

**HOME ENERGY SAVER PROGRAM (HESP) GUIDELINES**  
**New Jersey Housing and Mortgage Finance Agency**  
**2011**

<p><b>Program Overview</b></p>	<p>The Home Energy Saver Program (“HESP”) is a loan program that provides eligible applicants with zero percent interest rate financing for home energy efficiency improvements if the selected improvements will result in an estimated total energy savings of 20% or more. Offered by the New Jersey Housing and Mortgage Finance Agency (“Agency”) in conjunction with the <i>New Jersey’s Clean Energy Program</i><sup>TM</sup> (“NJCEP”) and the NJ Board of Public Utilities, HESP loans shall be used to finance the cost of the improvements for applicants who are ineligible for other loan financing offered through the NJCEP/Energy Finance Solutions program/New Jersey Natural Gas On Bill Repayment Plan.</p>
<p><b>Eligible Applicants</b></p>	<p>Individuals only may apply. Corporations are not permitted to act as borrowers. Eligible applicants for HESP will be owner-occupants of 1-4 unit homes in New Jersey who:</p> <ol style="list-style-type: none"> <li>(1) Have eligible gross household incomes not exceeding 250% of the higher of the statewide area median income or county area median income where the property is located (based upon the Agency’s mortgage revenue bond program income limits for a family size of four – See Income Limits Chart); and</li> <li>(2) Schedule and obtain a <i>Home Performance with ENERGY STAR</i><sup>®</sup> energy audit; and</li> <li>(3) Have not yet begun any work but who will have energy efficiency improvements installed that will result in an estimated annual energy savings of 20% or more in conformance with the <i>Home Performance with ENERGY STAR Program</i><sup>®</sup>; and</li> <li>(4) Are eligible for a cash rebate from the <i>Home Performance with ENERGY STAR</i><sup>®</sup> program; and</li> <li>(5) Are determined ineligible for the Energy Finance Solutions (EFS) loan or the New Jersey Natural Gas On Bill Repayment Plan (NJNG OBRP) offered through the <i>Home Performance with ENERGY STAR</i><sup>®</sup> program.</li> </ol>
<p><b>Eligible Uses of HESP Loan</b></p>	<p>HESP loan proceeds may only be used to make energy efficiency improvements if the selected improvements will result in an estimated total energy savings of 20% or more. The <i>Home Performance with ENERGY STAR</i><sup>®</sup> energy audit and the work must be performed by BPI accredited companies participating in the program.</p> <p>Energy efficiency improvements may include, but are not limited to:</p> <ul style="list-style-type: none"> <li>▪ Blower-door-guided air sealing, insulation, furnace, boiler and central air conditioning upgrades</li> <li>▪ Water heaters, duct sealing, heat pumps</li> <li>▪ Certain health/safety measures (if the air sealing measure would otherwise create a health hazard) such as venting systems and detectors for smoke, radon and carbon monoxide</li> </ul>
<p><b>Eligible HESP Loans and Repayment Terms &amp; Conditions</b></p>	<p>The HESP loan shall be a secured mortgage loan offered at a zero percent interest rate with a ten (10) year term.</p> <p>The loan amount shall equal the total cost of selected energy efficiency improvements <u>less</u> the <i>Home Performance with ENERGY STAR</i><sup>®</sup> cash rebate amount, except that in no case may the HESP loan amount exceed \$10,000.</p> <p>Borrowers must pay for property search report (to confirm ownership) and mortgage recording fees, but these may be included in the HESP mortgage loan amount.</p> <p>There are no monthly loan payments required, but the full outstanding principal amount of the loan shall be due and payable upon the conveyance of title due to sale <u>or</u> any other transfer of title <u>or</u> upon any kind of refinance of the property <u>or</u> in ten years, whichever occurs first.</p> <p>The HESP secured mortgage loan may take any lien position on the property at the time of loan closing. After the closing, the HESP loan may not be subordinated, so any loan balance due must be paid in full at the time of any cash-out or rate/term or any other kind of refinancing or home equity/other secured financing.</p> <p>The loan may be prepaid without penalty at any time.</p>

**NJ HOUSING & MORTGAGE FINANCE AGENCY (HMFA)**  
**Effective May 14, 2010**

NOTE: These income limits may be subject to annual changes.

**2011 HOME ENERGY SAVER PROGRAM (HESP)**  
**MAXIMUM INCOME LIMITS**

<b>COUNTIES</b>	<b>1-2 FAMILY HOUSEHOLD</b>	<b>3+ HOUSEHOLD</b>	<b>Effective</b>
Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Hudson, & Salem	\$215,750	\$248,113	5/14/10
Monmouth & Ocean	\$220,500	\$253,575	5/14/10
Mercer	\$228,250	\$262,488	5/14/10
Essex, Morris, Sussex & Union	\$219,750	\$252,713	5/14/10
Warren	\$216,000	\$248,400	5/14/10
Bergen & Passaic	\$230,500	\$265,075	5/14/10
Hunterdon, Middlesex & Somerset	\$255,000	\$293,250	5/14/10