

# The AmeriFirst PowerSaver Buyer's Guide



**Let AmeriFirst help you “go green,”  
and “get green” with PowerSaver!**

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**This buyer's guide brought to you by:**



## AmeriFirst Home Mortgage

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## What Is The AmeriFirst PowerSaver?

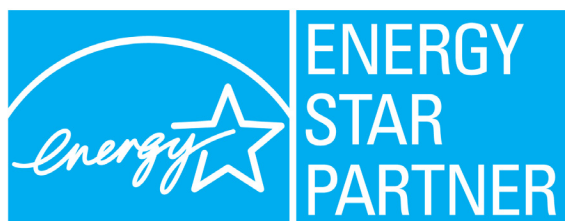
Many home buyers and current homeowners see “going green” as a great idea. Making your home more energy efficient is a terrific way to save money in the long run. However, it tends to cost money up front. Plus, how do you know you’re actually making a meaningful difference to your budget and the environment?

In 2014, a new option for home buyers looking to make some serious home improvements to their abode came to market: the PowerSaver Grant from the U.S. Department of Housing (HUD) and FHA. PowerSaver was a federal grant through AmeriFirst Home Mortgage that paid home buyers’ closing costs when they made eligible home improvements, proven to be energy efficient upgrades. Because of its popularity and how helpful it was to home buyers, AmeriFirst decided to continue the limited-time idea with its own PowerSaver incentive.

Here’s how it works: You find a home you really like in a great neighborhood with a lot of potential. However, the furnace is old, the windows are the old single-pane style with a few missing their storm windows and the water heater looks like it belongs in an antique store. If you take that house and finance it with the FHA 203k renovation loan, and make the upgrades to those items, you might be able to have AmeriFirst Home Mortgage pay towards your closing costs.

The total bill for the eligible upgrades has to add up to at least \$3,500 and be rolled into the FHA 203k loan. Once you get to that point, the AmeriFirst PowerSaver incentive kicks in. You receive a \$1,000 credit on your closing costs!

The benefits to you as the buyer begin to add up right away. Of course with Energy Star appliances like a water heater or furnace, you’ll see monthly savings on your utility bills. This will also happen when you perform window replacement with eligible Energy Star-rated windows, seal your ductwork and other possible upgrades. Also, by financing this work into an FHA 203k, it’s one loan with low mortgage rates. Plus we pay towards your closing costs as mentioned above.



Those are the basics when it comes to the AmeriFirst PowerSaver. Next we’ll cover what the FHA 203k is and what work other than the PowerSaver-eligible upgrades you may be able to finance.



## What Is The FHA 203k?

The Federal Housing Administration (FHA), which is part of the Department of Housing and Urban Development (HUD), administers various single family mortgage insurance programs. The Section 203k program is HUD's primary program for the rehabilitation and repair of single family properties. As such, it is an important tool for community and neighborhood revitalization and for expanding homeownership opportunities.

### 203k - How Is It Different?

Most mortgage financing plans provide only permanent financing. That is, the lender will not usually close the loan unless the condition and value of the property provide adequate loan security. When rehabilitation is involved, this means that a lender typically requires the improvements to be finished before a long-term mortgage is made.

When a homebuyer wants to purchase a house in need of repair or modernization, the homebuyer usually has to obtain financing first to purchase the dwelling; additional financing to do the rehabilitation construction; and a permanent mortgage when the work is completed to pay off the interim loans with a permanent mortgage. Often the interim financing (the acquisition and construction loans) involves relatively high interest rates and short amortization periods. The Section 203k program was designed to address this situation. The borrower can get just one mortgage loan, at a long-term fixed (or adjustable) rate, to finance both the acquisition and the rehabilitation of the property. To provide funds for the rehabilitation, the mortgage amount is based on the projected value of the property with the work completed, taking into account the cost of the work.

### What Kind Of Work Is Covered By FHA 203k?

Below is a chart with some of the home improvements you can make with FHA 203k financing. The list is merely an example of what you may be able to finance with 203k loan in addition to the eligible improvements for the AmeriFirst PowerSaver. Some of these upgrades may be "eligible improvements" under the AmeriFirst PowerSaver, while some are not.

## Renovation Mortgage Projects

Repair/replace roof, gutters & downspouts	Buy & install appliances including washer/dryer
Repair/replace/upgrade existing HVAC systems	Repair/replace septic systems and/or well
Repair/replace plumbing & electrical systems	Disability access like wheelchair ramps, elevator
Replace/repair flooring (carpet, tile, wood)	Abatement/stabilization of lead-based paint hazard
Minor renovations in kitchen or bathrooms	Build/repair/replace decks, porches & patios
Interior or exterior painting	Basement finishing & waterproofing (excluding structural)
Weatherization including storm doors or insulation	Replace windows, doors and siding

## Home Improvements Covered By The PowerSaver Program

<b>AMERIFIRST POWERSAVER HOME ENERGY EFFICIENT IMPROVEMENT STANDARDS</b>	
<b>IMPROVEMENT</b>	<b>STANDARD HOME ENERGY IMPROVEMENT STANDARDS</b>
<b>Whole House</b>	Whole house air sealing measures, including interior and exterior measures, utilizing sealants, caulks, insulating foams, gaskets, weather-stripping, mastics, and other building materials in accordance with BPI standards or other procedures approved by the Secretary. Reference: <a href="http://www.bpi.org/standards.aspx">http://www.bpi.org/standards.aspx</a>
<b>Insulation: Attic</b>	Attic insulation measures that — (A) include sealing of air leakage between the attic and the conditioned space, in accordance with BPI standards or the attic portions of the DOE or EPA thermal bypass checklist or other procedures approved by the Secretary; (B) add at least R-19 insulation to existing insulation; (C) result in at least R-38 insulation in DOE climate zones 1 through 4 and at least R-49 insulation in DOE climate zones 5 through 8, including existing insulation, within the limits of structural capacity, except that a State, with the approval of the Secretary, may designate climate zone sub regions as a function of varying elevation; and (Map Page: <a href="http://www.energystar.gov/index.cfm?c=home_sealing.hm_improvement_insulation_table">http://www.energystar.gov/index.cfm?c=home_sealing.hm_improvement_insulation_table</a> ) (D) cover at least-- (i) 100 percent of an accessible attic; or (ii) 75 percent of the total conditioned footprint of the house. BPI Standards reference: <a href="http://www.bpi.org/standards.aspx">http://www.bpi.org/standards.aspx</a>
<b>Insulation: Wall</b>	Wall insulation that— (A) is installed in accordance with BPI standards or other procedures approved by the Secretary; (B) is to full-stud thickness or adds at least R-10 of continuous insulation; and (C) covers at least 75 percent of the total external wall area of the home. BPI Reference: <a href="http://www.bpi.org/standards.aspx">http://www.bpi.org/standards.aspx</a>
<b>Insulation: Crawl Space</b>	Crawl space insulation or basement wall and rim joist insulation that is installed in accordance with BPI standards or other procedures approved by the Secretary and— (A) covers at least 500 square feet of crawl space or basement wall and adds at least-- (i) R-19 of cavity insulation or R-15 of continuous insulation to existing crawl space insulation; or (ii) R-13 of cavity insulation or R-10 of continuous insulation to basement walls; and (B) fully covers the rim joist with at least R-10 of new continuous or R-13 of cavity insulation. BPI Reference: <a href="http://www.bpi.org/standards.aspx">http://www.bpi.org/standards.aspx</a>
<b>Duct Sealing</b>	Duct sealing or replacement and sealing that — (A) is installed in accordance with BPI standards or other procedures approved by the Secretary; and (B) in the case of duct replacement and sealing, replaces and seals at least 50 percent of a distribution system of the home. BPI Reference: <a href="http://www.bpi.org/standards.aspx">http://www.bpi.org/standards.aspx</a> Reference: <a href="http://www1.eere.energy.gov/buildings/windowsvolumepurchase/">http://www1.eere.energy.gov/buildings/windowsvolumepurchase/</a>
<b>Skylight Replacement</b>	Skylight replacement that meets most recent Energy Star specifications.

IMPROVEMENT	STANDARD HOME ENERGY IMPROVEMENT STANDARDS
Door Replacement	Door replacement that meets most recent Energy Star specifications.
Storm Doors	Storm doors that meet the most recent Energy Star specifications.
Window Replacement	Replacement windows that meet the most recent Energy Star specifications.
Storm Windows	Storm windows that meet the requirements for low-e storm windows under the Department of Energy Windows Volume Purchase Program.
Heating System Gas/Propane/Oil Boiler/Furnace	Heating system replacement that meets most recent Energy Star specifications.
Air Conditioner	Central air conditioner or air-source heat pump replacement with a new unit that meets most recent Energy Star specifications.
Water Heater (Gas, Propane, Electric, Tankless)	Replacement of a natural gas, propane, or electric water heater that meets most recent Energy Star specifications.
Roof Metal & Asphalt	Metal or asphalt roofs that meet most recent Energy Star specifications.
IMPROVEMENT	STANDARD HOME ENERGY IMPROVEMENT STANDARDS
Ground Source Heat Pump Systems	Ground source heat pump systems must be installed in accordance with ANSI/ACCA Standard 5 QJ-2010.
Water Heater (solar)	Solar water heating property must be Energy Star Qualified, or certified by the Solar Rating and Certification Corporation or by comparable entity endorsed by the state in which the system is installed.
Fuel Cells and Micro Turbine	Efficiency of at least 30% and must have a capacity of at least 0.5 kW.
Solar Panels (Photovoltaic Systems)	Photovoltaic systems must provide electricity for the residence, and must meet applicable fire and electrical code requirement.
Wind Turbine Residential	<p>A wind turbine must -</p> <ul style="list-style-type: none"> <li>(i) have a nameplate capacity of no more than 100 kilowatts;</li> <li>(ii) have performance and safety certification <ul style="list-style-type: none"> <li>a. to the International Electrotechnical Commission (IEC) standards from an accredited product certification body, or</li> <li>b. the American Wind Energy Association (AWEA) standards from the Small Wind Certification Council (SWCC) or a Nationally Recognized Testing Laboratory (NRTL); and</li> </ul> </li> <li>(iii) be installed by an installer with North American Board of Certified Energy Practitioners Small Wind Installer Certification or small wind turbine installation training from an accredited training organization.</li> </ul>

## Can I Refinance And Remodel My Current Home?

The AmeriFirst PowerSaver will help home buyers get into a house and fix it up, updating the house into an energy-efficient home. But what if you're already living in your home, and you want to make improvements like an energy efficient furnace and air conditioner, seal the air ducts and put in Energy Star rated replacement windows? You can!

With the AmeriFirst PowerSaver, homeowners can refinance their mortgage with an FHA 203k, make all kinds of upgrades to the house, and roll the cost of that \$3,500 minimum energy-efficient requirement upgrade amount into the 203k loan. This will get you to be eligible for the paid closing costs by AmeriFirst Home Mortgage.

Some of the items you could fix on your current home when you refinance and remodel with the FHA 203k may include:

- ▶ Room addition
- ▶ Bathroom remodel
- ▶ Finish the basement
- ▶ Kitchen remodel
- ▶ House painting
- ▶ Window replacement
- ▶ More...

As you can see, this list doesn't necessarily cover eco-friendly upgrades like an Energy Star rated water heater or furnace. Instead, the list is full of upgrades you may already want. When you add the AmeriFirst PowerSaver into the mix, you end up adding some great "green" improvements to your current home, in order to save on your monthly electricity, heating & cooling and other utility bills.



## How to Get Started

### FHA 203k Inquiry

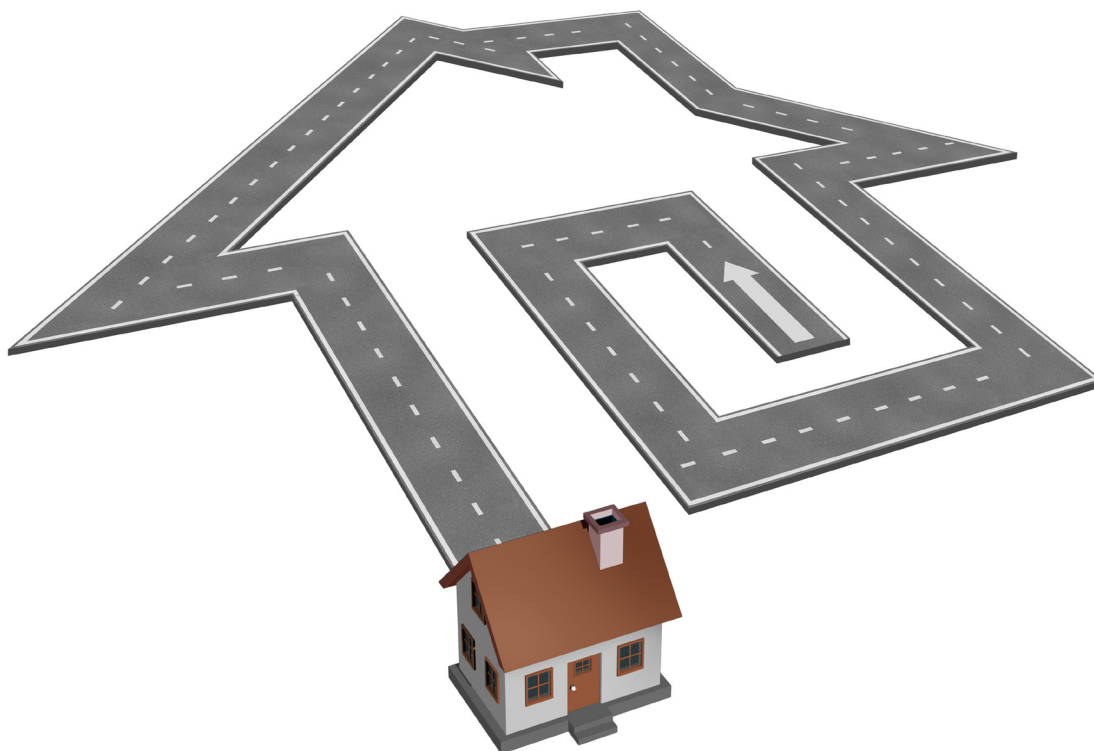
The first step in the AmeriFirst PowerSaver program is to talk to a mortgage consultant about an FHA 203k mortgage loan, and find out whether you and the home qualify for that mortgage. Once you find out the answer to that, you can begin to explore the eligible upgrades and decide whether you can find \$3,500 in sustainable home improvements in order to qualify for the AmeriFirst PowerSaver.

### Mortgage Pre-Approval

As with any home buying journey, mortgage pre-approval is a vital early step in the process. Mortgage pre-approval helps to set you as the buyer up with the right mindset on budget. With a pre-approval letter you'll know just how much house you can afford, based on how much per month you're able to pay. Mortgage pre-approval will involve pulling your credit history and looking at financial items like your FICO score, employment history and bank statements.

### Energy Audit

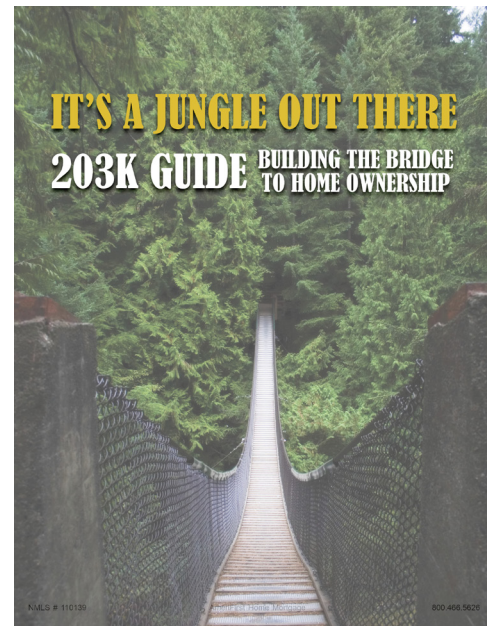
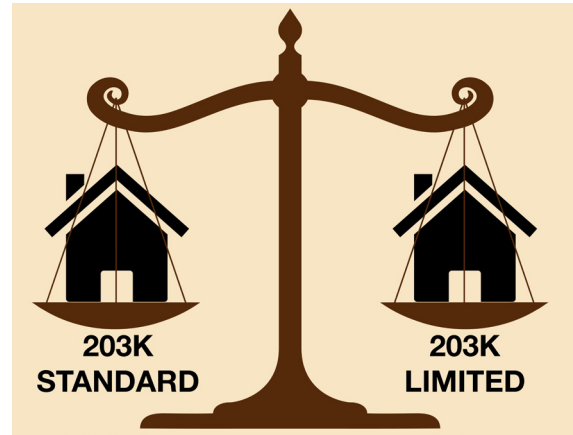
An energy audit is not required. However, if you wish to make improvements to something that isn't on the list of eligible upgrades, you will need to have an energy audit completed, showing that the upgrade will meet the required energy efficiency standards. An energy audit can also help you decide which energy efficient upgrades you may want to have done to your home. With the \$1,000 credit through the AmeriFirst PowerSaver, the energy audit essentially pays for itself.





## More FHA 203k Resources

Learn more about the FHA 203k renovation mortgage loan with the following resources. Each picture is a link to a resource like a video, article or free guide.



## AmeriFirst PowerSaver FAQ List

### What Is The AmeriFirst PowerSaver?

The AmeriFirst PowerSaver is an incentive program that provides funds that will enable homeowners to make cost effective, energy saving improvements to their homes. Examples of eligible improvements include insulation, duct sealing, energy efficient doors and windows, energy efficient HVAC systems and water heaters, solar panels and geothermal systems. The incentive is a \$1,000 credit towards the borrower's closing costs.

### Who is Eligible for the AmeriFirst PowerSaver?

The AmeriFirst PowerSaver incentive is available to any borrower who obtains a 203k loan from AmeriFirst who also spends at least \$3,500 in eligible improvements.

### How does a borrower find an energy audit professional?

An energy audit is not required, but highly recommended so homeowners understand what improvements should be made and how energy efficient their current or new home may be. AmeriFirst PowerSaver funds, up to \$500, can be used for energy assessments/audits conducted by a professional home energy inspector/contractor undertaken in conjunction with a 203k loan. In order to utilize AmeriFirst PowerSaver funds for this purpose, the professional home energy inspector/contractor must meet one of the following requirements:

1. Building Performance Institute (BPI) Certified Building Analyst
2. BPI Certified Energy Auditor
3. Home Energy (HERS) Rater or Auditor
4. Accredited BPI Contractor

To find a certified BPI auditor, follow this link [http://www.bpi.org/individual\\_locator.aspx](http://www.bpi.org/individual_locator.aspx)

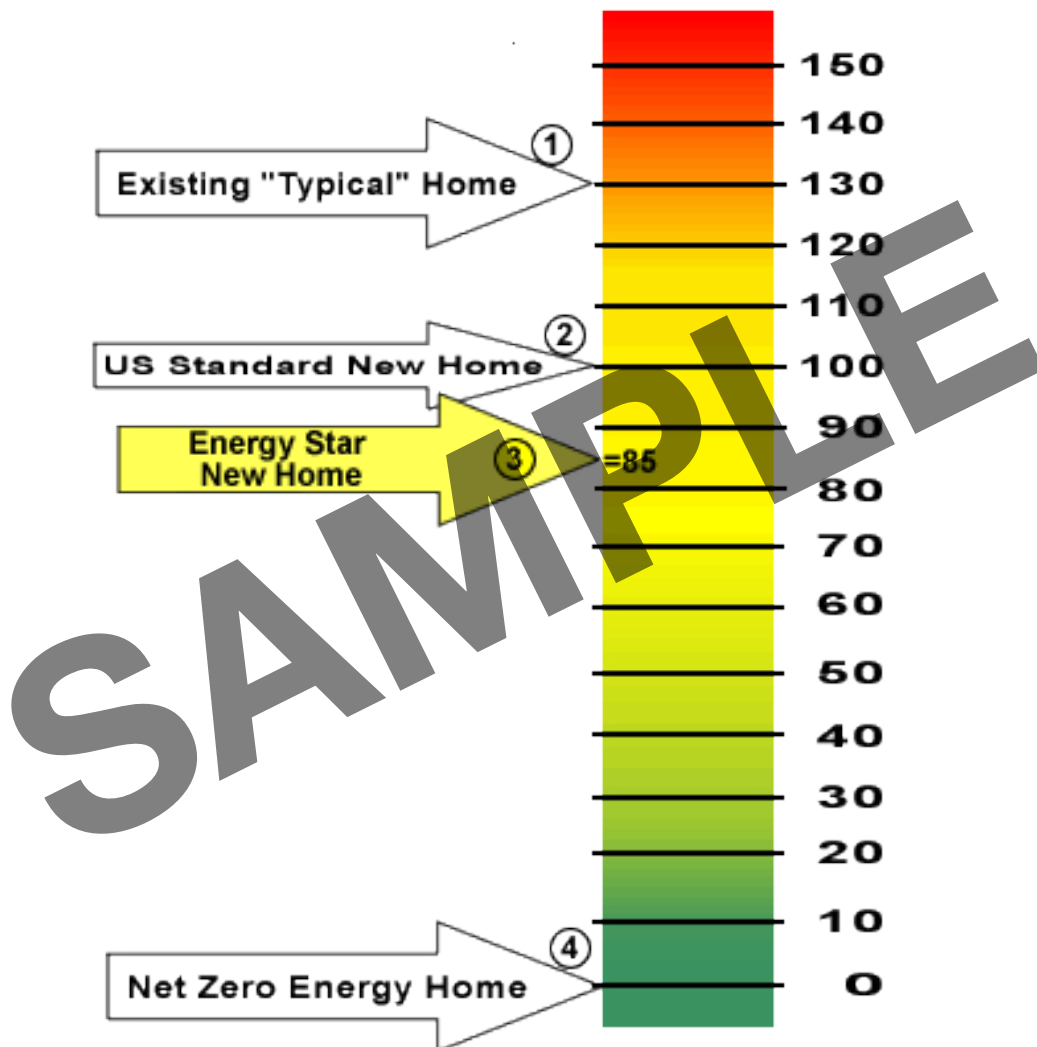
To find a certified HERS rater, follow this link <http://www.resnet.us/directory/search>



## What Is A HERS Test? What Is A HERS Rating?

HERS (Home Energy Rating Systems) provide a standardized evaluation of a home's energy efficiency and expected energy costs. A home energy rating can qualify a home owner or home buyer for an energy efficient mortgage (EEM), an energy improvement mortgage (EIM), or the AmeriFirst PowerSaver. An energy rating can maximize the value of the largest single investment most home owners are likely to make in their entire lifetime.

A home energy rating is an analysis of a home's energy efficiency; as per the Home Energy Rating System (HERS) Index. The HERS Index is the nationally recognized scoring system for measuring a home's energy performance. Based on the results, an energy-rated home will receive a HERS Index Score. The HERS Index Score can be described as a sort of miles-per-gallon (MPG) sticker for houses, giving prospective buyers and homeowners an insight as to how the home ranks in terms of energy efficiency. In addition to a HERS Index Score, a home energy rating also provides the homeowner with a detailed report regarding energy problems in the house.







# GO GREEN AND SAVE SOME GREEN!

**Save major green on your monthly utility bills  
with energy efficient upgrades to your home!!**

AmeriFirst PowerSaver allows you to use the FHA 203(k) renovation loan  
to make eligible energy efficient improvements to your home.

AmeriFirst will then pay \$1,000 towards your closing costs!

## Eligible Improvements:

- Use of Energy Star Products for:
  - Heating System
  - Air Conditioner
  - Window/Door Replacement
  - Water Heater
  - Roof
- Renewable Energy Updates:
  - Wind Turbine
  - Solar Panels
  - Ground Source Heat Pump Systems
- Wall, Attic & Crawl Space Insulation
- Duct Sealing



## Homeowner Benefits:

- Monthly Utility Savings
- Finance Improvements at Low Mortgage Rates
- Lender Paid Closing Costs of \$1,000



**To qualify you need to roll in at least \$3,500 worth of eligible  
improvements into your FHA 203(k) loan!**

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**AMERIFIRST**  
HOME MORTGAGE

*welcome home*

**Need help finding a Home Remodeler or Contractor**

<http://www.amerifirst.com/choose-a-contractor>



\*\*Normal Credit and underwriting guidelines apply. Not all loans will qualify;  
Contact us for more information on fees and terms.

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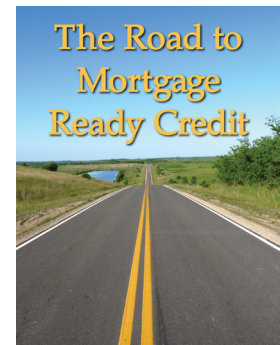
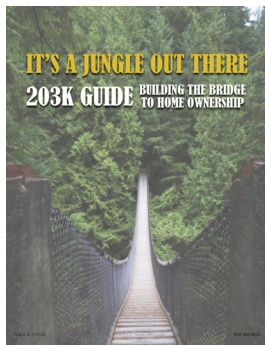
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## More Home Buying Resources & Buyer Guides

At AmeriFirst Home Mortgage we believe in educating home buyers and homeowners. Whether it's home improvement loans like the FHA 203k or a first home buyer's guide, we offer several free eBooks.

You can click one of the pictures below to find the eBook that's right for you!



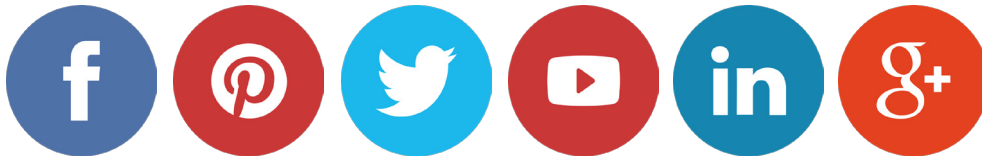
## Let Us Know How We Can Help

For 30 years, AmeriFirst Home Mortgage has helped first time home buyers realize the dream of leaving that rental behind, and owning a house. Whether it's conventional lending, an FHA program, VA loan, USDA Rural Development or a 203k mortgage loan, the team at AmeriFirst is here to find the right mortgage for you. AmeriFirst is licensed for mortgage lending in: Michigan, Minnesota, Wisconsin, Illinois, Indiana, Ohio, Kentucky, Tennessee, North Carolina, Georgia, Alabama and Florida. There is sure to be an office near you. You can find the [AmeriFirst office locator here](#).

### We're easy to find.

The website: [AmeriFirst.com](http://AmeriFirst.com)

We're on other social media sites as well.



Read the blog and keep up with the industry so you can be an informed borrower.

### Home Buyer Resource Blog



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