

S-13-0220 - Assessor Information Update

Clean Energy Loans



This fact sheet provides information for Scorecard assessors about loans that use Scorecard as one eligibility option.

This fact sheet is based on the best available information at the time of writing. Assessors should be aware that financial products change over time and they should undertake their own due diligence.

Three new 'green' loans for homeowners

Bank Australia has released a suite of new Clean Energy Home loans. Included in the suite are:

- the 7 Star + Loan - for energy efficient new builds or existing homes (from 14 January 2020)
- the Property Upgrade Loan - for existing homeowners who are doing energy efficiency upgrades (from 28 February 2020); and
- the High Energy Efficiency Loan - for very highly energy efficient new builds or existing homes (from 31 March 2020).

What does this mean for assessors?

Households may seek Scorecard assessments, or variations to existing assessments, in order to become eligible for these loans. In these situations, you should ask the householder which loan they are applying for and what Scorecard rating is needed for them to be eligible. You will then need to tailor your advice to enable the homeowner to achieve the desired Scorecard rating or increase in rating.

These loans may only be available for a limited period and the number of loans may be capped. Assessors **should not** provide financial advice on loans. All loans will have eligibility requirements in addition to the energy requirements. A Scorecard assessment does not guarantee access to a loan.

The 7 Star + Loan

This Clean Energy Home loan is now available for new builds or existing homes. It offers a 0.40% p.a. discount off Bank Australia's Premium Home Loan Package rates for up to five years.

Energy performance eligibility

New builds or existing homes that meet at least one of the following criteria:

- Residential Efficiency Scorecard rating of 7 stars or higher (excluding the impact of installed/installing rooftop solar)
- NatHERS rating of 7 stars or higher - Evidenced by a Nationwide House Energy Rating Scheme Certificate completed by a NatHERS Accredited Assessor
- Passive House Certification
- Green Star - Design & As Built score of 8 points or higher on the credit '15 Greenhouse Gas Emissions'.

This loan is available for new loan customers only.

Applications using the Scorecard

Householders must achieve a Residential Efficiency Scorecard rating of 7 stars or higher (excluding the impact of installed/installing rooftop solar) **prior** to applying for the loan.

For homes rating less than 7 stars excluding solar PV, householders may wish to upgrade to support eligibility.

Once the homeowner has undertaken upgrades a new assessment must be completed to verify that a 7, or higher, star rating has been achieved.

As part of the loan application the householder will need to provide Bank Australia with a Scorecard certificate showing that their home has achieved 7 stars (or more) excluding solar PV. If the home already has solar PV installed and the assessment was completed using the original version of the Scorecard

certificate, a variation showing the rating excluding solar should be included with the documents provided to the bank. With the new version of the certificate (March 2020 release) the ratings including and excluding solar are shown at the bottom of the first page.

Property Upgrade Loan

The Property Upgrade Loan is available from 28 February 2020 for homeowners who have upgraded their home for energy efficiency within the previous 12 months. It offers a 0.40% p.a. discount off Bank Australia's Premium Home Loan Package rates for up to five years.

As the upgrade must be completed **prior** to applying for the loan, the loan cannot be used to purchase the upgrades.

Energy performance eligibility

Homeowners who have an existing home and have:

- (a) achieved a minimum 1 star increase in the Residential Efficiency Scorecard rating (excluding any increase from the impact of installed/installing solar photovoltaic system); **or**
- (b) implemented three or more of the below improvements in the last 12 months:
 - In-home real-time energy monitoring system such as Wattwatchers, Solaranalytics, Efergy, Smappee, Sense, Curb, Nuerio, Flukso, Reposit Power, etc.
 - Solar photovoltaic system with a minimum system size of 3kW
 - Energy storage system with a minimum system size of 5kWh
 - Hot water heat pump or solar hot water system
 - Upgrade 75% or more of all windows by area to double-glazed and/or low-emissivity coatings
 - Upgrade underfloor, wall and ceiling insulation to levels set out in the prevailing National Construction Code
 - Electric vehicle home charging point and provide evidence of ownership of an electric vehicle

- Upgrade to LED lights for 75% or more of all light fixtures
- If the property is air conditioned, no air conditioning unit has an energy rating below 4 stars under the Minimum Energy Performance Standards; and
- If the property has a pool, a pool pump with a minimum energy rating of 7 stars under the Voluntary Energy Rating Labelling Program.

Applications using the Scorecard

Householders must achieve an increase in their Residential Efficiency Scorecard rating of at least 1 star **prior** to applying for the loan.

This requires a 'before' Scorecard assessment showing the rating excluding solar PV. On the new Scorecard certificate, the ratings including and excluding solar are shown at the bottom of the first page. On the original version of certificates, solar generation is shown in the middle of the first page. If the house has solar PV already, you will need to generate a Variation excluding solar.

Assessors will then need to work with the householder on options to increase the star rating by at least one star by modelling through variations.

Once the householder has completed the upgrade/s the assessors should undertake a new assessment to prove that the desired star rating increase has been achieved. This should be done by copying the existing assessment to a new assessment and making the changes to obtain the new rating.

As a Scorecard assessor, it is your responsibility to confirm that the before and after certificates accurately represent the condition of the house.

As part of the loan application the householder will need to provide Bank Australia with the 'before' and 'after' Scorecard certificates illustrating that their home has achieved at least a one-star increase (or more).

High Energy Efficiency Loan

A higher discount loan for very highly efficient new builds or existing homes is available from 31 March 2020. It offers a 0.50% p.a. discount off Bank Australia's Premium Home Loan Package rates for up to five years.

Energy performance eligibility

This loan is available for new builds or existing homes that have at least three eligible sustainability features. Homeowners must meet the requirements of 7-star + Clean Energy loan as well as three or more of the following items:

- either a Residential Efficiency Scorecard rating of 8 stars or higher (excluding the impact of installed / installing rooftop solar) or a NatHERS rating of 8 stars;
- in-home real-time energy monitoring system such as Wattwatchers, Solaranalytics, Efergy, Smappee, Sense, Curb, Nuerio, Flukso, Reposit Power, etc.;
- solar photovoltaic system with a minimum system size of 3kW;
- electrical energy storage system with a minimum system size of 5kWh;
- hot water heat pump or solar hot water system;
- if the property is air conditioned, no air conditioning unit has an energy rating below 4 stars under the Minimum Energy Performance Standards; and
- if the property has a pool, a pool pump with a minimum energy rating of 7 stars under the Voluntary Energy Rating Labelling Program.

Applications using the Scorecard

The process for applying for the High Energy Efficiency Loan using the Scorecard is similar as for the 7 Star + Loan.

As part of the loan application the householder will need to provide Bank Australia with a Scorecard certificate illustrating that their home has achieved 7 stars (or more) excluding solar PV. If the home already has solar PV installed and the assessment was completed using the original version of the Scorecard certificate, a variation showing the rating excluding solar should be included with the documents provided to the bank. With the new version of the certificate (release March 2020) the impact of solar is shown at the bottom of the first page of the certificate.

Homeowners must also demonstrate that they have installed at least three of the above listed items. Assessors may offer to produce a report that verifies the installation of the required features including models and ratings.

More information

More information on these loans is available on the Bank Australia website:

<https://www.bankaustralia.com.au/personal/borrow/home-loans/clean-energy-home-loan/>

A calculator that generates a Home Loan Key Facts Sheet for a specific loan amount can be found at: <https://bankaustralia.com.au/infocast-home-loan-key-facts-sheet.html>

For more information about using Scorecard with Clean Energy Home Loans, contact the Scorecard team at help.scorecard@delwp.vic.gov.au or on 136 186.