



Solar and Water Efficient Homes Act

Rep. Huffman and Rep. Heck (WA)

HUD's Title I home improvement loans have a long history of supporting low and middle income homeowners and tenants. Authorized in 1934, the Title I loan program is one of our nation's oldest tools for catalyzing investment in real property and assisting residents in making critical improvements to their home.

Today, the Federal Housing Administration (FHA) uses the statutory authority provided under Title I to administer the PowerSaver program, a key facet of the President's initiative to address climate change, promote clean energy, and create good paying jobs. The Solar and Water Efficient Homes Act builds on this important work.

Title I loans are also used to ensure home accessibility for disabled individuals, improve home fire safety, and to install features to allow for the elderly to age in place



Unfortunately, Congress has not acted to significantly modernize this program since 1992, creating impediments in recent years for borrowers, lenders, and the FHA.

Homeowners can incur high up-front costs when improving home energy and water efficiency or renovating a home to be suitable for an elderly occupant. Ensuring that low- and middle-income homeowners and tenants have access to capital for these improvements will become increasingly important in the years ahead, particularly as the housing market recovers and mortgage rates rise. Investments in our housing stock create local jobs and support the small businesses that take on a majority of single family home contracting and improvements.

Congress should act now to support long-term, private investment in our nation's housing sector and local small businesses. Please join Rep. Huffman and Rep. Heck in supporting the Solar and Water Efficient Homes Act.

Bill summary

The Solar and Water Efficient Homes Act will improve and modernize the Title I home and property improvement loan program, which was last modified in 1992, by:

- incentivizing home energy and water efficiency improvements, including the installation of photovoltaic panels or greywater systems, house weatherization, and the purchase of efficient HVAC systems;
- updating loan limits to account for inflation since 1992 and indexing Title I loan limits to inflation for future years;
- providing FHA with authority to ensure any additional risk associated with these loans is properly offset;
- removing requirements that have hampered a robust secondary market for Title I loans.

If you have any questions about the Solar and Water Efficient Homes Act, please contact Scott Rasmussen with Rep. Jared Huffman at Scott.Rasmussen@mail.house.gov or Brendan Woodbury with Rep. Heck (WA) at Brendan.Woodbury@mail.house.gov.