



NYSERDA

Green Jobs Green New York Financing Overview for NYS Clean Heat Participating Contractors

June 30, 2020

Agenda

- Welcome and Introductions: Kerry Hogan
- Green Jobs Green New York (GJGNY) Overview: Heather Clark and Kevin Hunt
- Energy Finance Solutions (EFS) Overview: Ann DeTienne and Stephanie Nackers
- Next Steps/Clarifications for NYS Clean Heat Participating Contractors: Kerry Hogan
- ASHP Proforma Demonstration: Kerry Hogan
- GSHP Proforma Demonstration: Andre Davis
- Questions and Answers: All Panelists

Green Jobs Green New York (GJGNY)

- Legislation passed in 2009 creating the GJGNY Loan Fund
- First loan issued in December of 2010
- Legislation amended in 2011 to allow for On-Bill Recovery

GJGNY Loan Terms and Conditions

- Unsecured
- Available for 1 to 4 Residential units
- Interest Rates
 - OBR Loans 3.49%/6.99%
 - SE Loans 3.99%/7.49% (.5% discount applied if using ACH)
- Loan Amount
 - Minimum \$1,500
 - Up to \$13,000 (up to \$25,000 if the simple payback is less than 15 years)
- Loan Terms
 - 5, 10, 15 years (term may not exceed expected useful life of improvements)

GJGNY Loan Products

- Smart Energy Loan
 - Borrower is billed monthly or makes payment with automatic bank withdrawal (ACH)
 - Borrower must own, rent or manage the residential building to qualify
 - Borrower must sign note with NYSERDA's loan originator Energy Finance Solutions
 - If home is sold or transferred, borrower is responsible for balance of loan (not assignable)
 - Cost effective requirements:
 - Pre-qualified eligible measures are at least 85% of the total loan amount
 - OR
 - Estimated energy cost savings over the anticipated life of improvements must be at least 80% of the total principal and interest of the loan (SIR .8)
 - Loans \$13,000+ must meet 15-year simple payback calculation
 - Loan is subject to late payment fees (5% or \$5.00) and collection fees

GJGNY Loan Products (Con't)

- On Bill Recovery Loan (OBR)
 - Borrower repays loan through a charge on his/her electric/gas utility bill
 - Borrower must own the home and be named on the utility account
 - Borrower must sign note with NYSERDA's loan originator Energy Finance Solutions
 - Borrower must sign an OBR Program Declaration
 - If home is sold or transferred, borrower is responsible for providing notice to purchaser and can transfer the remaining payments to the new utility account holder
 - Cost effective requirements:
 - Monthly payment may not exceed $1/12^{\text{th}}$ of the estimated average annual energy cost savings from improvements over term of loan
 - Loans \$13,000+ must meet 15-year simple payback calculation
 - Loan is subject to late payment fees (5% or \$5.00)

GJGNY Loan Underwriting Criteria

UNDERWRITING STANDARDS		
	Tier 1 Loans	Tier 2 Loans
Minimum FICO	640	540
Mortgage payment history	None	As reported on the credit report, current on all mortgage payments for the past 12 months. No mortgage payments more than 60 days late during the past 24 months.
Max Debt-to-Income Ratio	No limit for FICO 780+ Up to 50% for FICO 640-779	<ul style="list-style-type: none"> • Up to 80% for FICO 680-779 • Up to 75% for FICO 600-679 • Up to 70% for FICO 540-599 <p><u>Regardless of FICO Score:</u></p> <ul style="list-style-type: none"> • Up to 100% for all Assisted Home Performance with ENERGY STAR® ("AHPwES") incentives • Up to 80% for the Affordable Solar Incentive • Up to 80% for the Pellet Stove incentive • Up to 80% for the Ground Source Heat Pump Incentive
Bankruptcy	No bankruptcy, foreclosure, or repossession within last 7 years	No bankruptcy, foreclosure, or repossession within last 2 years
Judgments	No combined outstanding collections, judgments, charge-offs, or tax liens > \$2,500	

¹ Debt-to-Income Ratio for applicants with a FICO of 720+ or with a loan amount ≤ \$5,000 will be calculated on stated income only

GJGNY Data

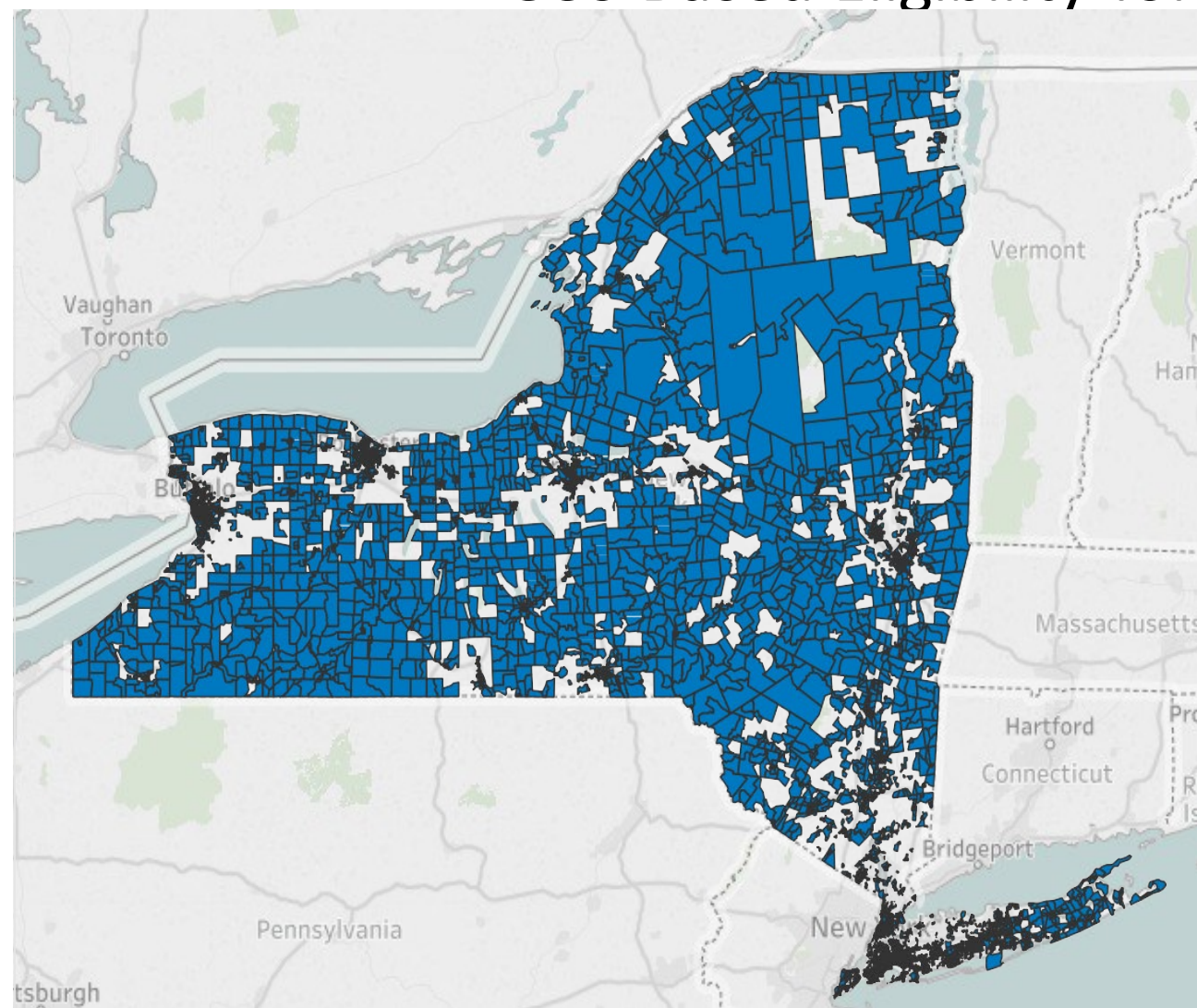
- As of May 31, 2020
 - Issued over 27,000 residential loans
 - Total of \$319,066,744 in principal issued
 - Outstanding balance of \$195,623,144
- Data Published monthly on OpenNY and on NYSERDA's website

Geographic Based Eligibility

- No documentation of household income
- Housing and Urban Development Median Income Block Data
 - $\leq 120\%$ AMI for reduced interest rate (3.49%/3.99%)
- Interactive tool on NYSERDA website <https://www.nyserda.ny.gov/All-Programs/Programs/Residential-Financing-Options/Imi-search>
- Income documentation basis for customers outside designated areas

Median Income \leq 120%

Geo Based Eligibility for Reduced Interest Rate



	NYS	120% AMI	%
Population	19,673,174	14,581,315	74%
Households	7,262,279	5,353,310	74%
Housing units	8,255,911	6,084,233	74%



Contractor Advance Payments

- Participation Requirements:
 - Only for customers qualified for 3.49%/3.99% interest rate
 - Limited to contractors in good standing
 - Contractor receives 50% advance when loan documents signed
 - Remaining 50% disbursed at construction completion
 - Project complete within 180 days of advance
 - Funds must be returned if project not complete within 180 days
- NYSERDA advances funds

ProForma Changes

1. Federal/State Tax Credits (as applicable)
2. Industry Standard Practice Replacement Cost (as applicable)
3. Simplification of Calculations for Payback and SIR

Small Commercial Financing

Who is Eligible?

- Businesses with 100 or fewer employees
- Not-for-Profits
- Real Estate Agnostic
 - Except for multifamily buildings

Technologies

- Energy Efficiency Measures- insulation, air sealing, HVAC equipment, oil to gas conversions, windows, lighting, variable speed motors, etc.
- Air source heat pumps
- Renewable Energy Technologies
 - Solar electric (PV, or photovoltaic)
 - Solar thermal
 - Wood pellet stoves and advanced cordwood boilers
 - Ground source heat pumps

Financing Programs

2 loan products:

- Participation Loans and On-Bill Recovery Loans
- Interest rate for both loan programs: Wall Street Journal Prime Rate + 2%, fixed at closing
- Maximum 10-year term
- Maximum \$50,000 in NYSERDA funding
- Contractor agnostic- no participation agreement required

Participation Loans

- 15 year maximum payback
- Funding is in participation with a lender
 - Currently 16 lenders participate in the program
- NYSERDA funding:
 - 50% of energy project cost up to \$50,000
- Bank funding:
 - 50%, though bank's loan may exceed \$50,000
 - Customary interest rate

On-Bill Recovery Loans

- All OBR loans underwritten and closed by Barrett Capital Corporation
- Uses NYSERDA's underwriting criteria
- 10 year maximum payback
- Effective once project is completed and Certificate of Completion is received by Barrett Capital Corporation
- All other aspects identical to residential OBR program

Required Documentation: Total system heating capacities < 300,000 Btu/h

- Systems on NEEP List
- No pre-approval of utility incentive required
- Contractor Submits to NYSERDA:
 - Small Commercial Proforma
 - Heat load calculations (audit)
 - Contract

Required Documentation: Total system heating capacities $\geq 300,000$ Btu/h

- Utility pre-approval of incentive required
 - Copy of approval required by NYSERDA
- Contractor Submits to NYSERDA:
 - Small Commercial Proforma
 - Heat load calculations (audit)
 - Contract

Financing Process

- Contractor submits documentation
- Customer receives a financing eligibility letter outlining which loan program the system qualifies for
- Customer applies for loan with either Barrett Capital Corporation or a participation loan lender

Contact Information

Questions on the GJGNY Loan Fund Residential Financing Program can be directed to:

Heather.Clark@NYSERDA.ny.gov

Kevin.Hunt@NYSERDA.ny.gov

Energy Finance Solutions (EFS)

- Ann De Tienne, Resource and Services Manager
adetienne@slipstreaminc.org
- Stephanie Nackers, Program Coordinator
snackers@slipstreaminc.org



Becoming a Contractor

- Visit the website listed below and fill out documents – simple process!
www.energyfinancesolutions.com/forcontractors-documents-forms
- For more details on contractor qualifications, visit the site below:
www.energyfinancesolutions.com/forcontractors-contractor-qualifications

Using the EFS Portal

- Once you are a qualified contractor you will have access to the EFS portal. On the portal you can:
 - Track the status of the loan
 - Upload documents
 - Communicate with EFS staff
 - Print loan documents for your customer
 - Receive real time updates and notifications by email

Energy Finance Solutions

Pipeline

[Export to Excel](#) Find a Customer [Search](#) [Clear](#)

Layout: **Standard Display by Borrower** Filter: **(none)** [Advanced Search](#)

File Number	Status	Product	Last Name	First Name	Street	City	LO Last Name	LO First Name	Email	Portal	Rec'd
1908000551	Paid	321	Credco	Annette	1231 Main	ANGELICA	Myers	Skyler		Internal	08/30/2019
Not Assigned	PreSubmit		Credco	Barbara	15326 Encina St.	SCHENECTADY	▼		efslostest11@weccusa.org	Consumer	
1905000456	Approved	621	Credco	Barry	6234 Grey's Lane	SEWELL	Hart	Joe	efslostest30@weccusa.org	Consumer	05/17/2019
2001000455	Cond PA	851	Credco	Barry	7321 Waveland Av	CHICAGO	Taylor	Opie	efslostest60@weccusa.org	Consumer	01/08/2020
1905000450	Cond PA	331	Credco	Bruce	4235 Shasta Ave	HORNELL	Hart	Joe	efslostest4@weccusa.org	Consumer	05/17/2019
1908000565	Cond PA		Credco	Charlie	2865 SE 101st	ANDOVER	Bauer	Gail		Internal	08/30/2019
1908000554	Processed	269	Credco	Daniel	1774 E Charleston Ave.	MICHIGAN CENTER	Palan	Julie		Internal	08/30/2019
2005000538	Final PA	321	Credco	Darryl	201 Webster Rd	ARDSLEY	Nackers	Stephanie	efslostest88@weccusa.org	Consumer	05/21/2020
2001000439	Paid	321	Credco	Debra	1369 Bauer Ave	ROCHESTER	Taylor	Opie		Internal	01/07/2020
2001000466	No Loan	105	Credco	Emma	156 Lakeside Dr	BEAR MOUNTAIN	▼		efslostest9@weccusa.org	Consumer	01/15/2020
2001000453	Processed	331	Credco	Felicia	2916 Tilden Ave	WAINSCOTT	Taylor	Opie		Internal	01/08/2020
1905000445	Pending	321	Credco	Forest	603 Baldwin Drive	SCIO	Bauer	Gail	aedge@weccusa.org	Consumer	05/16/2019
1908000562	PreSubmit		Credco	Forest	603 Baldwin Drive	SCIO	Bauer	Gail	aedge@weccusa.org	Consumer	08/30/2019
1905000452	Pending	269	Credco	Gene	7741 N Pomeroy Ave	HOLLAND	Palan	Julie	efslostest54@weccusa.org	Consumer	05/17/2019
2006000558	Pending	269	Credco	Gene	654 Chicago Court	HOLLAND	Palan	Julie	efslostest5478@weccusa.org	Consumer	06/11/2020
1905000477	Paid	630	Credco	Gerald	5468 Montezuma Rd	BLACKWOOD	Palan	Julie		Internal	05/20/2019

Workflow

Loans

Loan: Craig Collection

☐ Alphabetize

Application Summary

Comments

Conditions

Document Printing

Exit Application

Tools

Administration

Application Summary

BORROWER INFORMATION

Borrower Name: Craig Collection

LOAN INFORMATION

Product Name: NYSERDA Smart Energy Loan

Loan Status: Conditional PreApproval

Loan Amount: \$0.00

Interest Rate: 0.0000%

IMPORTANT DATES

Received Date: 06/09/2020

Loan PreApproval Expiration Date: 09/07/2020

Pending Date:

Loan Approval Expiration Date:

Conditional Preapproval Date: 06/09/2020

Extended Preapproval Expiration Date:

Final Preapproval Date:

Extended Approval Expiration Date:

QA Review Date:

Loan Docs Sent Date:

Approved Date:

Loan Docs Received Date:

EmPower Referral Date:

Loan Docs Accepted Date:

EmPower Opt-Out Date:

Loan Docs Accepted w/ Conditions Date:

Completed Date:

Contractor Paid Date:

PROPERTY INFORMATION

CONTACTS

SUBSIDY

Status

Loan Information

Loan Number: 2006000551

View Only: True

Loan Product: 321

Loan Status: Cond PA

Status Date: 6/9/2020

Loan Amount: \$0.00

Loan Term: 15

Loan Preapproval Exp: 9/7/2020

Approval Expiration Date:

Lock Expiration Date:

Loan Specialist:

Tasks



NYSERDA

Workflow

Loans

Loan: Craig Collection

☐ Alphabetize

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Comments

To communicate directly with your assigned lending officer, add your comments in the text box below and click Add Comment. Please note that your comments will not be visible to your customer.

Comment Type	Comment	Date Added	Added By
Contractor Comments	You can communicate with us here.	6/26/2020 11:28:39 AM	Ann De Tienne

Add Comment

Status

Loan Information

Loan Number 200600055
1
View Only True
Loan Product 321
Loan Status Cond PA
Status Date 6/9/2020
Loan Amount \$0.00
Loan Term 15
Loan Preapproval Exp 9/7/2020
Approval Expiration
Date
Lock Expiration Date
Loan Specialist

Tasks


NYSERDA

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Loan: Craig Collection

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Conditions

Please review the Contractor Conditions below to see the documents you will need to provide to us. Click on the icon located next to each condition to upload the requested items. To view the status of other conditions, you may expand the Borrower and Lender sections below by clicking on the headers.

Category Filter: (none)

View Filter: Unapproved Conditions

CONDITIONS TO BE SATISFIED BY THE CUSTOMER

Approved	Description
No	105 Complete application Section H - Automatic Payment Authorization. If you prefer to pay via check, select "No" in Section H of the application. Please note, EFS cannot produce your final loan agreement (note) until a selection has been made.
No	10 Provide legal documentation verifying the date of birth listed in the credit application for Craig Collection.
No	10 A processing fee of \$150.00 is required to generate your loan documents for approval. Payment can be made by sending a personal check to EFS at the address listed on this letter, or the processing fee can be added to the total loan amount financed. If prepayment of the fee is not received by the time loan documents are generated the fee will be included in the amount financed.
No	10 Provide documentation for all sources of income for all adult household members. Income documentation requirements can be found on the Credit and/or Income Screening Application.
No	30 Provide a signed and dated subsidy application.

CONDITIONS TO BE SATISFIED BY THE CONTRACTOR

Approved	Description
No	150 NY Home Performance with ENERGY STAR project approval by CleaResult, complying with all program requirements. Project approval cannot be provided until the income screening has been completed and an interest rate assigned.
No	Documentation may be uploaded here.

CONDITIONS TO BE SATISFIED BY THE LENDER

Status

Loan Information

Loan Number	200600055
View Only	True
Loan Product	321
Loan Status	Cond PA
Status Date	6/9/2020
Loan Amount	\$0.00
Loan Term	15
Loan Preapproval Exp	9/7/2020
Approval Expiration Date	
Lock Expiration Date	
Loan Specialist	

Tasks



NYSERDA

Applying for a Loan (Borrowers)

- Apply online (recommended) or paper application
- Hard credit pull is done
- We may ask for different documents from the customer (i.e. income documentation, ACH information)
- Check the portal for outstanding items
- Once everything needed is checked in, the loan status will move from Conditional Pre-approval (CPA) to Final Pre-approval (FPA)

Submitting the Pro-forma

- Once the file is in FPA we will check in the pro-forma
- Submit proforma and copy of the contract directly to EFS workscope@energyfinancesolutions.com
- Turn around time is 1-2 days
- Check the portal for updates
- We will message you if we find any issues with the proforma otherwise we will send out the loan documents
- See NYSERDA for specific pro-forma questions

Closing the Loan

- Once the loan documents are received, the loan status is changed to loan docs accepted and you may now complete the project
- When the project is completed, upload the project completion document to EFS (signed by contractor and customer) and we review for funding

Next Steps

- ☐ Review the following resource pages:
 - <https://saveenergyny.ny.gov/NYScleanheat/>
 - <https://www.nyserda.ny.gov/All-Programs/Programs/Become-a-Contractor/Become-a-Loan-offering-Contractor>
 - <https://www.nyserda.ny.gov/All-Programs/Programs/Become-a-Contractor/Become-a-Loan-offering-Contractor/Resources-for-Participating-Contractors>
- ☐ Transitioned Heat Pump Installers submit corresponding utility participation agreement for service territories in which you complete heat pump installations
- ☐ New contractors and those not considered transitioned must submit singular contractor application and corresponding utility participation agreements
- ☐ Submit a NYSERDA/NYS Clean Heat Program Participation Agreement (coming soon)
- ☐ If you chose to offer financing, apply to become an EFS Participating Contractor if you have not already
- ☐ Once all acceptances/approvals have been received – you are now able to offer financing and submit project application

Clarifications

- ❑ Contrary to the previous GJGNY financing process, NYSERDA nor the electric utility you are installing the heat pump in receive, review and approve the proforma.
- ❑ When completing a new proforma, always use either NYSERDA Resources for Participating Contractors or link from NYS Clean Heat Program Resources Landing page to assure you are using the most up-to-date version.
- ❑ Versions of ASHP and GSHP proformas being released on 7/1 **DOES NOT** include temporary contractor only incentive bonuses that certain electric utilities are offering for heat pump installations.
- ❑ PSEG-LI contractors will have the ability to use the ASHP and GSHP proformas for financing purposes however, that **DOES NOT** allow for them to access NYS Clean Heat Program Incentives.

Demonstrations

- ASHP Proforma
 - Kerry Hogan
- GSHP Proforma
 - Andre Davis

Question and Answers

- Heather Clark: heather.clark@nyserda.ny.gov
- Kevin Hunt: kevin.hunt@nyserda.ny.gov
- Ann DeTienne: adetienne@slipstreaminc.org
- Stephanie Nackers: snackers@slipstreaminc.org
- Kerry Hogan: kerry.hogan@nyserda.ny.gov
- Andre Davis: andre.davis@nyserda.ny.gov