

our C-Change discounts

The level of carbon dioxide in the atmosphere is increasingly fuelling climate change. Our homes currently consume three times as much energy as our usage of private cars, and account for over 27% of CO₂ emissions.

By increasing the energy efficiency of our homes we can make an immediate impact on CO₂ emissions and begin to protect our future environment.

To help you do this and contribute to combating climate change, we have developed a series of award-winning discounts from our standard mortgage pricing:

- C-Change sustainable homes
- C-Change retrofit
- C-Change energy improvements

These discounts are available on our Residential, Buy-to-Let, Housing Co-operative and Part Residential mortgages.



HOMEBUILDING
& RENOVATING
PRODUCT
EXCELLENCE
AWARDS 2011

Winner

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT
KEEP UP REPAYMENTS ON YOUR MORTGAGE

C-Change sustainable homes

If you are building or purchasing a new or existing eco-home you may be eligible for our sustainable homes discount. The discounts are based on properties attaining the standards in the table below:

Discount level	Discount %	Energy standard/rating
1	0.50	EPC – Energy efficiency rating or Environmental impact rating ‘B’
		CSH Level 3
		Eco Homes ‘Very Good’
2	0.75	EPC – Energy efficiency rating or Environmental impact rating ‘A’
		CSH Level 4
		Eco Homes ‘Excellent’
		AECB Silver
3	1.00	CSH Level 5
		PassivHaus
4	1.25	CSH Level 6
		AECB Gold

EPC – Energy Performance Certificate
 CSH – Code for Sustainable Homes
 AECB – Association for Environment Conscious Building

The Standards

The **Energy Performance Certificate (EPC)** provides current and potential ratings from A - G (A being the most efficient and G the least efficient) for:

- **Energy-efficiency** - a measure of a home's overall efficiency
- **Environmental impact** - a measure of a home's impact on the environment in terms of carbon dioxide (CO₂) emissions

The certificate also includes recommendations about how to improve the energy performance of the property. Further information about the certificates and how to obtain one is available from:

www.epc.direct.gov.uk
www.epcregister.com



CSH stands for Code for Sustainable Homes – an environmental assessment method for new homes in England, Wales and Northern Ireland and consists of six levels. Level 1 is equivalent to minimum Building Regulations and Level 6 is granted to ‘exemplar development’ – a zero carbon home. Further details on the Code are available at the Building Research Establishment’s Environmental Assessment Method (BREEAM) website www.breeam.org. Alternatively you can contact them on **01923 664462**.

Eco Homes – these standards are based on BREEAM. There are four levels – Pass, Good, Very Good and Excellent. Eco-Homes applies to renovated and existing homes in England, Wales and Northern Ireland and for new and existing homes in Scotland. For further information visit BREEAM’s website www.breeam.org or call them on **01923 664462**.

AECB – the sustainable building association has produced a set of realistic and workable energy performance standards including Silver and Gold. For further details visit www.aecb.net or www.carbonlite.org.uk or telephone **0845 456 9773**.

PassivHaus – this is a specific construction standard predominantly relating to new energy efficient homes. For further details visit www.passivhaustrust.co.uk telephone 0207 841 8909.

C-Change retrofit

This discount has been designed for any existing home requiring extensive improvements. The level of discount available relates to enhancements achieved in the ratings quoted in the Energy Performance Certificate (EPC).

The biggest challenge our country faces in terms of reducing the contribution our homes make to climate change is to deal with our existing housing stock, built to low energy efficiency standards. The average Energy Efficiency Rating for the UK housing stock is around E/F and many homes may be capable of achieving an improvement of around two grades dependent on the amount spent.

A discount of 0.25% from our standard variable rate will be available for each grade improvement in either the Energy efficiency or Environmental impact rating. For example, if either rating improves from E to C after the works to the property are completed, a discount of 0.5% will be available on the **whole of the mortgage for the duration of the loan.**



Energy Efficiency Rating		Current	Potential
Very energy efficient - lower running costs			
(92-100) A			
(81-91) B			
(69-80) C			
(55-68) D			
(39-54) E			
(21-38) F		32	
(1-20) G			
Not energy efficient - higher running costs			
England & Wales		EU Directive 2002/91/EC	

Environmental Impact (CO ₂) Rating		Current	Potential
Very environmentally friendly - lower CO ₂ emissions			
(10-100) A			
(61-91) B			
(39-60) C			
(15-40) D			
(7-54) E			52
(1-38) F		27	
(1-20) G			
Not environmentally friendly - higher CO ₂ emissions			
England & Wales		EU Directive 2002/91/EC	

C-Change energy improvements

This gives a **1.00% discount** from our standard variable rate on funds advanced for specified energy saving or renewable energy systems. It is probably best suited to funding small scale works to existing properties including investments that benefit from Feed in Tariff incentives. For example, when

... **purchasing an existing property** and installing energy efficiency measures or renewable energy systems

... seeking to **move your mortgage** to the Ecology and borrowing additional funds to install energy efficiency measures or renewable energy systems

...an **existing borrower** requires additional funds to install energy efficiency measures or renewable energy systems in your home

The minimum loan amount that can qualify for this discount is £1,000.

What specific measures qualify for the discount?

The following list is under constant review, and where possible we'll incorporate your suggestions for inclusion.

■ **Installing floor, wall and roof insulation** – Roof insulation where possible a minimum of 300mm deep, cavity fill, internal and external wall insulation and floor insulation at ground floor level. Materials preferably from organic sources or naturally occurring minerals; any foams used should be made with zero ozone depletion potential (ZODP) blowing agents

NB: Discount does not apply to structural elements such as straw bales etc.

■ **Double or triple glazing** – This should be gas filled and incorporate low-emissivity coatings with a U value of 1.5W/m²K or lower; or attains a British Fenestration Rating Council (BFRC) energy performance rating of C or above. Softwood or hardwood frames qualify (but not UPVC) Metal windows will only qualify if they include a thermal break to control thermal bridging



■ **Wet underfloor heating systems** – Wet underfloor heating systems combined with a high-efficiency condensing boiler or renewable energy are carbon efficient

NB Conservatories not included.

■ **Installing a condensing boiler** – This should be a high efficiency model, with a SEDBUK 'A' rating

■ **Solar water heating** – Solar panels can be used to provide up to half your hot water needs

■ **Photovoltaics** – Electricity supplied by the grid suffers large losses in transmission – so local generation may be preferable

■ **Wind turbines** – Small turbines may be more cost effective than photovoltaics. These may not operate efficiently in all settings

■ **Ground source heat pumps** – Using the earth's warmth to heat your home

NB Units capable of cooling are not included.

■ **Biomass heating** – Wood pellet or wood log burning stoves or boilers

■ **Heat recovery systems** – ventilation systems, air source heat pumps and heat recovery in domestic water drainage all of which extracts heat from expelled air/water to preheat incoming air/water

■ **Installing low water-use appliances** – Water consumption can be reduced by installing devices such as low flush toilets

NB The discount does not apply to electrical appliances.

■ **Rain water harvesting** – Collecting water for watering gardens can save energy and money, but may not lead to carbon savings



How the discounts work

C-Change sustainable homes

In the case of existing eco homes that have a valid energy rating, the relevant discount dependent on the energy rating will be applied upon completion of the mortgage – so you'll receive the discount for the full mortgage term.

For new build properties, the relevant discount will be applied to the mortgage upon confirmation of the energy rating achieved. Please indicate which energy standard/rating you expect to achieve on the C-Change specification sheet included with the mortgage application form.

C-Change retrofit

If you wish to become eligible for this discount, we will require an Energy Performance Certificate (EPC) during the application process and on completion of the proposed works.

- If you are purchasing an existing home, an EPC should be available from the seller, or their agent.
- If you already own your own home, then you will need to commission one, or you can ask us to arrange this at the same time as the mortgage valuation.

You will then need to:

- review the EPC and decide which improvements you wish to embark on
- compile a schedule of the expected costs
- complete the C-Change specification sheet indicating the current and expected rating.
- send these to us

Initially, interest will be charged on your mortgage at our standard variable rate.

When you have completed the works, either send us a revised EPC or ask us to arrange one on your behalf.

On receipt of the revised EPC, we will compare it with the initial one, apply the appropriate discount to your mortgage and let you know your revised mortgage payments.

This discount is applied to the whole mortgage and is not available alongside any other discount. However, subject to qualification, you may enhance this discount with future upgrades or replace it with a C-Change sustainable homes discount.

Please note that you will need to pay for the EPCs unless you have saved with the Ecology for 2 years and maintained a minimum account balance of £500. This may include an EPC at the outset, if you are not purchasing a property and one on completion of the upgrading works.

C-Change energy improvements

Let us know which energy saving or renewable energy systems you plan to install and how much you expect them to cost.

We'll then provide you with an illustration which will show how the C-Change discount will affect your payments, and the cost of your other intended borrowing.

Please itemise the energy savings measures and/or renewable energy systems you intend to install in the supplementary C-Change specification sheet included with the mortgage application form.

The renewable energy measures and installers you propose must be those accredited under the Micro-generation Certification Scheme.

www.microgenerationcertification.org

Once we have confirmation that the work has been done, which may be in the form of invoices, we'll apply the discount to that portion of the funds advanced. The discount will then apply for the remaining term of your mortgage. Please note, at any one time, only one discount will apply to one part of the mortgage.

Will I be able to apply for more funds?

If at a later date you wish to install more energy saving measures or extend the property, then we'll be able to consider advancing further funds at the relevant C-Change discount rate, according to our usual assessment criteria.

Should I get advice about what measures I can take?

It might be that you have conducted your own research and have a good idea what energy saving measures are required for your property. However, if you are unsure, or would like more expert advice, there are a number of organisations that can provide either general information or a specific plan for your home.

The **Energy Saving Trust** has a network of advice centres located across England, Scotland, Wales and Northern Ireland. These centres can provide you with impartial advice about saving energy in your home. Their freephone number, **0800 512 012**, will automatically put you through to your local advice centre. Visit their website at www.energysavingtrust.org

A wide range of organisations that can provide advice and project support on a commercial basis can be located on the website www.aecb.net.

The **National Energy Foundation** (NEF) has details of renewable energy technologies on their website, including solar devices, heat pumps, and wood burning appliances. Visit www.nef.org.uk or call **01908 665555**.

Remember – there is little point installing renewable energy generating technologies (which tend to be expensive with lengthy pay-back periods), until you have done everything you can to reduce energy use in your property. So it's far more important to insulate well and install efficient appliances before spending on photovoltaic technology, for example.

The **Green Building Bible** is a useful source of information on all aspects of green building materials and techniques including energy efficiency. Contact the mortgage department to request a free copy.



Ecology Building Society
7 Belton Road
Silsden
Keighley
West Yorkshire
BD20 0EE

T 0845 674 5566
F 01535 650780
W www.ecology.co.uk
E loans@ecology.co.uk

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