  
 18 ments of such goals; and

19 “(II) support housing that meets  
 20 minimum energy efficiency standards,  
 21 as that term is defined in section 3 of  
 22 the Energy Efficiency in Housing Act  
 23 of 2009; and

24 “(ii) credit in addition to credit under  
 25 clause (i), for purchases that—

1 “(I) comply with the require-  
2 ments of such goals; and

3 “(II) support housing that com-  
4 plies with enhanced energy efficiency  
5 standards, as that term is defined in  
6 section 3 of such Act.

7 “(B) TREATMENT OF ADDITIONAL CRED-  
8 IT.—The availability of additional credit under  
9 this paragraph shall not be used to increase any  
10 housing goal, subgoal, or target established  
11 under this subpart.”.

12 **SEC. 9. DUTY TO SERVE UNDERSERVED MARKETS FOR EN-**  
13 **ERGY EFFICIENT AND LOCATION EFFICIENT**  
14 **MORTGAGES.**

15 Section 1335 of the Federal Housing Enterprises Fi-  
16 nancial Safety and Soundness Act of 1992 (12 U.S.C.  
17 4565) is amended—

18 (1) in subsection (a)(1), by adding at the end  
19 the following:

20 “(D) MARKETS FOR ENERGY EFFICIENT  
21 AND LOCATION EFFICIENT MORTGAGES.—

22 “(i) DUTY.—Except as provided in  
23 clause (ii), the enterprise shall develop loan  
24 products and flexible underwriting guide-  
25 lines to facilitate a secondary market for

energy efficient and location efficient mortgages on housing for very low-, low-, and moderate-income families, and for second and junior mortgages made for purposes of energy efficiency or renewable energy improvements.

“(ii) AUTHORITY TO SUSPEND.—Notwithstanding any other provision of this section, the Director may suspend the applicability of the requirement under clause (i) with respect to an enterprise, for such period as is necessary, if the Director determines that exigent circumstances exist and such suspension is appropriate to ensure the safety and soundness of the portfolio holdings of the enterprise.”;

(2) by adding at the end the following:

“(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) ENERGY EFFICIENT MORTGAGE.—The term ‘energy efficient mortgage’ means a mortgage loan under which the income of the borrower, for purposes of qualification for such loan, is considered to be increased by—

“(A) not less than \$1 for each \$1 of savings projected to be realized by the borrower as a result of cost-effective energy saving design, construction, or improvements (including use of renewable energy sources, such as solar, geothermal, biomass, and wind, superinsulation, energy-saving windows, insulating glass and film, and radiant barrier) for the home for which the loan is made; or

“(B) a ratio of income to savings determined by the Director.

“(2) LOCATION EFFICIENT MORTGAGE.—The term ‘location efficient mortgage’ means a mortgage loan under which—

“(A) the income of the borrower, for purposes of qualification for such loan, is considered to be increased by—

“(i) not less than \$1 for each \$1 of savings projected to be realized by the borrower because the location of the home for which the loan is made will result in decreased transportation costs for the household of the borrower; or

“(ii) a ratio of income to savings determined by the Director; or

“(B) the sum of the principal, interest, taxes, and insurance due under the mortgage loan is decreased by—

“(i) not less than \$1 for each \$1 of savings projected to be realized by the borrower because the location of the home for which loan is made will result in decreased transportation costs for the household of the borrower; or

“(ii) a ratio of principal, interest, taxes, and insurance due under the mortgage to savings projected to be realized by the borrower determined by the Director.”.

**SEC. 10. CONSIDERATION OF ENERGY EFFICIENCY UNDER  
FHA MORTGAGE INSURANCE PROGRAMS AND  
NATIVE AMERICAN AND NATIVE HAWAIIAN  
LOAN GUARANTEE PROGRAMS.**

(a) FHA MORTGAGE INSURANCE.—

(1) REQUIREMENT.—Title V of the National Housing Act is amended by adding after section 542 (12 U.S.C. 1735f–20) the following:

**“SEC. 543. CONSIDERATION OF ENERGY EFFICIENCY.**

“(a) UNDERWRITING STANDARDS.—In establishing underwriting standards for mortgages on single family housing that meets minimum energy efficiency standards,

1 as that term is defined in section 3 of the Energy Effi-  
 2 ciency in Housing Act of 2009, that are insured under  
 3 this Act, the Secretary shall consider the impact that sav-  
 4 ings on utility costs has on the income of the mortgagor.

5 “(b) GOAL.—It is the sense of the Congress that, in  
 6 carrying out this Act, the Secretary should endeavor to  
 7 insure mortgages on single family housing that meets min-  
 8 imum energy efficiency standards, as that term is defined  
 9 in section 3 of the Energy Efficiency in Housing Act of  
 10 2009, such that at least 50,000 such mortgages are in-  
 11 sured during the period beginning on the date of enact-  
 12 ment of such Act and ending on December 31, 2012.”.

13 (2) REPORTING ON DEFAULTS.—Section  
 14 540(b)(2) of the National Housing Act (12 U.S.C.  
 15 1735f–18(b)(2)) is amended by adding at the end  
 16 the following:

17 “(C) With respect to each collection period  
 18 that commences after December 31, 2011—

19 “(i) the total number of mortgages on  
 20 single family housing that meets minimum  
 21 energy efficiency standards, as that term is  
 22 defined in section 3 of the Energy Effi-  
 23 ciency in Housing Act of 2009, that are in-  
 24 sured by the Secretary during the applica-  
 25 ble collection period;

1 “(ii) the number of defaults and fore-  
 2 closures occurring on such mortgages dur-  
 3 ing such period;

4 “(iii) the percentage of the total of  
 5 such mortgages insured during such period  
 6 on which defaults and foreclosure occurred;  
 7 and

8 “(iv) the rate for such period of de-  
 9 faults and foreclosures on such mortgages  
 10 compared to the overall rate for such pe-  
 11 riod of defaults and foreclosures on mort-  
 12 gages for single family housing insured  
 13 under this Act by the Secretary.”.

14 (b) INDIAN HOUSING LOAN GUARANTEES.—

15 (1) REQUIREMENT.—Section 184 of the Hous-  
 16 ing and Community Development Act of 1992 (12  
 17 U.S.C. 1715z–13a) is amended—

18 (A) by redesignating subsection (l) as sub-  
 19 section (m); and

20 (B) by inserting after subsection (k) the  
 21 following:

22 “(l) CONSIDERATION OF ENERGY EFFICIENCY.—The  
 23 Secretary shall establish a method to consider, in its un-  
 24 derwriting standards for loans for single family housing  
 25 that meet minimum energy efficiency standards, as that



1 term is defined in section 3 of the Energy Efficiency in  
 2 Housing Act of 2009, that are guaranteed under this sec-  
 3 tion, the impact that savings on utility costs has on the  
 4 portion of the income of the borrower that is available to  
 5 service the mortgage debt.”.

6 (2) REPORTING ON DEFAULTS.—Section  
 7 540(b)(2) of the National Housing Act (12 U.S.C.  
 8 1735f–18(b)(2)), as amended by subsection (a)(2) of  
 9 this section, is amended by adding at the end the  
 10 following:

11 “(D) With respect to each collection period  
 12 that commences after December 31, 2011—

13 “(i) the total number of loans guaran-  
 14 teed under section 184 of the Housing and  
 15 Community Development Act of 1992 (12  
 16 U.S.C. 1715z–13a) for single family hous-  
 17 ing that meets enhanced energy efficiency  
 18 standards, as that term is defined in sec-  
 19 tion 3 of the Energy Efficiency in Housing  
 20 Act of 2009, that are guaranteed by the  
 21 Secretary during the applicable collection  
 22 period;

23 “(ii) the number of defaults and fore-  
 24 closures that occur on such loans during  
 25 such period;

1 “(iii) the percentage of the total num-  
 2 ber of such loans guaranteed during such  
 3 period on which defaults and foreclosures  
 4 occurred; and

5 “(iv) the rate for such period of de-  
 6 faults and foreclosures on such loans com-  
 7 pared to the overall rate for such period of  
 8 defaults and foreclosures on loans for sin-  
 9 gle family housing guaranteed under sec-  
 10 tion 184 of such Act.”.

11 (c) NATIVE HAWAIIAN HOUSING LOAN GUARAN-  
 12 TEES.—

13 (1) REQUIREMENT.—Section 184A of the  
 14 Housing and Community Development Act of 1992  
 15 (12 U.S.C. 1715z–13b) is amended by adding at the  
 16 end the following:

17 “(m) ENERGY EFFICIENT HOUSING REQUIRE-  
 18 MENT.—The Secretary shall establish a method to con-  
 19 sider, in its underwriting standards for loans for single  
 20 family housing that meets minimum energy efficiency  
 21 standards, as that term is defined in section 3 of the En-  
 22 ergy Efficiency in Housing Act of 2009, that are guaran-  
 23 teed under this section, the impact that savings on utility  
 24 costs have on the income of the borrower.”.

1           (2)   REPORTING   ON   DEFAULTS.—Section  
2       540(b)(2) of the National Housing Act (12 U.S.C.  
3       1735f–18(b)(2)), as amended by the preceding pro-  
4       visions of this section, is amended by adding at the  
5       end the following:

6           “(E) With respect to each collection period  
7       that commences after December 31, 2011—

8           “(i) the total number of loans guaran-  
9       teed under section 184A of the Housing  
10      and Community Development Act of 1992  
11      (12 U.S.C. 1715z–13b) on single family  
12      housing that meets enhanced energy effi-  
13      ciency standards, as that term is defined in  
14      section 3 of the Energy Efficiency in  
15      Housing Act of 2009, that are guaranteed  
16      by the Secretary during the applicable col-  
17      lection period;

18          “(ii) the number of defaults and fore-  
19      closures occurring on such loans during  
20      such period;

21          “(iii) the percentage of the total of  
22      such loans guaranteed during such period  
23      on which defaults and foreclosures oc-  
24      curred; and

1 “(iv) the rate for such period of de-  
 2 faults and foreclosures on such loans com-  
 3 pared to the overall rate for such period of  
 4 defaults and foreclosures on loans for sin-  
 5 gle family housing guaranteed under such  
 6 section 184A.”.

7 **SEC. 11. ENERGY EFFICIENT MORTGAGES EDUCATION AND**  
 8 **OUTREACH CAMPAIGN.**

9 Section 513 of the Housing and Community Develop-  
 10 ment Act of 1992 (12 U.S.C. 1701z–16 note) is amended  
 11 by adding at the end the following:

12 “(g) EDUCATION AND OUTREACH CAMPAIGN.—

13 “(1) DEVELOPMENT OF ENERGY EFFICIENT  
 14 MORTGAGE OUTREACH PROGRAM.—

15 “(A) COMMISSION.—The Secretary, in con-  
 16 sultation and coordination with the Secretary of  
 17 Energy, the Secretary of Education, the Sec-  
 18 retary of Agriculture, and the Administrator of  
 19 the Environmental Protection Agency, shall es-  
 20 tablish a commission to develop and recommend  
 21 model mortgage products and underwriting  
 22 guidelines that provide market-based incentives  
 23 to prospective home buyers, lenders, and sellers  
 24 to incorporate energy efficiency upgrades in  
 25 new mortgage loan transactions.

1           “(B) REPORT.—Not later than 24 months  
2           after the date of enactment of this subsection,  
3           the Secretary shall submit to Congress a writ-  
4           ten report on the results of work of the commis-  
5           sion established pursuant to subparagraph (A)  
6           and that identifies model mortgage products  
7           and underwriting guidelines that may encour-  
8           age energy efficiency.

9           “(2) IMPLEMENTATION.—

10           “(A) IN GENERAL.—After submission of  
11           the report under paragraph (1)(B), the Sec-  
12           retary, in consultation and coordination with  
13           the Secretary of Energy, the Secretary of Edu-  
14           cation, and the Administrator of the Environ-  
15           mental Protection Agency, shall carry out a  
16           public awareness, education, and outreach cam-  
17           paign based on the findings of the commission  
18           established pursuant to paragraph (1) to inform  
19           and educate residential lenders and prospective  
20           borrowers regarding the availability, benefits,  
21           advantages, and terms of—

22                   “(i) energy efficient mortgages made  
23                   available pursuant to this section;

1                   “(ii) energy efficient mortgages that  
2                   meet the requirements of section 1334A of  
3                   this Act; and

4                   “(iii) other mortgages, including mort-  
5                   gages for multifamily housing, that have  
6                   energy improvement features.

7                   “(B) CONTRACTING.—The Secretary may  
8                   enter into a contract with an appropriate entity  
9                   to publicize and market such mortgages  
10                  through appropriate media.

11                  “(3) RENEWABLE ENERGY HOME PRODUCT EX-  
12                  POSITIONS.—It is the sense of Congress that the  
13                  Secretary of Housing and Urban Development  
14                  should work with appropriate entities to organize  
15                  and hold renewable energy expositions that provide  
16                  an opportunity for the public to view and learn  
17                  about renewable energy products for the home that  
18                  are currently on the market.

19                  “(4) AUTHORIZATION OF APPROPRIATIONS.—  
20                  There is authorized to be appropriated to the Sec-  
21                  retary to carry out this subsection \$5,000,000 for  
22                  each of fiscal years 2010 through 2013.”.

1 **SEC. 12. COLLECTION OF INFORMATION ON ENERGY EFFI-**  
 2 **CIENT AND LOCATION EFFICIENT MORT-**  
 3 **GAGES THROUGH HOME MORTGAGE DISCLO-**  
 4 **SURE ACT.**

5 (a) IN GENERAL.—Section 304(b)(1) of the Home  
 6 Mortgage Disclosure Act of 1975 (12 U.S.C. 2803(b)(1))  
 7 is amended—

8 (1) in paragraph (3), by striking “and” at the  
 9 end;

10 (2) in paragraph (4), by striking the period at  
 11 the end and inserting a semicolon; and

12 (3) by adding at the end the following new  
 13 paragraphs:

14 “(5) the number and dollar amount of mort-  
 15 gage loans for single family housing and for multi-  
 16 family housing that are energy efficient mortgages  
 17 (as such term is defined in section 1334A of the  
 18 Housing and Community Development Act of 1992);  
 19 and

20 “(6) the number and dollar amount of mort-  
 21 gage loans for single family housing and for multi-  
 22 family housing that are location efficient mortgages  
 23 (as such term is defined in section 1334A of Hous-  
 24 ing and Community Development Act of 1992).”.

25 (b) APPLICABILITY.—The amendment made by sub-  
 26 section (a) shall apply with respect to the first calendar

1 year that begins after the expiration of the 30-day period  
 2 beginning on the date of enactment of this Act.

3 **SEC. 13. ENERGY EFFICIENCY CERTIFICATIONS FOR HOUS-**  
 4 **ING WITH MORTGAGES INSURED BY FHA.**

5 Section 526 of the National Housing Act (12 U.S.C.  
 6 1735f-4(a)) is amended—

7 (1) in subsection (a)—

8 (A) by striking “, other than manufactured  
 9 homes,” each place that term appears;

10 (B) by inserting after the period at the end  
 11 the following: “The energy performance require-  
 12 ments developed and established by the Sec-  
 13 retary under this section for manufactured  
 14 homes shall require Energy Star ratings for  
 15 wall fixtures, appliances, and equipment in such  
 16 homes.”;

17 (C) by striking “(a) To” and inserting the  
 18 following:

19 “(a) ENERGY EFFICIENCY.—

20 “(1) IN GENERAL.—To”; and

21 (D) by adding at the end the following:

22 “(2) CERTIFICATION.—The Secretary shall re-  
 23 quire, with respect to any single family or multi-  
 24 family residential housing subject to a mortgage in-  
 25 sured under this Act, that any approval or certifi-



1 cation of the housing for meeting any energy effi-  
2 ciency or conservation criteria, standards, or require-  
3 ments pursuant to this title and any approval or cer-  
4 tification required pursuant to this title with respect  
5 to energy conserving improvements or any renewable  
6 energy sources, such as wind, solar energy, geo-  
7 thermal, or biomass, shall be conducted only by an  
8 individual certified by a home energy rating system  
9 provider that has been accredited to conduct such  
10 ratings by the Home Energy Ratings System Coun-  
11 cil, the Residential Energy Services Network, or  
12 such other appropriate national organization, as the  
13 Secretary may provide, or by a licensed professional  
14 architect or engineer that has been accredited as a  
15 LEED Accredited Professional by the Green Build-  
16 ing Certification Institute. If any organization  
17 makes a request to the Secretary for approval to ac-  
18 credit individuals to conduct energy efficiency or  
19 conservation ratings, the Secretary shall review and  
20 approve or disapprove such request not later than 6  
21 months after receipt of such request.

22 “(3) LISTING.—Each regional office of the De-  
23 partment of Housing and Urban Development shall  
24 maintain a list of individuals certified by a home en-  
25 ergy rating system provider that has been accredited

to conduct such ratings by the Home Energy Ratings System Council, the Residential Energy Services Network, or such other appropriate national organizations or professionals as the Secretary may designate. Such list shall indicate that home energy rating system providers accredited by the Residential Energy Services Network are preferred by the Department of Housing and Urban Development.

“(4) PERIODIC EXAMINATION OF METHOD.—

The Secretary shall periodically examine the method used to conduct inspections for compliance with the requirements under this section, analyze various other approaches for conducting such inspections, and review the costs and benefits of the current method compared with other methods.”; and

(2) in subsection (b)—

(A) by striking “, other than a manufactured home,”; and

(B) by striking “(b) The” and inserting the following:

“(b) HEALTH AND SAFETY.—The”.

**SEC. 14. ASSISTED HOUSING ENERGY LOAN PILOT PROGRAM.**

(a) AUTHORITY.—Not later than 12 months after the date of enactment of this Act, the Secretary shall develop

1 and implement a pilot program to facilitate the financing  
 2 of cost-effective capital improvements for covered assisted  
 3 housing projects to improve the energy efficiency and con-  
 4 servation of such projects.

5 (b) NUMBER OF LENDERS.—The pilot program  
 6 under this section shall involve not less than 3 and not  
 7 more than 5 lenders.

8 (c) LOANS.—The pilot program under this section  
 9 shall provide for a privately financed loan to be made for  
 10 a covered assisted housing project that—

11 (1) finances capital improvements for the  
 12 project that meet such requirements as the Sec-  
 13 retary shall establish, and may involve contracts  
 14 with third parties to perform such capital improve-  
 15 ments, including the design of such improvements by  
 16 licensed professional architects or engineers;

17 (2) has a term to maturity that is—

18 (A) not more than 20 years; and

19 (B) necessary to realize cost savings suffi-  
 20 cient to repay such loan;

21 (3) is secured by a mortgage subordinate to the  
 22 mortgage for the project that is insured under title  
 23 II of the National Housing Act; and

24 (4) provides for a reduction in the remaining  
 25 principal obligation under the loan based on the ac-

1        tual cost savings realized from the capital improve-  
2        ments financed with the loan.

3        (d) UNDERWRITING STANDARDS.—The Secretary  
4 shall establish underwriting requirements for loans made  
5 under the pilot program under this section, which shall—

6            (1) require the cost savings projected to be real-  
7        ized from the capital improvements financed with  
8        the loan, during the term of the loan, to exceed the  
9        costs of repaying the loan;

10          (2) allow the designer or contractor involved in  
11        designing capital improvements to be financed with  
12        a loan under the program to carry out such capital  
13        improvements; and

14          (3) include such energy, audit, property, finan-  
15        cial, ownership, and approval requirements as the  
16        Secretary considers appropriate.

17        (e) TREATMENT OF SAVINGS.—The pilot program  
18 under this section shall provide that the financial benefit  
19 from any reduction in the cost of utilities resulting from  
20 capital improvements financed with a loan made under the  
21 program shall be shared between the project owner and  
22 the tenants in accordance with an appropriate ratio, as  
23 determined by the Secretary.

1 (f) COVERED ASSISTED HOUSING PROJECTS.—For  
 2 purposes of this section, the term “covered assisted hous-  
 3 ing project” means a housing project that—

4 (1) is financed by a loan or mortgage that is—

5 (A) insured by the Secretary under para-  
 6 graph (3) or (4) of section 221(d) of the Na-  
 7 tional Housing Act (12 U.S.C. 1715l(d)), and  
 8 bears interest at a rate determined under the  
 9 proviso of section 221(d)(5) of such Act; or

10 (B) insured or assisted under section 236  
 11 of the National Housing Act (12 U.S.C. 1715z-  
 12 1);

13 (2) at the time a loan under this section is  
 14 made, is provided project-based rental assistance  
 15 under section 8 of the United States Housing Act of  
 16 1937 (42 U.S.C. 1437f) for 50 percent or more of  
 17 the dwelling units in the project; and

18 (3) is not a housing project owned or held by  
 19 the Secretary, or subject to a mortgage held by the  
 20 Secretary.

21 **SEC. 15. HOPE VI GREEN DEVELOPMENTS REQUIREMENT.**

22 (a) MANDATORY COMPONENT.—Section 24(e) of the  
 23 United States Housing Act of 1937 (42 U.S.C. 1437v(e))  
 24 is amended by adding at the end the following:

25 “(4) GREEN DEVELOPMENTS REQUIREMENT.—

1           “(A) REQUIREMENT.—The Secretary may  
2           not make a grant under this section to an appli-  
3           cant unless the proposed revitalization plan of  
4           the applicant to be carried out with such grant  
5           amounts meets the following requirements:

6                   “(i) RESIDENTIAL CONSTRUCTION.—  
7           All residential construction under the pro-  
8           posed plan complies with—

9                           “(I) all mandatory items of the  
10           national Green Communities criteria  
11           checklist for residential construction  
12           and rehabilitation and such non-  
13           mandatory items of such checklist as  
14           are necessary for a residential con-  
15           struction to receive—

16                                   “(aa) 25 points, in the case  
17           of any proposed plan (or portion  
18           thereof) consisting of new con-  
19           struction; and

20                                   “(bb) 20 points, in the case  
21           of any proposed plan (or portion  
22           thereof) consisting of rehabilita-  
23           tion; or

1 “(II) a substantially equivalent  
2 standard, as determined by the Sec-  
3 retary.

4 “(ii) NONRESIDENTIAL CONSTRU-  
5 TION.—All nonresidential construction  
6 under the proposed plan complies with all  
7 minimum required levels of the green  
8 building rating systems and levels identi-  
9 fied by the Secretary pursuant to subpara-  
10 graph (C), as such systems and levels are  
11 in effect at the time of the application for  
12 the grant.

13 “(B) VERIFICATION.—

14 “(i) IN GENERAL.—The Secretary  
15 shall verify, or provide for verification suf-  
16 ficient to ensure, that each revitalization  
17 plan carried out with amounts from a  
18 grant under this section complies with the  
19 requirements under subparagraph (A).

20 “(ii) TIMING.—In providing for such  
21 verification, the Secretary shall establish  
22 procedures to ensure such compliance with  
23 respect to each grantee, and shall submit  
24 a report to Congress with respect to the  
25 compliance of each grantee—

1 “(I) not later than 6 months  
 2 after execution of the grant agreement  
 3 under this section for the grantee; and

4 “(II) on completion of the revital-  
 5 ization plan of the grantee.

6 “(C) IDENTIFICATION OF GREEN BUILD-  
 7 INGS RATING SYSTEMS AND LEVELS.—

8 “(i) IN GENERAL.—For purposes of  
 9 this paragraph, the Secretary, in consulta-  
 10 tion with the Secretary of Energy, shall  
 11 identify rating systems and levels for green  
 12 buildings that the Secretary determines to  
 13 be the most likely to encourage a com-  
 14 prehensive and environmentally sound ap-  
 15 proach to ratings and standards for green  
 16 buildings.

17 “(ii) CRITERIA.—In identifying the  
 18 green rating systems and levels under  
 19 clause (i), the Secretary shall take into  
 20 consideration—

21 “(I) the ability and availability of  
 22 assessors and auditors to independ-  
 23 ently verify the criteria and measure-  
 24 ment of metrics at the scale necessary  
 25 to implement this paragraph;



1 “(II) the ability of the applicable  
2 ratings system organizations to collect  
3 and reflect public comment;

4 “(III) the ability of the standards  
5 to be developed and revised through a  
6 consensus-based process;

7 “(IV) an evaluation of the  
8 robustness of the criteria for a high-  
9 performance green building, which  
10 shall give credit for promoting—

11 “(aa) efficient and sustain-  
12 able use of water, energy, and  
13 other natural resources;

14 “(bb) use of renewable en-  
15 ergy sources;

16 “(cc) improved indoor and  
17 outdoor environmental quality  
18 through enhanced indoor and  
19 outdoor air quality, thermal com-  
20 fort, acoustics, outdoor noise pol-  
21 lution, day lighting, pollutant  
22 source control, sustainable land-  
23 scaping, and use of building sys-  
24 tem controls and low- or no-emis-  
25 sion materials, including pref-

1                   erence for materials with no  
2                   added carcinogens that are classi-  
3                   fied as Group 1 Known Carcino-  
4                   gens by the International Agency  
5                   for Research on Cancer; and

6                   “(dd) such other criteria as  
7                   the Secretary determines to be  
8                   appropriate; and

9                   “(V) national recognition within  
10                  the building industry.

11                  “(iii) FIVE-YEAR EVALUATION.—At  
12                  least once every 5 years, the Secretary  
13                  shall conduct a study to evaluate and com-  
14                  pare available third party green building  
15                  rating systems and levels, taking into ac-  
16                  count the criteria listed in clause (ii).

17                  “(iv) REVIEW AND UPDATE.—Within  
18                  90 days of the completion of each study re-  
19                  quired by clause (iii), the Secretary shall  
20                  review and update the rating systems and  
21                  levels, or identify alternative systems and  
22                  levels for purposes of this paragraph, tak-  
23                  ing into account the conclusions of such  
24                  study.

1 “(D) APPLICABILITY AND UPDATING OF  
2 STANDARDS.—

3 “(i) APPLICABILITY.—Except as pro-  
4 vided in clause (ii), the national Green  
5 Communities criteria checklist and green  
6 building rating systems and levels referred  
7 to in subparagraph (A) that are in effect  
8 for purposes of this paragraph are such  
9 checklist systems and levels as in existence  
10 on the date of enactment of the Energy  
11 Efficiency in Housing Act of 2009.

12 “(ii) UPDATING.—The Secretary may,  
13 by regulation, adopt and apply for pur-  
14 poses of this paragraph, future amend-  
15 ments and supplements to, and editions of,  
16 the national Green Communities criteria  
17 checklist, any standard or standards that  
18 the Secretary has determined to be sub-  
19 stantially equivalent to such checklist, and  
20 the green building ratings systems and lev-  
21 els identified by the Secretary pursuant to  
22 subparagraph (C).”.

23 (b) SELECTION CRITERIA; GRADED COMPONENT.—  
24 Section 24(e)(2) of the United States Housing Act of  
25 1937 (42 U.S.C. 1437v(e)(2)) is amended—

1           (1) in subparagraph (K), by striking “and” at  
2     the end;

3           (2) by redesignating subparagraph (L) as sub-  
4     paragraph (M); and

5           (3) by inserting after subparagraph (K) the fol-  
6     lowing:

7           “(L) the extent to which the proposed revi-  
8     talization plan—

9           “(i) in the case of residential con-  
10          struction, complies with the nonmandatory  
11          items of the national Green Communities  
12          criteria checklist identified in paragraph  
13          (4)(A)(i), or any substantially equivalent  
14          standard or standards as determined by  
15          the Secretary, but only to the extent such  
16          compliance exceeds the compliance nec-  
17          essary to accumulate the number of points  
18          required under such paragraph; and

19          “(ii) in the case of nonresidential con-  
20          struction, complies with the components of  
21          the green building rating systems and lev-  
22          els identified by the Secretary pursuant to  
23          paragraph (4)(C), but only to the extent  
24          such compliance exceeds the minimum level

1 required under such systems and levels;  
 2 and”.

3 **SEC. 16. CONSIDERATION OF ENERGY EFFICIENCY IM-**  
 4 **PROVEMENTS IN APPRAISALS.**

5 (a) APPRAISALS IN CONNECTION WITH FEDERALLY  
 6 RELATED TRANSACTIONS.—

7 (1) REQUIREMENT.—Section 1110 of the Fi-  
 8 nancial Institutions Reform, Recovery, and Enforce-  
 9 ment Act of 1989 (12 U.S.C. 3339) is amended—

10 (A) in paragraph (1), by striking “and” at  
 11 the end;

12 (B) by redesignating paragraph (2) as  
 13 paragraph (3); and

14 (C) by inserting after paragraph (1) the  
 15 following:

16 “(2) that such appraisals be performed in ac-  
 17 cordance with appraisal standards that require, in  
 18 determining the value of a property, consideration of  
 19 the ongoing utility savings and increased value from  
 20 the savings that result from—

21 “(A) any renewable energy sources for the  
 22 property; or

23 “(B) energy efficiency or energy conserving  
 24 improvements or features of the property; and”.

1           (2) REVISION OF APPRAISAL STANDARDS.—

2           Each Federal financial institution regulatory agency  
3           shall, not later than 6 months after the date of en-  
4           actment of this Act, revise its standards for the per-  
5           formance of real estate appraisals in connection with  
6           federally related transactions under the jurisdiction  
7           of the agency to comply with the requirement under  
8           the amendments made by paragraph (1).

9           (b) APPRAISER CERTIFICATION AND LICENSING RE-  
10          QUIREMENTS.—Section 1116 of the Financial Institutions  
11          Reform, Recovery, and Enforcement Act of 1989 (12  
12          U.S.C. 3345) is amended—

13                 (1) in subsection (a), by inserting before the pe-  
14                 riod at the end the following: “and meets the re-  
15                 quirements established pursuant to subsection (f) for  
16                 qualifications regarding consideration of any renew-  
17                 able energy sources for, or energy efficiency or en-  
18                 ergy conserving improvements or features of, the  
19                 property”;

20                 (2) in subsection (c), by inserting before the pe-  
21                 riod at the end the following: “, which shall include  
22                 compliance with the requirements established pursu-  
23                 ant to subsection (f) regarding consideration of any  
24                 renewable energy sources for, or energy efficiency or

1 energy conserving improvements or features of, the  
 2 property”;

3 (3) in subsection (e), by striking “The” and in-  
 4 serting “Except as provided in subsection (f), the”;  
 5 and

6 (4) by adding at the end the following:

7 “(f) REQUIREMENTS FOR APPRAISERS REGARDING  
 8 ENERGY EFFICIENCY FEATURES.—The Appraisal Sub-  
 9 committee shall establish requirements for State certifi-  
 10 cation of State certified real estate appraisers and for  
 11 State licensing of State licensed appraisers, to ensure that  
 12 appraisers consider and are qualified to consider, in deter-  
 13 mining the value of a property, any renewable energy  
 14 sources for, or energy efficiency or energy conserving im-  
 15 provements or features of, the property.”.

16 (c) GUIDELINES FOR APPRAISING PHOTOVOLTAIC  
 17 AND SOLAR THERMAL MEASURES AND TRAINING OF AP-  
 18 PRAISERS.—Section 1122 of the Financial Institutions  
 19 Reform, Recovery, and Enforcement Act of 1989 (12  
 20 U.S.C. 3351) is amended by adding at the end the fol-  
 21 lowing:

22 “(g) GUIDELINES FOR APPRAISING PHOTOVOLTAIC  
 23 AND SOLAR THERMAL MEASURES AND TRAINING OF AP-  
 24 PRAISERS.—The Appraisal Subcommittee shall, in con-  
 25 sultation with the Secretary of Housing and Urban Devel-

1 opment, the Federal National Mortgage Association, and  
 2 the Federal Home Loan Mortgage Corporation, establish  
 3 specific guidelines for—

4 “(1) appraising off- and on-grid photovoltaic  
 5 and solar thermal measures for compliance with the  
 6 appraisal standards prescribed pursuant to section  
 7 1110(2);

8 “(2) requirements under section 1116(f) for  
 9 certification of State certified real estate appraisers  
 10 and for State licensing of State licensed appraisers,  
 11 to ensure that appraisers consider, and are qualified  
 12 to consider, such photovoltaic and solar thermal  
 13 measures in determining the value of a property;  
 14 and

15 “(3) training of appraisers to meet the require-  
 16 ments established pursuant to paragraph (2) of this  
 17 subsection.”.

18 **SEC. 17. ADDITIONAL REQUIREMENTS FOR THE HOUSING**  
 19 **ASSISTANCE COUNCIL.**

20 The Secretary shall require the Housing Assistance  
 21 Council—

22 (1) to encourage each organization that receives  
 23 assistance from the Council with any amounts made  
 24 available from the Secretary to provide that any  
 25 structure or building developed or assisted under



1 projects, programs, and activities funded with such  
2 amounts complies with enhanced energy efficiency  
3 standards; and

4 (2) to establish incentives to encourage each  
5 such organization to provide that any such structure  
6 or building complies with enhanced energy efficiency  
7 standards.

8 **SEC. 18. RURAL HOUSING AND ECONOMIC DEVELOPMENT**  
9 **ASSISTANCE.**

10 The Secretary shall—

11 (1) encourage each tribe, agency, organization,  
12 corporation, and other entity that receives any as-  
13 sistance from the Office of Rural Housing and Eco-  
14 nomic Development of the Department of Housing  
15 and Urban Development to provide that any struc-  
16 ture or building developed or assisted under activi-  
17 ties funded with such amounts complies with min-  
18 imum energy efficiency standards; and

19 (2) establish incentives to encourage each such  
20 tribe, agency, organization, corporation, and other  
21 entity to provide that any such structure or building  
22 comply with enhanced energy efficiency standards.

1 **SEC. 19. REVOLVING FUND FOR LOANS TO STATES AND IN-**  
 2 **DIAN TRIBES TO CARRY OUT RENEWABLE EN-**  
 3 **ERGY SOURCES ACTIVITIES.**

4 (a) ESTABLISHMENT OF FUND.—There is estab-  
 5 lished in the Treasury of the United States a revolving  
 6 fund, to be known as the “Alternative Energy Sources  
 7 State Revolving Fund”.

8 (b) CREDITS.—The Fund shall be credited with—

9 (1) any amounts appropriated to the Fund pur-  
 10 suant to subsection (g);

11 (2) any amounts of principal and interest from  
 12 loan repayments received by the Secretary pursuant  
 13 to subsection (d)(7); and

14 (3) any interest earned on investments of  
 15 amounts in the Fund pursuant to subsection (e).

16 (c) EXPENDITURES.—

17 (1) IN GENERAL.—Subject to paragraph (2), on  
 18 request by the Secretary, the Secretary of the Treas-  
 19 ury shall transfer from the Fund to the Secretary  
 20 such amounts as the Secretary determines are nec-  
 21 essary to provide loans under subsection (d)(1).

22 (2) ADMINISTRATIVE EXPENSES.—Of the  
 23 amounts in the Fund, not more than 5 percent shall  
 24 be available for each fiscal year to pay the adminis-  
 25 trative expenses of the Department of Housing and  
 26 Urban Development to carry out this section.

1 (d) LOANS TO STATES AND INDIAN TRIBES.—

2 (1) IN GENERAL.—The Secretary shall use  
3 amounts in the Fund to provide loans to States and  
4 Indian tribes to provide incentives to owners of sin-  
5 gle family and multifamily housing, commercial  
6 properties, and public buildings to provide—

7 (A) renewable energy sources for such  
8 structures, such as wind, wave, solar, biomass,  
9 or geothermal energy sources, including incen-  
10 tives to companies and businesses to change  
11 their source of energy to such renewable energy  
12 sources and for changing the sources of energy  
13 for public buildings to such renewable energy  
14 sources;

15 (B) energy efficiency and energy con-  
16 serving improvements and features for such  
17 structures; or

18 (C) infrastructure related to the delivery of  
19 electricity and hot water for structures lacking  
20 such amenities.

21 (2) ELIGIBILITY.—To be eligible to receive a  
22 loan under this subsection, a State or Indian tribe,  
23 directly or through an appropriate State or tribal  
24 agency, shall submit to the Secretary an application

1 at such time, in such manner, and containing such  
2 information as the Secretary may require.

3 (3) CRITERIA FOR APPROVAL.—The Secretary  
4 may approve an application of a State or Indian  
5 tribe under paragraph (2) only if the Secretary de-  
6 termines that the State or tribe will use the funds  
7 from the loan under this subsection to carry out a  
8 program to provide incentives described in para-  
9 graph (1) that—

10 (A) requires that any such renewable en-  
11 ergy sources, and energy efficiency and energy  
12 conserving improvements and features, devel-  
13 oped pursuant to assistance under the program  
14 result in compliance of the structure so im-  
15 proved with minimum energy efficiency stand-  
16 ards; and

17 (B) includes such compliance and audit re-  
18 quirements as the Secretary determines are nec-  
19 essary to ensure that the program is operated  
20 in a sound and effective manner.

21 (4) PREFERENCE.—In making loans during  
22 each fiscal year, the Secretary shall give preference  
23 to States and Indian tribes that have not previously  
24 received a loan under this subsection.

1           (5) MAXIMUM AMOUNT.—The aggregate out-  
2           standing principal amount from loans under this  
3           subsection to any single State or Indian tribe may  
4           not exceed \$500,000,000.

5           (6) LOAN TERMS.—Each loan under this sub-  
6           section shall have a term to maturity of not more  
7           than 10 years and shall bear interest at an annual  
8           rate, determined by the Secretary, that shall not ex-  
9           ceed the interest rate charged by the Federal Re-  
10          serve Bank of New York to commercial banks and  
11          other depository institutions for very short-term  
12          loans under the primary credit program, as most re-  
13          cently published in the Federal Reserve Statistical  
14          Release on selected interest rates (daily or weekly),  
15          and commonly referred to as the H.15 release, pre-  
16          ceding the date of a determination for purposes of  
17          applying this paragraph.

18          (7) LOAN REPAYMENT.—The Secretary shall  
19          require full repayment of each loan made under this  
20          section.

21          (e) INVESTMENT OF AMOUNTS.—

22                (1) IN GENERAL.—The Secretary of the Treas-  
23                ury shall invest such amounts in the Fund that are  
24                not, in the judgment of the Secretary of the Treas-  
25                ury, required to meet needs for current withdrawals.

1           (2) OBLIGATIONS OF UNITED STATES.—Invest-  
2       ments may be made only in interest-bearing obliga-  
3       tions of the United States.

4       (f) REPORTS.—

5           (1) REPORTS TO SECRETARY.—For each year  
6       during the term of a loan made under subsection  
7       (d), the State or Indian tribe that received the loan  
8       shall submit to the Secretary a report describing the  
9       State or tribal alternative energy sources program  
10      for which the loan was made and the activities con-  
11      ducted under the program using the loan funds dur-  
12      ing that year.

13          (2) REPORT TO CONGRESS.—Not later than  
14      September 30 of each year that loans made under  
15      subsection (d) are outstanding, the Secretary shall  
16      submit a report to Congress describing the total  
17      amount of such loans provided under subsection (d)  
18      to each eligible State and Indian tribe during the fis-  
19      cal year ending on such date, and an evaluation on  
20      effectiveness of the Fund.

21       (g) AUTHORIZATION OF APPROPRIATIONS.—There is  
22      authorized to be appropriated to the Fund  
23      \$5,000,000,000.

24       (h) DEFINITIONS.—In this section, the following defi-  
25      nitions shall apply:

1           (1) INDIAN TRIBE.—The term “Indian tribe”  
 2           has the meaning given such term in section 4 of the  
 3           Native American Housing Assistance and Self-De-  
 4           termination Act of 1996 (25 U.S.C. 4103).

5           (2) STATE.—The term “State” means each of  
 6           the several States, the Commonwealth of Puerto  
 7           Rico, the District of Columbia, the Commonwealth  
 8           of the Northern Mariana Islands, Guam, the Virgin  
 9           Islands, American Samoa, the Trust Territories of  
 10          the Pacific, or any other possession of the United  
 11          States.

12 **SEC. 20. COMPETITIVE GRANT PROGRAM TO INCREASE**  
 13                               **SUSTAINABLE LOW-INCOME COMMUNITY DE-**  
 14                               **VELOPMENT CAPACITY.**

15          (a) DEFINITIONS.—In this section:

16           (1) ELIGIBLE COMMUNITY DEVELOPMENT OR-  
 17           GANIZATION.—The term “eligible community devel-  
 18           opment organization” means—

19                       (A) a unit of general local government, as  
 20                       that term is defined in section 104 of the Cran-  
 21                       ston-Gonzalez National Affordable Housing Act  
 22                       (42 U.S.C. 12704));

23                       (B) a community housing development or-  
 24                       ganization, as that term is defined in section

1           104 of the Cranston-Gonzalez National Afford-  
2           able Housing Act (42 U.S.C. 12704));

3           (C) an Indian tribe or tribally designated  
4           housing entity, as those terms are defined in  
5           section 4 of the Native American Housing As-  
6           sistance and Self-Determination Act of 1996  
7           (25 U.S.C. 4103)); and

8           (D) a public housing agency, as that term  
9           is defined in section 3(b) of the United States  
10          Housing Act of 1937 (42 U.S.C. 1437(b)).

11          (2) LOW-INCOME COMMUNITY.—The term “low-  
12          income community” means a census tract in which  
13          50 percent or more of the households have an an-  
14          nual income that is less than 80 percent of the  
15          greater of—

16                (A) the median gross income for that year  
17                for the area in which the census tract is lo-  
18                cated; or

19                (B) the median gross income for that year  
20                for the State in which the census tract is lo-  
21                cated.

22          (3) NONPROFIT ORGANIZATION.—The term  
23          “nonprofit organization” has the same meaning as  
24          in section 104 of the Cranston-Gonzalez National  
25          Affordable Housing Act (42 U.S.C. 12704).



1 (b) PROGRAM ESTABLISHED.—The Secretary shall  
2 establish a competitive grant program to make grants to  
3 nonprofit organizations to—

4 (1) carry out a project described in subsection  
5 (c);

6 (2) train, educate, support, or advise an eligible  
7 community development organization that carries  
8 out a project described in subsection (c);

9 (3) provide planning and design assistance to  
10 eligible community development organizations;

11 (4) make loans or grants to eligible community  
12 development organizations; or

13 (5) carry out other activities consistent with  
14 this section, as the Secretary determines appro-  
15 priate.

16 (c) PROJECTS.—The projects described in this sub-  
17 section are projects—

18 (1) that take into consideration minimum en-  
19 ergy efficiency standards, enhanced energy efficiency  
20 standards, and green building standards; and

21 (2) that—

22 (A) improve the energy efficiency of resi-  
23 dential and nonresidential structures;

24 (B) promote resource conservation and  
25 reuse;

1 (C) include design strategies to maximize  
2 the energy efficiency of residential and nonresi-  
3 dential structures;

4 (D) install or construct renewable energy  
5 improvements for residential and nonresidential  
6 structures, including wind, wave, solar, biomass,  
7 and geothermal energy sources; or

8 (E) promote the effective use of existing  
9 infrastructure in affordable housing and eco-  
10 nomic development activities in low-income com-  
11 munities.

12 (d) PRIORITY.—In making grants under this section,  
13 the Secretary shall give priority to activities that will re-  
14 sult in compliance with minimum energy efficiency stand-  
15 ards, enhanced energy efficiency standards, and green  
16 building standards.

17 (e) APPLICATION.—A nonprofit organization that de-  
18 sires a grant under this section shall submit to the Sec-  
19 retary an application at such time, in such manner, and  
20 containing such information as the Secretary may require.

21 (f) AWARD OF CONTRACTS.—Any contract for archi-  
22 tectural or engineering services that is funded with  
23 amounts from grants made under this section shall be  
24 awarded in accordance with chapter 11 of title 40, United

1 States Code (relating to selection of architects and engi-  
 2 neers).

3 (g) FEDERAL SHARE.—

4 (1) AMOUNT OF FEDERAL SHARE.—The Fed-  
 5 eral share of the cost of a project under this section  
 6 may not exceed 50 percent.

7 (2) FORM OF NON-FEDERAL SHARE.—The non-  
 8 Federal share of the cost of a project under this sec-  
 9 tion may be in cash or in-kind.

10 (h) AUTHORIZATION OF APPROPRIATIONS.—There  
 11 are authorized to be appropriated to the Secretary such  
 12 sums as may be necessary to carry out this section.

13 **SEC. 21. INSURANCE COVERAGE FOR LOANS FOR FINANC-**  
 14 **ING OF RENEWABLE ENERGY SYSTEMS**  
 15 **LEASED FOR RESIDENTIAL USE.**

16 (a) PURPOSES.—The purposes of this section are—

17 (1) to encourage residential use of renewable  
 18 energy systems by minimizing upfront costs and pro-  
 19 viding immediate utility cost savings to consumers  
 20 through leasing of such systems to homeowners;

21 (2) to reduce carbon emissions and the use of  
 22 nonrenewable resources;

23 (3) to encourage energy efficient residential  
 24 construction and rehabilitation;

1 (4) to encourage the use of renewable resources  
 2 by homeowners;

3 (5) to minimize the impact of development on  
 4 the environment;

5 (6) to reduce consumer utility costs; and

6 (7) to encourage private investment in the  
 7 green economy.

8 (b) DEFINITIONS.—As used in this section, the fol-  
 9 lowing definitions shall apply:

10 (1) AUTHORIZED RENEWABLE ENERGY LEND-  
 11 ER.—The term “authorized renewable energy lend-  
 12 er” means a lender authorized by the Secretary to  
 13 make a loan under this section.

14 (2) RENEWABLE ENERGY SYSTEM LEASE.—The  
 15 term “renewable system energy lease” means an  
 16 agreement between an authorized renewable energy  
 17 system owner and a homeowner for a term of not  
 18 less than 5 years, pursuant to which the home-  
 19 owner—

20 (A) grants an easement to such renewable  
 21 energy system owner to install, maintain, use,  
 22 and otherwise access the renewable energy sys-  
 23 tem; and

24 (B) agrees to—

- 1 (i) lease the use of such system from  
2 such renewable energy system owner; or  
3 (ii) purchase electric power from such  
4 renewable energy system owner.

5 (3) RENEWABLE ENERGY MANUFACTURER.—  
6 The term “renewable energy manufacturer” means a  
7 manufacturer of renewable energy systems.

8 (4) RENEWABLE ENERGY SYSTEM OWNER.—  
9 The term “renewable energy system owner” means  
10 a homebuilder, a manufacturer or installer of a re-  
11 newable energy system, or any other person, as de-  
12 termined by the Secretary.

13 (5) RENEWABLE ENERGY SYSTEM.—The term  
14 “renewable energy system” means a system of en-  
15 ergy derived from—

16 (A) a wind, solar (including photovoltaic  
17 and solar thermal), biomass (including bio-  
18 diesel), or geothermal source; or

19 (B) hydrogen derived from biomass or  
20 water using an energy source described in sub-  
21 paragraph (A).

22 (c) AUTHORITY.—

23 (1) IN GENERAL.—The Secretary may, upon  
24 application by an authorized renewable energy sys-  
25 tem owner, insure or make a commitment to insure

1 a loan made by an authorized renewable energy  
 2 lender to a renewable energy system owner to fi-  
 3 nance the acquisition of a renewable energy system  
 4 for lease to a homeowner for use at the residence of  
 5 such homeowner.

6 (2) TERMS AND CONDITIONS.—The Secretary  
 7 may prescribe such terms and conditions for insur-  
 8 ance under paragraph (1) as are consistent with the  
 9 purposes of this section.

10 (d) LIMITATION ON PRINCIPAL AMOUNT.—

11 (1) LIMITATION.—The principal amount of a  
 12 loan insured under this section shall not exceed the  
 13 residual value of the renewable energy system to be  
 14 acquired with the loan.

15 (2) RESIDUAL VALUE.—For purposes of this  
 16 subsection—

17 (A) the residual value of a renewable en-  
 18 ergy system is the fair market value of the fu-  
 19 ture revenue stream from the sale of the ex-  
 20 pected remaining electricity production from the  
 21 system, pursuant to the easement granted in  
 22 accordance with subsection (e); and

23 (B) the fair market value of the future rev-  
 24 enue stream for each year of the remaining life  
 25 of the renewable energy system shall be deter-

1           mined based on the net present value of the  
2           power output production warranty for such re-  
3           newable energy system provided by the renew-  
4           able energy manufacturer and the forecast of  
5           regional residential electricity prices made by  
6           the Energy Information Administration of the  
7           Department of Energy.

8           (e) EASEMENT.—The Secretary may not insure a  
9           loan under this section unless the renewable energy system  
10          owner certifies, in accordance with such requirements as  
11          the Secretary shall establish, consistent with the purposes  
12          of this section, that the systems financed will be leased  
13          only to homeowners that grant easements to install, main-  
14          tain, use, and otherwise access the system that include the  
15          right to sell electricity produced during the life of the re-  
16          newable energy system to a wholesale or retail electrical  
17          power grid.

18          (f) DISCOUNT OR PREPAYMENT.—To encourage the  
19          use of renewable energy systems, the Secretary shall en-  
20          sure that a discount given to a homeowner by a renewable  
21          energy system owner or other investor or prepayment of  
22          a renewable energy system lease by a renewable energy  
23          system owner does not adversely affect the mortgage re-  
24          quirements of such homeowner.

1 (g) ELIGIBILITY OF LENDERS.—The Secretary may  
 2 not insure a loan under this section unless the lender mak-  
 3 ing the loan—

4 (1) is an institution that—

5 (A) qualifies as a green banking center  
 6 under section 8(x) of the Federal Deposit In-  
 7 surance Act (12 U.S.C. 1818(x)) or section  
 8 206(x) of the Federal Credit Union Act (12  
 9 U.S.C. 1786(x)); or

10 (B) meets such other requirements as the  
 11 Secretary shall establish for participation of re-  
 12 newable energy lenders in the program under  
 13 this section; and

14 (2) meets such qualifications as the Secretary  
 15 shall establish for all lenders for participation in the  
 16 program under this section.

17 (h) CERTIFICATE OF INSURANCE.—

18 (1) IN GENERAL.—The Secretary shall issue to  
 19 a lender that is insured under this section a certifi-  
 20 cate that serves as evidence of insurance coverage  
 21 under this section.

22 (2) CONTENTS OF CERTIFICATE.—The certifi-  
 23 cate required under paragraph (1) shall set forth the  
 24 fair market value of the future revenue stream for



1 each year of the remaining life of the renewable en-  
 2 ergy system.

3 (3) FULL FAITH AND CREDIT.—The certificate  
 4 required under paragraph (1) shall be backed by the  
 5 full faith and credit of the United States.

6 (i) PAYMENT OF INSURANCE CLAIM.—

7 (1) FILING OF CLAIM.—The Secretary shall  
 8 provide for the filing of claims for insurance under  
 9 this section and the payment of such claims.

10 (2) PAYMENT OF CLAIM.—A claim under para-  
 11 graph (1) may be paid only upon a default under the  
 12 loan insured under this section and the assignment,  
 13 transfer, and delivery to the Secretary of—

14 (A) all rights and interests arising under  
 15 the loan; and

16 (B) all claims of the lender or the assigns  
 17 of the lender against the borrower or others  
 18 arising under the loan transaction.

19 (3) LIEN.—

20 (A) IN GENERAL.—Upon payment of a  
 21 claim for insurance of a loan under this section,  
 22 the Secretary shall hold a lien on the underlying  
 23 renewable energy system assets and any associ-  
 24 ated revenue stream from the use of such sys-

1           tem, which shall be superior to all other liens  
2           on such assets.

3                   (B) RESIDUAL VALUE.—The residual value  
4           of such renewable energy system and the rev-  
5           enue stream from the use of such system shall  
6           be not less than the unpaid balance of the loan  
7           amount covered by the certificate of insurance.

8                   (C) REVENUE FROM SALE.—The Secretary  
9           shall be entitled to any revenue generated by  
10          such renewable energy system from selling elec-  
11          tricity to the grid when an insurance claim has  
12          been paid out.

13          (j) ASSIGNMENT AND TRANSFERABILITY OF INSUR-  
14          ANCE.—A renewable energy system owner or an author-  
15          ized renewable energy lender that is insured under this  
16          section may assign or transfer the insurance in whole or  
17          in part, to another owner or lender, subject to such re-  
18          quirements as the Secretary may prescribe.

19          (k) PREMIUMS AND CHARGES.—

20                  (1) INSURANCE PREMIUMS.—

21                   (A) IN GENERAL.—The Secretary shall fix  
22           and collect premiums for insurance of loans  
23           under this section, that shall be paid by the ap-  
24           plicant renewable energy system owner at the  
25           time of issuance of the certificate of insurance

1 to the lender and shall be adequate, in the de-  
 2 termination of the Secretary, to cover the ex-  
 3 penses and probable losses of administering the  
 4 program under this section.

5 (B) DEPOSIT OF PREMIUM.—The Sec-  
 6 retary shall deposit any premiums collected  
 7 under this subsection in the Renewable Energy  
 8 Lease Insurance Fund established under sub-  
 9 section (l).

10 (2) PROHIBITION ON OTHER CHARGES.—Except  
 11 as provided in paragraph (1), the Secretary may not  
 12 assess any other fee (including a user fee), insurance  
 13 premium, or charge in connection with loan insur-  
 14 ance provided under this section.

15 (l) RENEWABLE ENERGY LEASE INSURANCE  
 16 FUND.—

17 (1) FUND ESTABLISHED.—There is established  
 18 in the Treasury of the United States the Renewable  
 19 Energy Lease Insurance Fund (referred to in this  
 20 subsection as the “Fund”), which shall be available  
 21 to the Secretary without fiscal year limitation, for  
 22 the purpose of providing insurance under this sec-  
 23 tion.

24 (2) CREDITS.—The Fund shall be credited with  
 25 any premiums collected under subsection (k)(1), any

1 amounts collected by the Secretary under subsection  
2 (i)(3), and any associated interest or earnings.

3 (3) AVAILABILITY.—Amounts in the Fund shall  
4 be available to the Secretary for fulfilling any obliga-  
5 tions with respect to insurance for loans provided  
6 under this section and paying administrative ex-  
7 penses in connection with this section.

8 (4) EXCESS AMOUNTS.—The Secretary may in-  
9 vest in obligations of the United States any amounts  
10 in the Fund determined by the Secretary to be in ex-  
11 cess of amounts required at the time of such deter-  
12 mination to carry out this section.

13 (m) REGULATIONS.—

14 (1) IN GENERAL.—The Secretary shall issue  
15 such regulations as may be necessary to carry out  
16 this section.

17 (2) TIMING.—Not later than 180 days after the  
18 date of enactment of this Act, the Secretary shall  
19 issue interim or final regulations.

20 (n) INELIGIBILITY FOR PURCHASE BY FEDERAL FI-  
21 NANCING BANK.—Notwithstanding any other provision of  
22 law, no debt obligation that is insured or committed to  
23 be insured by the Secretary under this section shall be  
24 subject to the Federal Financing Bank Act of 1973 (12  
25 U.S.C. 2281 et seq.).

1       (o) TERMINATION OF AUTHORITY.—The authority of  
 2 the Secretary to insure and make commitments to insure  
 3 new loans under this Act shall terminate 10 years after  
 4 the date of enactment of this Act.

5 **SEC. 22. GREEN BANKING CENTERS.**

6       (a) INSURED DEPOSITORY INSTITUTIONS.—Section 8  
 7 of the Federal Deposit Insurance Act (12 U.S.C. 1818)  
 8 is amended by adding at the end the following:

9       “(x) GREEN BANKING CENTERS.—

10           “(1) IN GENERAL.—The Federal banking agen-  
 11 cies shall prescribe guidelines encouraging the estab-  
 12 lishment and maintenance of green banking centers  
 13 by insured depository institutions to provide any  
 14 consumer who seeks information on obtaining a  
 15 mortgage, home improvement loan, or home equity  
 16 loan with additional information on—

17           “(A) obtaining a home energy rating or  
 18 audit for the residence for which such mortgage  
 19 or loan is sought;

20           “(B) obtaining financing for cost-effective  
 21 energy-saving improvements to such property;  
 22 and

23           “(C) obtaining beneficial terms for any  
 24 mortgage or loan, or qualifying for a larger

1 mortgage or loan, secured by a residence which  
2 meets or will meet energy efficiency standards.

3 “(2) INFORMATION AND REFERRALS.—The in-  
4 formation made available to consumers under para-  
5 graph (1) may include—

6 “(A) information on obtaining a home en-  
7 ergy rating and contact information on quali-  
8 fied energy raters in the area of the residence;

9 “(B) information on the secondary market  
10 guidelines that permit lenders to provide more  
11 favorable terms by allowing lenders to increase  
12 the ratio on debt-to-income requirements or to  
13 use the projected utility savings as a compen-  
14 sating factor;

15 “(C) information including eligibility infor-  
16 mation about, and contact information for, any  
17 conservation or renewable energy programs,  
18 grants, or loans offered by the Secretary of  
19 Housing and Urban Development, including the  
20 Energy Efficient Mortgage Program;

21 “(D) information including eligibility infor-  
22 mation about, and contact information for, any  
23 conservation or renewable energy programs,  
24 grants, or loans offered for qualified military

1 personal, reservists, and veterans by the Sec-  
 2 retary of Veterans Affairs;

3 “(E) information about, and contact infor-  
 4 mation for, the Office of Efficiency and Renew-  
 5 able Energy at the Department of Energy, in-  
 6 cluding the weatherization assistance program;

7 “(F) information about, and contact infor-  
 8 mation for, the Energy Star Program of the  
 9 Environmental Protection Agency;

10 “(G) information from, and contact infor-  
 11 mation for, the Federal Citizen Information  
 12 Center of the General Services Administration  
 13 on energy efficient mortgages and loans, home  
 14 energy rating systems, and the availability of  
 15 energy efficient mortgage information from a  
 16 variety of Federal agencies; and

17 “(H) such other information as the agen-  
 18 cies or the insured depository institution may  
 19 determine to be appropriate or useful.”.

20 (b) INSURED CREDIT UNIONS.—Section 206 of the  
 21 Federal Credit Union Act (12 U.S.C. 1786) is amended  
 22 by adding at the end the following:

23 “(x) GREEN BANKING CENTERS.—

24 “(1) IN GENERAL.—The Board shall prescribe  
 25 guidelines encouraging the establishment and main-

tenance of green banking centers by insured credit unions to provide any member who seeks information on obtaining a mortgage, home improvement loan, or home equity loan with additional information on—

“(A) obtaining a home energy rating or audit for the residence for which such mortgage or loan is sought;

“(B) obtaining financing for cost-effective energy-saving improvements to such property; and

“(C) obtaining beneficial terms for any mortgage or loan, or qualifying for a larger mortgage or loan, secured by a residence which meets or will meet energy efficiency standards.

“(2) INFORMATION AND REFERRALS.—The information made available to members under paragraph (1) may include—

“(A) information on obtaining a home energy rating and contact information on qualified energy raters in the area of the residence;

“(B) information on the secondary market guidelines that permit lenders to provide more favorable terms by allowing lenders to increase the ratio on debt-to-income requirements or to



1 use the projected utility savings as a compen-  
2 sating factor;

3 “(C) information including eligibility infor-  
4 mation about, and contact information for, any  
5 conservation or renewable energy programs,  
6 grants, or loans offered by the Secretary of  
7 Housing and Urban Development, including the  
8 Energy Efficient Mortgage Program;

9 “(D) information including eligibility infor-  
10 mation about, and contact information for, any  
11 conservation or renewable energy programs,  
12 grants, or loans offered for qualified military  
13 personnel, reservists, and veterans by the Sec-  
14 retary of Veterans Affairs;

15 “(E) information about, and contact infor-  
16 mation for, the Office of Efficiency and Renew-  
17 able Energy at the Department of Energy, in-  
18 cluding the weatherization assistance program;

19 “(F) information from, and contact infor-  
20 mation for, the Federal Citizen Information  
21 Center of the General Services Administration  
22 on energy efficient mortgages and loans, home  
23 energy rating systems, and the availability of  
24 energy efficient mortgage information from a  
25 variety of Federal agencies;

“(G) information about incentives or financial products that are available for projects that are consistent with or certified under minimum energy efficiency standards, enhanced efficiency standards, or green building standards, as those terms are defined in section 3 of the Energy Efficiency in Housing Act of 2009; and

“(H) such other information as the Board or the insured credit union may determine to be appropriate or useful.”.

**SEC. 23. GAO REPORTS ON AVAILABILITY OF AFFORDABLE MORTGAGES.**

(a) STUDY.—The Comptroller General of the United States shall periodically, as necessary to comply with subsection (b), examine the impact of this Act and the amendments made by this Act on the availability of affordable mortgages in various areas throughout the United States, including cities having older infrastructure and limited space for the development of new housing.

(b) TRIENNIAL REPORTS.—

(1) REPORT REQUIRED.—The Comptroller General shall submit a report once every 3 years to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

(2) CONTENTS OF REPORT.—The report under paragraph (1) shall include—

(A) a detailed statement of the most recent findings pursuant to subsection (a); and

(B) if the Comptroller General finds that this Act or the amendments made by this Act have directly or indirectly resulted in consequences that limit the availability or affordability of mortgages in any area or areas within the United States, including any city having older infrastructure and limited space for the development of new housing, any recommendations for any additional actions at the Federal, State, or local levels that the Comptroller General considers necessary or appropriate to mitigate such effects.

(3) TIMING.—The first report under paragraph (1) shall be submitted not later than 3 years after the date of enactment of this Act.

**SEC. 24. PUBLIC HOUSING ENERGY COST REPORT.**

(a) COLLECTION OF INFORMATION BY HUD.—

(1) IN GENERAL.—The Secretary shall obtain from each public housing agency, at such time as may be necessary to comply with the reporting requirement under subsection (b), information regard-

1       ing the energy costs for public housing administered  
2       or operated by the agency.

3           (2) TYPE OF INFORMATION.—For each public  
4       housing agency, such information shall include the  
5       monthly energy costs associated with each separate  
6       building and development of the agency, for the  
7       most recently completed 12-month period for which  
8       such information is available, and such other infor-  
9       mation as the Secretary determines is appropriate in  
10      determining which public housing buildings and de-  
11      velopments are most in need of repairs and improve-  
12      ments to reduce energy needs and costs and become  
13      more energy efficient.

14      (b) REPORT.—Not later than 12 months after the  
15      date of enactment of this Act, the Secretary shall submit  
16      to Congress a report setting forth the information col-  
17      lected pursuant to subsection (a).

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