

**New Home Rebate for Newly Constructed Homes
Program Guidelines**

Alaska Housing Finance Corporation

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Table of Contents

Part I – Overview.....	3
Section 1000 – Introduction	3
Section 1001 – Purpose of Guidelines.....	3
Part II – New Home Rebate Program Participation	4
Section 2000 – Eligibility	4
Section 2001 – How to Participate	5
Section 2002 – Required Documentation	5
Section 2003 – Multi-Unit Dwellings	6
Section 2004 – Ineligible Dwellings	6
Section 2005 – Rebate Processing Timeline	7
Section 2006 – Rebate Amounts.....	7
Part III – Rebate Encumbrance.....	8
Section 3000 – Required Documentation	8
Part IV – Monitoring.....	8
Section 4000 – Overview.....	8
Section 4001 – Falsification	8
Section 4002 – Complaints.....	9
Part V – Taxability of the Rebate.....	9
Part VI – Definitions.....	10



Part I – Overview

Section 1000 – Introduction

01. The New Home Rebate (NHR) program for newly constructed homes provides rebates for original homeowners who build or purchase a 5 Star Plus or 6 Star home. A \$7,000 rebate for 5 Star Plus and \$10,000 rebate for 6 Star is available.
02. Participation in the New Home Rebate (NHR) program for newly constructed homes is voluntary and is first-come, first-served, and contingent upon funding appropriated by the Alaska State Legislature. If, or when, funding becomes limited, the Alaska Housing Finance Corporation (AHFC) may terminate the program. Public notice will be provided 30 days in advance of program cessation on the AHFC website www.ahfc.us.
03. The person to whom the rebate is paid (rebate recipient) must provide their Social Security number and the name on the application must appear as shown on the applicant's current or most recent Federal Tax return. The amount of the rebate will be reported to the United States Internal Revenue Service. An IRS Form 1099-G will be mailed to the homeowner no later than January 31 of the following year from the date of issuance of the rebate check.
04. In most cases, if the dwelling is in the process of being constructed and is anticipated to be completed within 12 months, funds may be encumbered specifically for that home for up to 12 months from the date of the HER-50 Encumbrance Form.
05. Most of your communications with the Alaska Housing Finance Corporation are considered part of the public record and may be subject to disclosure under AS 40.25.110 - 40.25.120. Personal information obtained through the Home Energy Rebate Program is governed by AS 40.25.300 – AS 40.25.350. It requires notice when collecting personal information that may become part of the public record.
06. AHFC does not endorse nor recommend companies, services or materials, including energy raters. AHFC authorized energy raters are independent, private businesses and are not agents, employees or assignees of AHFC. As independent businesses, energy raters set their own rates and fees for services.

Section 1001 – Purpose of Guidelines

01. The purpose of the New Home Rebate (NHR) program for newly constructed homes guidelines are to provide for the administrative and procedural requirements. These guidelines are not inclusive of all situations, circumstances or issues. The guidelines pertain to both the participant and dwelling eligibility, as well as, provide instructions and program

requirements. This guideline may be amended from time to time in accordance with program changes, at AHFC's discretion.

Part II – New Home Rebate Program Participation

Section 2000 – Eligibility

01. The New Home Rebate (NHR) program for newly constructed homes is for the original homeowner who purchases or builds a 5 Star Plus or 6 Star home. Participation is limited to owner-occupied residential dwellings only in the State of Alaska. The residential dwelling must be the primary residence of the applicant.
 - a. AHFC has adopted the State of Alaska, Permanent Fund Division residency and allowable absences provisions in accordance with 15 AAC 23.143, <http://www.pfd.state.ak.us/content/StatsAndRegs/15AAC23-143-d-11.pdf>, and <http://www.pfd.state.ak.us/Eligibility/EstablishingResidency>.
02. The dwelling must not be more than one year old from the time of completion and must be the owner's primary residence. Dwelling completion is determined upon the date of the recorded PUR-102 (Summary of Building Inspections) or date of the Certificate of Occupancy from an approved municipality.
03. The home must meet all Alaska Housing Finance Corporation (AHFC) property financing requirements.
04. Multi-family units up to a four-plex and condominiums are eligible, all other eligibility requirements apply.
05. Only one rebate is allowed per dwelling. Dwellings that have participated, or are participating in the NHR program are ineligible to participate in the Home Energy Rebate for existing homes or Weatherization program.
06. New construction energy ratings MUST be done by an authorized Building Energy Efficiency Standard (BEES) Compliant Certified professional. Visit the AHFC website for a list of BEES compliant energy raters. <http://www.ahfc.us/efficiency/home-energy-rebate-approved-raterlist/>
07. Homeowners who have previously participated and received a rebate under either the HER or New Home Rebate program, and subsequently purchased or constructed a new home, may participate every two years from date of previous rebate check. All program guidelines must still be met and apply. This guideline is not retroactive.

08. An applicant may participate more than once. However, the homeowner may only apply to participate for one rebate, per dwelling, per time; as the homeowner is certifying primary, owner-occupied residency. Second, vacation or rental residential dwellings are ineligible.

Section 2001 – How to Participate

01. Homeowners wishing to participate in the New Home Rebate (NHR) program for newly constructed homes must contact the AK Rebate Call Center at 1-877-257-3228 or sign up at www.akrebate.com, to be put on the wait-list.
02. The eligible homeowner must provide a reliable contact telephone number and email address when signing up at www.akrebate.com or when calling 1-877-257-3228. The individual signing up should be the same individual that will submit the required documentation to participate.
03. After signup the homeowner will receive an email confirming their signup. The homeowner may check their status on the waitlist at www.akrebate.com, using their telephone number, or by calling the AK Rebate Call Center.
04. Upon reaching the top of the waitlist the homeowner will be dispatched to AHFC. The homeowner has 30 days from the date they are contacted by AHFC to complete either the HER-50 Encumbrance Form or HER-51 Application Form.

Section 2002 – Required Documentation

01. Required documentation for the NHR program includes, but is not limited to:
 - a. Signed HER-51 Application Form,
 - b. Copy of proof of ownership such as a recorded title transfer deed of trust, recorded statutory warranty deed, or tax assessment notice,
 - c. Copy of energy rating certificate that confirms the dwelling is a 5 Star Plus or 6 Star energy rated home,
 - d. Copy of a completed and recorded PUR-101 Form,
 - e. Copy of a completed and recorded PUR-102 (Summary of Building Inspections) signed and notarized by the contractor/builder or by the homeowner if the dwelling is owner-built **OR** a copy of a Certificate of Occupancy from an approved municipality or borough whose building code has been determined to meet or exceed AHFC property financing requirements. (NOTE: A registered inspector may NOT be substituted). The homeowner must ensure all applicable Federal, state and local statutes and codes are met.

- f. If the home was built by a contractor/builder, then a copy of the builder's Alaska Contractor's License with a Residential Contractor Endorsement is required.

02. The NHR program documentation should be mailed to:

Alaska Housing Finance Corporation
ATTN: R2D2
PO BOX 101020
Anchorage, AK 99510-1020

Section 2003 – Multi-Unit Dwellings

01. All guidelines for the NHR program, when referencing multi-unit dwellings, apply unless noted in this section.
02. Multi-unit dwellings, i.e. duplex, tri-plex, four-plex, may participate in the NHR program.
03. To be eligible, the participant must reside in and claim one of the units as their primary residence. The dwelling must be energy rated as a whole building and the building may qualify for only one rebate.
04. If the multi-unit dwelling is jointly owned, the owners may qualify for only one rebate, not per unit.
05. Multi-unit dwellings with five units or more are NOT eligible.

Section 2004 – Ineligible Dwellings

01. A dwelling that received a rebate under the New Home Rebate program or previously under the HER program, or has been weatherized after May 14, 2008,
02. A motorized vehicle, including boats, motorhomes, etc,
03. A hotel or motel room,
04. A travel trailer, camper, or other mobile residential unit,
05. A pleasure or fishing boat or motorized houseboat,
06. A dwelling leased or maintained by the US government,
07. A dwelling designated for acquisition or clearance by a Federal, State, or local government program within 12 months from the date a rating of the residential unit would be scheduled

to be completed; appeal requests of this guideline will be considered on a case-by-case basis,

- 08.A dwelling that is not substantially complete,
- 09.A portion of a dwelling not being lived in,
- 10.A rental apartment or portion being converted for a rental apartment,
- 11.A residential unit that is not the primary dwelling of the applicant,
- 12.Yurts,
- 13.A commercial property.
- 14. A business that occupies more than 25% of the home.

Section 2005 – Rebate Processing Timeline

- 01.AHFC has within 60 business days to process a completed HER-51 Form.

Section 2006 – Rebate Amounts

- 01.A dwelling that achieves an energy rating of 5 Star Plus may be eligible for a \$7,000 rebate.
- 02.A dwelling that achieves an energy rating of 6 Star may be eligible for a \$10,000 rebate.
- 03.Energy rating points and stars:

Points	Rating
0-39	1 Star
40-49	1 Star +
50-59	2 Star
60-67	2 Star +
68-72	3 Star
73-77	3 Star +
78-82	4 Star
83-88	4 Star +
89-91	5 Star
92-94	5 Star +
95-100+	6 Star

Part III – Rebate Encumbrance

Section 3000 – Required Documentation

01. Signed and completed HER-50 Form.
02. If the applicant is a home buyer, a copy of a fully executed construction contract with the builder obligating them to purchase a newly constructed 5 Star Plus or 6 Star home or equivalent documentation; e.g., earnest money agreement, construction loan documents, that specify home is being built to applicable star rating, that is less than 12 months old.
03. If the applicant is an owner-builder, a copy of an energy rating from a plan, or equivalent documentation that reasonably confirms that the home will be a 5 Star Plus or 6 Star upon completion.
04. Once the home is purchased or completed, the owner must contact AHFC to get the required paperwork to request the rebate.
05. All other eligibility requirements apply.

Part IV – Monitoring

Section 4000 – Overview

01. To perform qualified energy ratings, an authorized Home Energy Rater (rater) has to fulfill all the requirements to become a home energy rater and be authorized by AHFC as such. Energy raters must maintain current agreements with AHFC to perform energy ratings for the Home Energy Rating System and are subject to monitoring to verify compliance of said agreement. A home energy rater is not an employee, agent, or contractor of AHFC.
02. AHFC or its designee reserves the right to conduct random reviews of energy ratings, energy raters, HER-50, HER 51, PUR-101, and other documentation submitted to support the rebate requested, as well as, all other components of the NHR program.

Section 4001 – Falsification

01. If it is determined that a rebate has been obtained using false information, e.g., forged receipts, the applicant will be subject to the following: (1) immediate repayment to AHFC of any

amount paid to me by AHFC; and (2) possible prosecution for fraud and misrepresentation. The applicant shall be notified in writing by certified mail.

Section 4002 – Complaints

01.The AHFC shall investigate all complaints relating to the New Home Rebate program to ascertain the facts. The investigation may consist of the following:

- a. Review of the documentation submitted for a rebate,
- b. Possible discussion with the relevant parties,
- c. A site visit to the dwelling and verification of the energy rating.

02.If a complaint is received related to an energy rater or an energy rating the complaint shall be referred to the Energy Specialist assigned to monitor the energy raters. The New Home Rebate program manager shall coordinate with the Energy Specialist to determine the relevant facts of the circumstances related to the complaint. Sanctions may be imposed against a rater if it is found that the Home Energy Ratings Ethics Code contained in the energy rater manual, effective June 19, 2008, has been violated. The investigation may consist of one or more of the following:

- a. Review of the complaint,
- b. Review of the energy rating in question by an experienced energy rater,
- c. Discussion with the energy rater.

Part V – Taxability of the Rebate

01.AHFC is required by the IRS to issue a Tax Form 1099-G to participants in the HER program for any reimbursements or rebates received, regardless of the amount. The individual who signs and submits the application, and to whom the rebate is paid (rebate recipient) must provide their social security number for this purpose. Their name on the application must appear as shown on the applicant’s current or most recent Federal Tax return.

- a. 1099-G Box 6 Taxable Grant instructions, “Enter any amount of a taxable grant administered by a federal, state, or local program to provide subsidized energy financing or grants for projects designed to conserve or produce energy, but only with respect to energy property or a dwelling unit located in the United States...”

02.The Internal Revenue Service (IRS) Issue Management Resolution System (IMRS) 11-0001463 has responded to State energy rebates in the following manner:

- a. Many energy incentives are referred to as “rebates” even though they do not constitute rebates for federal tax purposes. Generally, only a manufacturer, distributor or installer of equipment can properly make a rebate for the costs of

energy conservation equipment. Energy incentive payments from state and local governments that are includible in gross income must be reported using box 6 of Form 1099-G. There is no minimum dollar threshold for this reporting requirement.

Part VI – Definitions

01. AK Rebate Call Center

Effective October 1, 2008, AHFC established the AKRebate Call Center, www.akrebate.com and 1-877-257-3228. The purpose of the call center is to provide participants with a mechanism to request energy ratings and to ensure participants have a reliable expectation on how long they might have to wait to get an energy rating. It also allows AHFC a mechanism to adequately project funding availability, and ensures a consistent flow of requests to energy raters.

02. AkWarm rating software

AkWarm is a computer simulation-based method for assessing a home's energy efficiency and its potential for improvement.

03. Approval

An approval signature on a paper document.

04. Approver

The appropriate approving authority for the homeowner (as designated on the Home Energy Rebate applications and in AHFC business practices).

05. As-Is energy rating

A home energy rating performed on a home for the purpose of establishing a rating level and identifying opportunities for increased energy efficiency. As-Is ratings are to be done with the home in the condition it is when the rater arrives. A rater may not substitute a component that was recently changed to give the rating a lower score (i.e. if a furnace was changed out by a seller a week before the rater arrives, the rater must rate the home with the new furnace, not the one that was removed.) The home should be rated as the rater finds it, and not make additions or deletions to the thermal envelope, heating system, water heater system, or air movements in the building without submitting these changes in writing to AHFC. Submittal of "Notes to AHFC" on the AkWarm rating file is sufficient notification for this purpose.

06. BEES Compliance rating:

BEES (Building Energy Efficiency Standards) Compliance rating used by builders and/or owner-builders to meet the Building Energy Efficiency Standard, AHFC regulation 15 ACC 155.010.

07. Building Energy Efficiency Standard (BEES)

The Alaska Building Energy Efficiency Standard was established by the State of Alaska to promote the construction of energy efficient buildings. It sets building energy use standards for thermal resistance, air leakage, moisture protection and ventilation.

BEES is currently comprised of the 2012 International Energy Conservation Code (IECC), ASHRAE 62.2 2010 and Alaska Specific Amendments.

All new residential homes and community-owned buildings which began construction on or after January 1, 1992 must comply with the BEES in effect at the time the foundation is started, if AHFC is to be used in construction or the purchase of a loan.

08. Community without and energy rater:

Remote communities in which no AHFC authorized energy rater resides or provides regular rating services.

09. Department Director:

For the purposes of this manual, Department Director shall mean all directors of AHFC.

10. Eligible homeowner:

For purposes of these guidelines the homeowner, participant, applicant all refer to the individual certifying on AHFC Home Energy Rebate forms that the home that was rated and having energy efficiency improvements completed is the customer's primary residence in which they reside year-round.

11. Eligible improvements:

All improvements recommended in the Improvement Options Report (IOR) generated by the AkWarm software program that an authorized energy rater has used to determine the energy efficiency of the dwelling.

12. Eligible dwelling unit:

A "residential or dwelling unit" means a house, including a stationary mobile home, a condo, a group of rooms, or a single room occupied as separate living quarters which provide complete independent living facilities for one or more persons, including permanent provisions for sleeping, cooking, and eating; "residential or dwelling unit" does not include a motorized vehicle, a boat, a travel trailer, a hotel room, a bed & breakfast, yurt, or a

housekeeping unit leased or maintained by the United States for employee or military housing. Only the occupied portion of a residential unit lived in year-round is eligible for the Home Energy Rebate program. An unoccupied portion of a residential unit cannot receive a rebate.

13. Energy Cost and Features report

The Energy Features section of the report summarizes the information AkWarm has used to determine estimated energy use. It is divided into sections describing: Envelope Efficiency, Space Heating System, Water Heater, Ventilation, and Other Energy Uses. Any notes that were entered in the "Notes to Homeowner" on the "General" screen will be printed at the bottom of the report.

There are several important items to note:

Envelope Efficiency is shown with component composite R-values. This includes the R-value of the framing members and other materials, not just the R-value of the insulation in that component.

The Space Heating System Efficiency is an estimated efficiency of the entire heating system, including heating equipment and distribution system, based on the input information and some internal assumptions.

When using the information in the report you should always note the house size at the time of the rating, whether the garage is included in the rating, what type of rating was performed, and the version of Akwarm and date of the library that was used.

14. Energy rater:

The authorized Home Energy Rater (rater) is one who has fulfilled all the requirements for becoming a home energy rater and has been authorized by AHFC as such. Energy raters must maintain current agreements with AHFC to perform energy ratings for the HER program and are subject to monitoring to verify compliance of said agreement. A home energy rater is not an employee, agent, or contractor of AHFC.

15. Home energy rating:

An energy rating performed by an AHFC authorized Energy Rater using an AHFC approved software program. A Home Energy Rating analyzes building energy performance based on thermal envelope, domestic hot water, as well as space heating systems and assigns both a numerical score and a star rating to the building. Depending on the purpose of the rating, it may or may not include recommendations for energy efficiency improvements.

16. Improvement Options Report (IOR):

A list of energy efficiency improvements generated as a result of an as-is energy rating for an eligible dwelling unit. The IOR also serves as a guideline for AHFC and the homeowner

regarding the estimated points and steps that may be achieved, energy savings and return on the energy improvement investment. Only improvements from this report are eligible towards a rebate.

17. Post- Improvement rating:

The energy ratings done after improvements have been made to an existing residential dwelling. This rating is used to verify improvements made to the dwelling.

18. Program manager:

For the purposes of this manual, Program Manager is responsible for the administration of the Home Energy Rebate and New Home Rebate for new construction programs.

19. Rating from plans:

An energy rating using the AkWarm software that relies on inputs from a set of building plans.

20. Rebates:

The eligible amount a homeowner may receive for making energy efficiency improvements in accordance with the recommendations in the Improvement Options Report (IOR).

21. Substantially complete:

A residential unit that has all of the normal integral parts including a foundation, floors, walls, roof, windows, doors, and permanent heating system *and* “thermal envelope” means the space in a building that is contained within the building’s wall, roof, and floor or crawl spaces and that separates the building’s heated space from unheated spaces, the ground, or the outdoors. If a local building permit agency exists, a Certificate of Occupancy will satisfy this definition from an AHFC approved municipality. A dwelling is not considered substantially complete if it is not considered habitable for local climates (e.g., an un-insulated building in Fairbanks, heating system not operational).

22. Year-round occupancy:

AHFC has adopted the Alaska Permanent Fund residency eligibility criteria to meet the year-round residency requirement, in accordance with AS 43.23.005 and AS 43.3.008.