

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.

Your home 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 and savings accounts by Ethical Consumer magazine in its product guide rankings (in issue May/June 2018).

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 four levels of discount, 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		
Discount level	Discount %	Standards
1	0.50	EcoHomes Very Good EPC B
2	0.75	EcoHomes Excellent EPC A AECB Silver (Carbonlite step 1) CSH Code Level 4
3	1.00	CSH Code Level 5
4	1.25	CSH Code Level 6 AECB Gold (Carbonlite step 2)

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		
Discount level	Discount %	Standards
2	0.75	EnerPHit (PHPP modelled)
4	1.25	Passivhaus EnerPHit EnerPHit ⁺ⁱ



The Standards

Passivhaus is the fastest growing energy performance standard in the world, with around 30,000 buildings certified to date, the majority of those since 2000.

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⁺ⁱ** 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.

If the refurbishment project cannot be completed in one phase, the project can still qualify for an interim discount at Level 2 if the works have been modelled using PHPP (**PHPP modelled**). 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 – visit www.passivhaus.org.uk or by visiting the website of the Passive House Institute – www.passivhouse.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 (CO₂) 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: www.epcregister.com.

CSH stands for Code for Sustainable Homes – an environmental assessment method for new homes in England, Wales and Northern Ireland. The code 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.com.

EcoHomes 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.com.

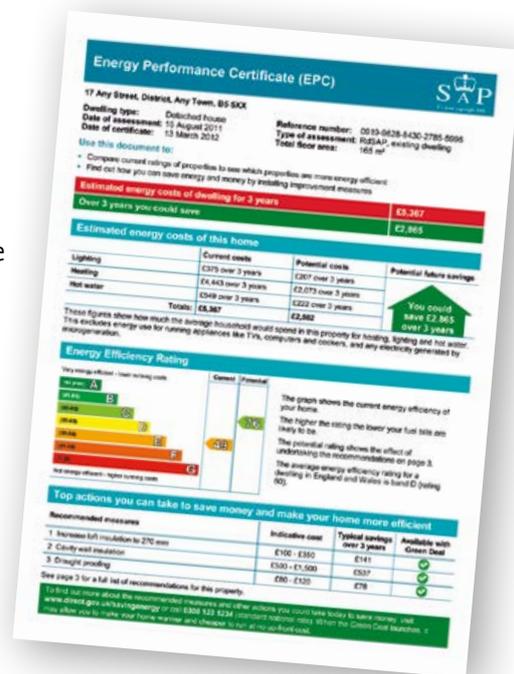
AECB (The Association for Environment Conscious Building) has produced a set of realistic and workable energy performance standards including Silver and Gold. For further details visit www.aecb.net.

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 D 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.**



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
- **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. 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.

Please note that you will need to pay for the EPCs unless you have saved with 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 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 www.energysavingtrust.org.uk.

A wide range of organisations that can provide advice and project support on a commercial basis can be found on 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.

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.

Representative example:

A mortgage of £95,300 payable over 25 years on our Standard Variable Rate, currently 4.65%, would require 300 monthly payments of £537.85.

The total amount payable would be £161,895 made up of the loan amount plus interest (£66,055) and a mortgage application fee of £300 and a valuation fee of £240 (assuming a purchase price of £200,000).

The overall cost for comparison is 4.80% APRC representative.



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