

The Green House: Look to your mortgage for energy savings

Turn off the lights. Ease up on the air conditioning. Turn the thermostat down. Switch to energy-efficient appliances. We're all getting the "green" message. There are good, sound reasons for saving energy: from doing your bit at home to reduce the strain on the planet, to enjoying the bottom-line financial savings from a lower energy bill.

There's also a growing list of financial grants and rebates designed to help you turn your home into a "green" house. Natural Resources Canada's ecoENERGY Retrofit program provides financial support to homeowners to help them implement energy saving projects that reduce greenhouse gases (GHGs) and air pollution. Visit www.oeecan.gc.ca to learn all of the details. There are other regional and provincial grants and rebates available across Canada. If you're thinking green at your house, it's worth checking out the growing list of incentives for projects you have in mind. You can do a search by province at www.incentivesandrebates.ca for a list of all available grants, rebates, discounts and other incentives.

To qualify for many of these grants, arrange for an NRC-licensed energy advisor to perform a residential energy assessment, which will identify how your home uses energy and where it is being wasted. The advisor will outline how to improve the comfort of your home and cut heating and cooling costs, while ensuring adequate ventilation for a healthy indoor environment for your family.

The real financial incentive, of course, is the long-term energy savings you'll get from your energy improvements. That's why the mortgage industry has stepped up with their own incentives to help you make these long-term energy investments in your home.

Canadian mortgage insurers – Canada Mortgage and Housing Corp (CMHC) and Genworth Financial Canada –

have specific programs to encourage Canadians to build or buy energy-efficient homes... or to retrofit their existing homes. Canadians purchasing an energy-efficient home (generally considered to be a home certified EnerGuide Rated 77+ or R2000 by the builder) are eligible for a 10% mortgage insurance premium refund, for example. Existing homeowners who make retrofits to improve energy efficiency can also apply for a refund.

Let's say you're looking at a home valued at \$300,000. You make a downpayment of 5% and pay \$7,837 in mortgage insurance premiums (2.75%). After your energy audit, you then upgrade insulation, the furnace and install some energy-efficient windows as recommended by your energy advisor. If your retrofits improve your home's energy efficiency by the required amount, you may qualify for a 10% rebate on your insurance premium, giving you a cash refund of \$783.70. And your home's energy improvements will reduce your costs for years to come. Ask your mortgage planner for more details and get a copy of the applicable refund form.

In addition, if you want to extend your amortization up to 35 years to spread out the investment cost of your energy investments, you can have the longer amortization premium waived. For example, the usual premium of .40% for a 35-year amortization would give you a savings of \$800 on a \$200,000 mortgage. That's not chump change.

If you're planning large-scale retrofits that may tie in with other home improvements, make an appointment with your mortgage planner to get help on financing those improvements. Mortgage rates remain very low, and you can use your current equity to invest in the energy future of your home.

There's money out there to help you make investments in your very own "green" house – and there's never been a better time to take advantage.

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