



Benefits for State and Local Governments

Leverage¹ each stimulus dollar at least 14 times to...

- create 14 times more jobs,
- generate 14 times more private spending,
- reduce home energy consumption,
- reduce GHG emissions, and
- bring back your tax base.

Benefits for Your Community

By implementing 14x to leverage your stimulus dollars, you will...

- put your community back to work,
- keep people in their homes,
- lower their monthly mortgage payments,
- lower their monthly energy bills, and
- increase their disposable income.

How 14x Works

The 14x Stimulus plan uses state and local stimulus money to create a local mortgage buy-down program² that offers reduced mortgage interest rates contingent upon renovating or building to meet specific energy reduction targets.

For New Homes: The mortgage rate qualified for by the homebuyer would be lowered ½% for a new home achieving a HERS 70 rating (or equivalent³) and 1% for a new home achieving a HERS 50 rating.

For Existing Homes: The mortgage rate qualified for by the homebuyer would be lowered 1% if the homeowner invests a minimum amount in efficiency upgrades and/or renewable energy systems, renovating the home to meet a minimum HERS 70 rating. The minimum amount required to be invested is dependent on the amount of the new mortgage at refinancing, as illustrated in the following table:

New Mortgage Amount	\$150,000	\$200,000	\$250,000	\$300,000	\$350,000	\$400,000
Minimum Homeowner Investment	\$12,000	\$16,000	\$20,000	\$24,000	\$28,000	\$32,000

Example Refinance of Existing Home⁴: Original mortgage amount of \$210,000; equity of \$26,000, remaining principal of \$184,000:

	Current Mortgage at Rate of 6%	Refi at 14x Rate of 4% ⁵
Principal	\$184,000	\$200,000
Monthly Payment	\$1259	\$955
Monthly Energy Savings	\$0	\$100
Total Monthly Savings	\$0	\$404

So, this 14x homeowner saves \$404 per month while improving the comfort of their home and increasing their home's property value.

For state and local governments, the benefits of 14x are equally as compelling, as illustrated in the following side-by-side comparison:

A Side-by-Side Comparison: 14x Creates... More Jobs More Private Spending More Tax Revenue	With 14x Plan	Without 14x Plan
	Government Spending	\$1.0 million
Private Spending Generated	\$14.0 million	negligible
Jobs Created	226	16
State and LG Tax Revenue	\$1.0 million	\$0.07 million
Federal Tax Revenue	\$3.0 million	\$0.22 million

For more information, contact Architecture 2030 at info@architecture2030.org or 505.988.5309, or visit our website at www.architecture2030.org.

¹ To leverage the government funding 14 times, 70% of the stimulus dollars must be allocated to buying down existing home mortgage rates, 20% must be allocated for new home mortgages (HERS 70), and 10% must be allocated for new home mortgages (HERS 50).

² Assumes the cost of a 1% mortgage rate buy-down is 4 points, i.e. 4% of the mortgage amount.

³ Equivalent rating systems may be used. See 'Meeting the 2030 Challenge Through Building Codes' at www.architecture2030.org/news/multimedia.html.

⁴ This example assumes that the homeowner qualifies for a 5% rate. The homeowner is responsible for the refinancing costs associated with refinancing from their current rate of 6% to the new rate of 5%. The 1% buy-down then lowers the rate to 4%. Refinancing costs may be added into the mortgage or offset by tax credits and other incentives.

⁵ \$200,000 equals the remaining principal of \$184,000 plus the renovation costs of \$16,000; \$1259 minus \$955 plus \$100 equals a monthly savings of \$404.

