Finance your energy efficiency improvement project with a loan from NYSERDA

New York State Energy Research and Development Authority (NYSERDA) offers two loan options to help you pay for your energy improvements:

1 A **Smart Energy Loan**, which is repaid in installments to NYSERDA's loan servicer — just like a conventional loan.

2 An **On-Bill Recovery Loan**, which is paid directly through your utility bill — the money you are estimated to save on energy covers the cost of your loan repayment.

What can I finance?

You may use either loan to pay for energy efficiency improvements made by a participating contractor to a 1- to 4-unit residential building. The improvements may include some "health and safety" improvements, provided these do not exceed 15% of the total project cost and a maximum of $2,000. To download the full list of eligible energy efficiency improvements, visit **nyserda.ny.gov/eligible-measures**

How much can I borrow?

With either loan, you may finance up to $13,000. The limit increases to $25,000 if the simple payback period is 15 years or less, calculated by dividing the loan amount by the estimated 1st year energy cost savings. The minimum loan amount is $1,500.

What are the cost-effectiveness requirements?

Smart Energy Loan

Pre-qualified eligible energy efficiency improvements must account for at least 85% of the total loan amount OR the estimated energy cost savings over the anticipated life of all eligible energy efficiency improvements must amount to at least 80% of the total principal and interest.

On-Bill Recovery Loan

Your monthly loan payment may not exceed 1/12th of the estimated average annual energy cost savings resulting from the improvements over the loan term. Projects that do not meet this requirement may be eligible for an affordable, low-interest Smart Energy Loan. Only one On-Bill Recovery Loan per utility account is allowed.

Future energy savings will include forecasted utility rate increases of .8% per year.

How do I know I'm eligible to apply for a NYSERDA loan?

Smart Energy Loan

You must own the home, or lease or manage the residential building and be an authorized representative of the owner.

On-Bill Recovery Loan

Only property owners are eligible, and the applicant and/or co-applicant must be named on the account of one of the following utilities: Central Hudson, Con Edison, PSEG-Long Island, National Grid (upstate NY customers only), New York State Electric and Gas Corporation, Orange & Rockland Utilities, Rochester Gas & Electric.

How do I repay the loan?

Smart Energy Loan

Repaid directly to NYSERDA's loan servicer through monthly statement billing or automatic bank transfers (ACH).

If you sell or transfer your property, you remain responsible for the outstanding balance of the loan, which may not be assigned.

On-Bill Recovery Loan

Repaid through a NYSERDA Loan Installment charge on your utility bill, except in instances when utility service is terminated or suspended, at which time you will be billed directly by NYSERDA's loan servicer. If you do not finish repaying your loan before you sell your property, you must provide a notice to the buyer about the loan. You will be responsible for any amounts billed by the utility up to the date of transfer. If agreed upon by the buyer and seller, the remaining monthly installments will be billed to the new utility account holder. Nonpayment of billing by utility may subject you to termination of utility service.

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How long will I have to repay the loan?

Both NYSERDA loans may be repaid over 5, 10, or 15 years. The term of your loan may not be longer than the expected useful life of your energy efficiency improvements.

What are the interest rates?

Smart Energy Loan
3.99% or 7.49%
A 0.5% interest rate discount is applied to these rates if the customer selects automatic ACH payments prior to loan closing.

On-Bill Recovery Loan
3.49% or 6.99%

Interest rates are subject to change. Visit **nyserda.ny.gov/rate-estimator** for additional information on interest rates.

Will I be charged any fees?

Both loan options include a $150 lender processing fee, which may be included in the amount financed. You will be charged for making late payments or missing payments.

Will I have to sign anything?

Both NYSERDA loans require signed loan documents.

Smart Energy Loan
You will sign a Note with the Lender. Once the loan is disbursed, it will be purchased by NYSERDA and serviced by NYSERDA's loan servicer.

On-Bill Recovery Loan
You will sign and have notarized a Note and Declaration with NYSERDA. All individuals (or representatives of legal entities) named on the property deed must sign an On-Bill Recovery Program Declaration, which will be filed by NYSERDA to provide notice to any subsequent purchaser of the property. The Declaration is not a lien on the property, but is recorded in a way similar to a Mortgage to provide notice to others of the loan obligation.

How do I get approved for a loan?

To be approved for either loan, you and/or your co-applicant must meet NYSERDA credit standards, which include all of the following:

- ▶ A satisfactory credit score.
- ▶ An acceptable debt-to-income ratio
- ▶ No bankruptcies, foreclosures, or repossessions within the last 24 months
- ▶ No more than $2,500 in outstanding collections, charge-offs, liens and judgments

If you're co-applying and either you or your co-applicant are unable to meet the eligibility requirements, you may be able to meet combined eligibility requirements. If so, both of you will be listed as co-borrowers on the Note and will be jointly liable.

What kind of information will be reviewed as my application is processed?

To qualify you for either loan, the following information will be reviewed:

- ▶ Credit Application
- ▶ A credit report inquiry will be made to obtain your FICO score, monthly obligations, and other information
- ▶ Documentation of income stated on Application
- ▶ Additional items as necessary
- ▶ For On-Bill Recovery Loans, a title company under contract to NYSERDA will search public records to verify ownership of your property

Visit nyserda.ny.gov/hp-finance to get started

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