

# our C-Change discounts

The increasing level of greenhouse gases in the atmosphere is fuelling a climate and ecological crisis.

Our homes currently produce nearly five times as much greenhouse gas emissions as heavy goods vehicles in the UK, accounting for around 20% of emissions.\*

By increasing the energy efficiency of our homes we can make an immediate impact on CO<sub>2</sub> 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 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.

**Your property may be repossessed if you do not keep up repayments on your mortgage.**



Ecology Building Society was rated as an ethical Best Buy for our mortgages, ISAs and savings accounts by Ethical Consumer magazine in its product guide rankings (May/June 2018 issue).

\*Source: [theccc.org.uk/publication/reducing-uk-emissions-2018-progress-report-to-parliament](http://theccc.org.uk/publication/reducing-uk-emissions-2018-progress-report-to-parliament)

## C-Change sustainable homes

Our sustainable homes discount is ideal if you are building or purchasing a new or existing eco home. It can also apply if you are planning a deep retrofit involving extensive remodelling and changes to the shell of the property, in line with the EnerPHit methodology from the Passivhaus Institute.

There are various levels of discount from our Standard Variable Rate (SVR), based on properties attaining the standards set out in the two tables below. The first table includes a range of practical standards, while the second table focusses on the Passivhaus family of standards.

General standards	
Standards	Discount from SVR
EPC B (SAP rating 85+)	0.50%
EPC A or above	0.75%
AECB Building Standard	0.75%

Because it has been demonstrated that properties designed using the methods set out in the Passivhaus family of standards are most likely to achieve the specified energy performance, our sustainable homes discounts give them pride of place. This route is set out below:

Passivhaus standards	
Standards	Discount from SVR
EnerPHit (PHPP modelled)	0.75%
Passivhaus (Classic, Plus and Premium) EnerPHit or EnerPHit+1	1.25%



### The Standards

**Passivhaus** is the fastest growing energy performance standard in the world, with around 65,000 buildings certified to date<sup>1</sup>.

The **EnerPHit** Standard has been developed for retrofits where the existing architecture and conservation issues mean that meeting the Passivhaus standard is not feasible. EnerPHit recognises the difficulty of achieving a full Passivhaus standard in existing buildings and has slightly relaxed requirements for airtightness and space heating demand. Buildings that have been refurbished using certified Passivhaus components and largely with exterior wall insulation can be certified to the **EnerPHit** standard.

The designation **EnerPHit<sup>+</sup>** is used if more than 25% of the exterior surfaces (excluding glass) have interior insulation.

For both new build and refurbishment projects the energy balance of the building must be verified using the Passive House Planning Package (**PHPP**). It is important to understand that to achieve Passivhaus certification, your project needs to follow the process and methods set out in the Passivhaus standards.

<sup>1</sup> Source: [passivhaustrust.org.uk](http://passivhaustrust.org.uk)

## C-Change retrofit

If the refurbishment project cannot be completed in one phase, the project can still qualify for an interim discount as per EnerPHit (**PHPP modelled**) standard. The works must have been modelled using this standard. The higher level of discount can then be attained upon full completion of the refurbishment.

More information on **Passivhaus** and **EnerPHit** can be obtained from the UK Passivhaus Trust – ([passivhaustrust.org.uk](http://passivhaustrust.org.uk)) or by visiting the website of the Passive House Institute ([passivehouse.com](http://passivehouse.com)).

The **Energy Performance Certificate (EPC)** provides current and potential ratings from A to 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 (CO<sub>2</sub>) emissions.

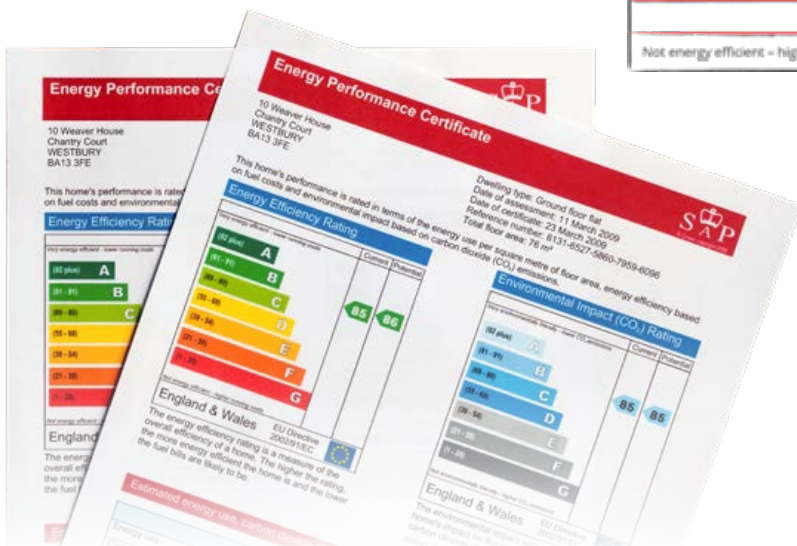
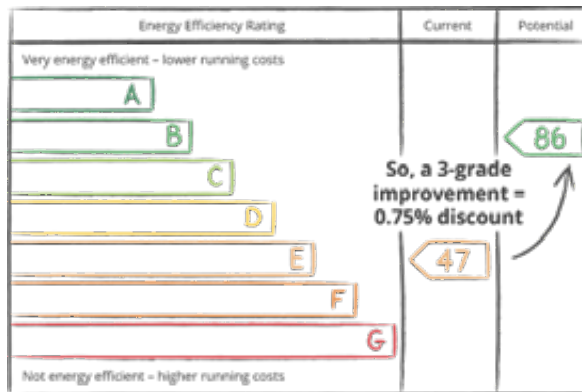
The certificate also includes recommendations about how to improve the energy performance of the property. Further information on how to obtain one is available from: [epcregister.com](http://epcregister.com).

**AECB (The Association for Environment Conscious Building)** has produced a set of realistic and workable energy performance standards. For further details visit [aecb.net](http://aecb.net).

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 D and many homes may be capable of achieving significant improvements depending on the amount spent<sup>2</sup>.

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 B after the works to the property are completed, a discount of 0.75% will be available on the **whole of the mortgage for the duration of the loan.**



<sup>2</sup> Source: English Housing Survey Headline Report, 2017-18. Ministry of Housing, Communities & Local Government

## C-Change energy improvements

This C-Change energy improvement gives a **1.00% discount** from our Standard Variable Rate on funds advanced for specified energy saving or renewable energy systems. It is 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 Ecology and borrowing additional funds to install energy efficiency measures or renewable energy systems
- ... you're an **existing borrower** requiring 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*
- **Double or triple glazing** – This should be gas filled and incorporate low-emissivity coatings with a U value of 1.5W/m<sup>2</sup>K or lower, or attain a British Fenestration Rating Council (BFRC) energy performance rating of C or above. Metal framed 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 extract 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 when we receive evidence that both the work has been completed and the Energy Standard rating required has been 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.

## 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.

**[mcs-certified.com](http://mcs-certified.com)**

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 of 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. Visit their website at [energysavingtrust.org.uk](http://energysavingtrust.org.uk).

A wide range of organisations that can provide advice and project support on a commercial basis can be found on [aecb.net](http://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 [nef.org.uk](http://nef.org.uk).

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.



## Representative example:

A mortgage of £95,300 payable over 25 years on our standard variable rate, currently 4.15%, would require 300 monthly payments of £510.96. The total amount payable would be £154,553.92 made up of the loan amount plus interest (£58,214.92) and a mortgage application fee of £799 and a valuation fee of £240 (assuming a purchase price of £200,000).

**The overall cost for comparison is 4.40% APRC representative.**



**T** 01535 650 770

**W** [ecology.co.uk](http://ecology.co.uk)

**E** [mortgages@ecology.co.uk](mailto:mortgages@ecology.co.uk)

**f** EcologyBS

**t** @EcologyBS

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

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