

112TH CONGRESS
1ST SESSION

H. R. 627

To require energy audits to be conducted for any single-family and multifamily housing purchased using federally related housing loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2011

Mr. CLEAVER introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To require energy audits to be conducted for any single-family and multifamily housing purchased using federally related housing loans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Home Energy Loss
5 Prevention Act”.

1 **SEC. 2. ENERGY AUDIT REQUIREMENT FOR SINGLE-FAMILY**
2 **AND MULTIFAMILY HOUSING PURCHASED**
3 **USING A FEDERALLY RELATED HOUSING**
4 **LOAN.**

5 (a) **REQUIREMENTS.**—Except as provided in sub-
6 section (d) and section 3, a seller of single-family or multi-
7 family housing that will be purchased with the assistance
8 of a federally related housing loan may not sell such hous-
9 ing, unless—

10 (1) not less than 5 years before the time of sale
11 of the housing, an energy audit meeting the require-
12 ments of subsection (b) is conducted with respect to
13 such housing;

14 (2) the seller provides the purchaser a copy of
15 the results of the energy audit referred to in para-
16 graph (1); and

17 (3) the results of the energy audit referred to
18 in paragraph (1) are submitted to the Secretary of
19 Housing and Urban Development.

20 (b) **ENERGY AUDIT.**—An energy audit meets the re-
21 quirements under this subsection only if—

22 (1) the audit is conducted by a home energy
23 auditor or equivalent, as determined by the Sec-
24 retary;

25 (2) the results of the audit are recorded using
26 energy audit and disclosure forms prescribed by reg-

1 ulation by the Secretary for single-family or multi-
2 family housing, as applicable; and

3 (3) the results of the audit include—

4 (A) a standardized ratings score, based on
5 a scoring system approved by the Secretary, in
6 consultation with the Secretary of Energy, that
7 allows the energy efficiency of the housing to be
8 compared to the energy efficiency of similar
9 housing, as determined by the Secretary; and

10 (B) a prioritized list, based on cost-effec-
11 tiveness and energy savings, of potential energy
12 efficiency improvements for the housing.

13 (c) NOTICE.—A person who accepts applications for
14 federally related housing loans shall provide to each appli-
15 cant for such a loan, at the time of such application, writ-
16 ten notice of the following:

17 (1) The requirements under subsection (a).

18 (2) The exception under subsection (d) and ex-
19 emption under section 3.

20 (3) That the Department of Housing and
21 Urban Development maintains, on an Internet
22 website, a database containing copies of the results
23 of energy audits conducted pursuant to this Act.

24 (4) That the applicant for the loan may obtain,
25 from the Department of Housing and Urban Devel-

1 opment, copies of any energy audits with respect to
2 the housing for which the loan application is made
3 that have been submitted to such Department.

4 (d) EXCEPTION FOR NEW ENERGY EFFICIENT
5 HOUSING.—The requirements under this section shall not
6 apply with respect to the seller of single-family housing
7 or multifamily housing that will be purchased with the as-
8 sistance of a federally related housing loan if such hous-
9 ing—

10 (1) was constructed not more than 5 years be-
11 fore the time of sale involving such loan; and

12 (2) is—

13 (A) Energy Star qualified;

14 (B) certified under the Leadership in En-
15 energy and Environmental Design (LEED) Green
16 Building Rating System of the United States
17 Green Building Council; or

18 (C) certified under an equivalent certifi-
19 cation system approved by the Secretary, in
20 consultation with the Secretary of Energy.

21 (e) ACCESSIBILITY OF ENERGY AUDIT RESULTS.—

22 (1) LOCAL HOUSING OFFICES.—The Secretary
23 shall coordinate with appropriate local recorders of
24 deeds (or other similar local offices responsible for
25 maintaining records of residential real property in-

1 terests and transactions) to maintain copies of the
2 results of energy audits conducted pursuant to this
3 Act on-file in conjunction with the deeds to such
4 housing.

5 (2) HUD DATABASE.—The Secretary shall es-
6 tablish and maintain a database containing copies of
7 the results of energy audits conducted pursuant to
8 this Act and ensure such database is accessible to
9 the public on an Internet website.

10 **SEC. 3. EXEMPTION.**

11 The Secretary may grant a seller an exemption from
12 any requirement of this Act if the Secretary determines
13 that such requirement would, due to circumstances unique
14 to the single-family housing or multifamily housing that
15 will be purchased with the assistance of a federally related
16 housing loan and not based on a condition caused by ac-
17 tions of the seller, cause undue hardship for the seller.
18 An exemption granted under this section shall be limited
19 to the minimum change necessary to avoid undue hard-
20 ship.

21 **SEC. 4. CIVIL PENALTIES.**

22 In the case of any sale of single-family or multifamily
23 housing involving a federally related housing loan in viola-
24 tion of section 2 of this Act, the Secretary shall assess
25 a civil money penalty against the seller in an amount not

1 to exceed 20 percent of the sale price of such housing for
2 which such loan is made.

3 **SEC. 5. HOME ENERGY LOSS PREVENTION FUND AND FEE.**

4 (a) FEE.—The Secretary shall assess persons that
5 make federally related housing loans a fee for each such
6 loan made, in an amount to be determined by the Sec-
7 retary, but not more than necessary to pay costs incurred
8 in carrying out the responsibilities of the Department of
9 Housing and Urban Development under this Act. The Sec-
10 retary shall collect and deposit such fees in the Home En-
11 ergy Loss Prevention Fund established under subsection
12 (b)(1) for use in accordance with this section.

13 (b) FUND.—

14 (1) ESTABLISHMENT.—There is established in
15 the Treasury of the United States a fund to be
16 known as the “Home Energy Loss Prevention
17 Fund”, consisting of—

18 (A) amounts collected as fees assessed
19 under subsection (a); and

20 (B) any interest earned on investment of
21 amounts in the Home Energy Loss Prevention
22 Fund credited to the Fund under paragraph
23 (2)(B).

24 (2) INVESTMENT OF AMOUNTS.—

1 (A) IN GENERAL.—The Secretary of the
2 Treasury shall invest such portion of the Home
3 Energy Loss Prevention Fund as is not, in the
4 judgment of the Secretary of the Treasury, re-
5 quired to meet current withdrawals. Invest-
6 ments may be made only in interest-bearing ob-
7 ligations of the United States.

8 (B) CREDITS TO FUND.—The interest on,
9 and the proceeds from the sale or redemption
10 of, any obligations held in the Home Energy
11 Loss Prevention Fund shall be credited to the
12 Fund.

13 (3) USE OF AMOUNTS IN THE FUND.—To the
14 extent provided in advance in appropriations Acts,
15 amounts in the Home Energy Loss Prevention Fund
16 shall be made available to the Secretary without fis-
17 cal year limitation to carry out the responsibilities of
18 the Department of Housing and Urban Development
19 under this Act.

20 **SEC. 6. REGULATIONS AND EFFECTIVE DATE.**

21 (a) REGULATIONS.—Not later than one year after the
22 date of enactment of this Act, the Secretary shall promul-
23 gate regulations to carry out this Act.

1 (b) EFFECTIVE DATE.—The requirements under this
2 Act shall take effect 6 months after the date regulations
3 are promulgated pursuant to subsection (a).

4 **SEC. 7. DEFINITIONS.**

5 In this Act:

6 (1) ENERGY AUDIT.—The term “energy audit”
7 has the meaning given such term in section 391(13)
8 of the Energy Policy and Conservation Act (42
9 U.S.C. 6371(13)).

10 (2) FEDERALLY RELATED HOUSING LOAN.—
11 The term “federally related housing loan” means the
12 following loans:

13 (A) SINGLE-FAMILY HOUSING LOANS.—A
14 federally related mortgage loan, as such term is
15 defined in paragraph (1) of section 3 of the
16 Real Estate Settlement Procedures Act of 1974
17 (12 U.S.C. 2602(1)).

18 (B) MULTIFAMILY HOUSING LOANS.—A
19 loan that is described in paragraph (1) of sec-
20 tion 3 of the Real Estate Settlement Procedures
21 Act of 1974 (12 U.S.C. 2602(1)), except that
22 for purposes of subparagraph (A) of such para-
23 graph (1) shall be applied—

24 (i) by substituting “(including condo-
25 minium and cooperative projects)” for

1 “(including individual units of condomin-
2 iums and cooperatives)”;

3 (ii) by substituting “5 or more fami-
4 lies” for “from one to four families”.

5 (3) HOME ENERGY AUDITOR.—The term “home
6 energy auditor” means a person who is certified by
7 an agency approved by the Secretary, in consultation
8 with the Secretary of Energy, to conduct energy au-
9 dits for single-family housing or multifamily hous-
10 ing, as applicable.

11 (4) MULTIFAMILY HOUSING.—The term “multi-
12 family housing” means any residential structure con-
13 sisting of 5 or more dwelling units.

14 (5) SECRETARY.—The term “Secretary” means
15 the Secretary of Housing and Urban Development.

16 (6) SINGLE-FAMILY HOUSING.—The term “sin-
17 gle-family housing” means any residential structure
18 consisting of 1 to 4 dwelling units.

19 (7) TIME OF SALE.—The term “time of sale”
20 means, with respect to any single-family or multi-
21 family housing for which a federally related housing
22 loan is made, the date of the recording of a deed
23 transferring legal title to real property to implement
24 the sale of property that involved such loan.

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