

Proposals Due: March 21, 2011 by 5:00 P.M. Eastern Time*

Green Jobs-Green New York is a statewide program that promotes energy efficiency, reduces energy consumption and greenhouse gas emissions, supports sustainable community development, and creates job opportunities. Green Jobs-Green New York will use approximately \$51 million of Regional Greenhouse Gas Initiative (RGGI) funds to establish a Revolving Loan Fund to finance energy efficiency retrofits for 1- 4 unit residential buildings, multifamily buildings, small businesses, and not-for-profits. The Revolving Loan Fund will be supported by up to \$9.3 million as a loan loss and debt service reserve from a grant awarded to the New York State Energy Research and Development Authority (NYSERDA) by the U.S. Department of Energy under the BetterBuildings initiative of the Energy Efficiency and Conservation Block Grant (EECBG) Program. For residential loans, NYSEDA intends to aggregate loans to a sufficient scale, and then issue limited revenue obligation bonds supported by repayments from the loan obligations and the loan loss and debt service reserve funds, allowing these funds to leverage private capital to support funding additional loans.

NYSERDA seeks proposals from qualified financial service providers to serve as the Master Loan Servicer for the Green Jobs-Green New York Revolving Loan Fund. The Master Loan Servicer will:

- oversee the loan origination practices of participating lenders;
- perform primary servicing (billing, payment processing, and delinquent account collections) for loans;
- serve as back-up servicer for any Loan Originators approved by NYSEDA that service their own loans and oversee their collection and monitoring activities;
- collect information on servicing capabilities of Loan Originators to assist NYSEDA in determining if requesting Loan Originators will be authorized by NYSEDA to service their own loans; and
- maintain a comprehensive reporting system to track the payment status of all loans and report to NYSEDA.

Proposal Submission: Proposers must submit five (5) copies of the proposal with a completed and signed Proposal Checklist attached to the front of each copy, one (1) of which must contain an original signature.* One (1) electronic copy of the proposal, on disc, is also required. Proposals must be clearly labeled and submitted to:

**Roseanne Viscusi, RFP 2198
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399**

If you have technical questions concerning this solicitation, contact Erik Gilbert at (518) 862-1090, ext. 3562 or ejg@nyserda.org. If you have contractual questions concerning this solicitation, contact Venice Forbes at (518) 862-1090, ext. 3507 or vwf@nyserda.org.

No communication intended to influence this procurement is permitted except by contacting Erik Gilbert at (518) 862-1090, ext. 3562 or ejg@nyserda.org. Contacting anyone other than this Designated Contact (either directly by the proposer or indirectly through a lobbyist or other person acting on the proposer's behalf) in an attempt to influence the procurement: (1) may result in a proposer being deemed a non-responsible offerer, and (2) may result in the proposer not being awarded a contract.

* Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist will be returned. Faxed or e-mailed proposals will not be accepted. Proposals will not be accepted at any other NYSEDA location other than the address above. If changes are made to this solicitation, notification will be posted on NYSEDA's web site at www.nyserda.org.

I. INTRODUCTION

A. Background

NYSERDA seeks proposals from qualified financial service providers to serve as the Master Loan Servicer in support of Green Jobs-Green New York.

Green Jobs-Green New York is a statewide program that promotes energy efficiency, reduces energy consumption and greenhouse gas emissions, supports sustainable community development, and creates job opportunities. Green Jobs-Green New York will use approximately \$51 million of RGGI funds to establish a Revolving Loan Fund to finance energy efficiency retrofits for 1- 4 unit residential buildings, multifamily buildings, small businesses, and not-for-profits. The Revolving Loan Fund will be supported by up to \$9.3 million as a loan loss and debt service reserve from a grant awarded to NYSERDA by the U.S. Department of Energy under the BetterBuildings initiative of the EECBG Program. For residential loans, NYSERDA intends to aggregate loans to a sufficient scale, and then issue limited revenue obligation bonds supported by repayments from the loan obligations and the loan loss and debt service reserve funds, allowing these funds to leverage private capital to support funding additional loans.

NYSERDA established the Green Jobs-Green New York Financing Working Group in October 2009 to assist in development of the innovative financing mechanisms called for in the legislation. Green Jobs-Green New York legislation requires the initial balance of the residential account to be at least 50% of the total balance of the Revolving Loan Fund. The table below represents the finance budget by sector:

Sector	Budget
One to Four Family Homes	\$26,692,533
Multifamily Buildings	\$11,292,550
Small Business/Not-For-Profit Buildings	\$13,274,917
Total	\$51,260,000

Residential Financing

Green Jobs-Green New York financing will be available to homeowners for completing cost-effective energy efficiency improvements that align with the guidelines in the legislation, which allows for a maximum loan amount of \$13,000 per applicant for approved energy efficiency retrofits for residential buildings with 1-4 dwelling units. The minimum loan amount is \$3,000 for participants in Home Performance with ENERGY STAR (HPwES) and \$1,500 for Borrowers that qualify for Assisted Home Performance. Contractors will develop one (1) work scope per building. The initial interest rate is 3.99% for Borrowers that repay by check, with a 0.5% discount for Borrowers that authorize automatic Automated Clearing House (ACH) monthly payments from their bank account. Loan terms of 5, 10, and 15 years will be available subject to the repayment period not exceeding the weighted useful life of the measures installed.

The residential financing program was launched in November 2010, using a single loan originator. Upon selection of the Master Loan Servicer, the program will allow multiple participating financial institutions to originate loans, which may then be purchased by NYSERDA and serviced by the Master Loan Servicer.

Multifamily Building Financing

For multifamily buildings, buildings with five (5) or more dwelling units, Green Jobs-Green New York financing and co-funding of audits will be offered through NYSERDA's Multifamily Performance Program (MPP). The MPP is a comprehensive program that serves market-rate and low-to moderate-income buildings using a common process that relies on a network of energy service contractors who have demonstrated their ability to provide building

performance services to the multifamily sector. NYSERDA has established Green Jobs-Green New York loan limits for multifamily buildings, which shall not exceed \$5,000 per dwelling unit or \$500,000 per building.

The multifamily financing program is expected to be launched in the 1st quarter of 2011. The approach anticipates having loans originated and serviced by participating financial institutions, with NYSERDA participating in the Lender's loan by providing 50% of the loan capital at no interest cost to the Lender, allowing the Lender to offer the loan to the Borrower at an interest rate of approximately 50% of its normal interest rate. The participating lender will then pay the pro-rata share of principal payments received on each loan to NYSERDA's Master Loan Servicer. NYSERDA and the participating lender will share pro-rata on any losses from these loans.

Small Business and Not-for-Profit Financing

The Green Jobs-Green New York legislation allows the use of Green Jobs-Green New York funds to cover all or a portion of the cost of energy audits for small businesses and not-for-profit corporations. Loans up to \$26,000 per building owner will be available to small businesses with up to 100 employees, and not-for-profit corporations, regardless of the number of employees, for the installation of qualified energy efficiency services recommended in an energy audit that meet the standards established by the Program.

The small business and not-for-profit financing program is expected to be launched in the 1st quarter of 2011. The approach anticipates having loans originated and serviced by participating financial institutions, with NYSERDA participating in the Lender's loan by providing 50% of the loan capital at no interest cost to the Lender, allowing the Lender to offer the loan to the Borrower at an interest rate of approximately 50% of its normal interest rate. The participating lender will then pay the pro-rata share of principal payments received on each loan to NYSERDA's Master Loan Servicer. NYSERDA and the participating lender will share pro-rata on any losses from these loans.

II. MASTER LOAN SERVICER RESPONSIBILITIES

The Master Loan Servicer shall support NYSERDA in its management of the Revolving Loan Fund on a transaction by transaction basis as follows:

A. Residential Financing Master Loan Servicing Responsibilities:

1. Oversee the loan origination practices of Loan Originators (financial institutions approved by NYSERDA) to confirm that they comply with NYSERDA loan underwriting standards prior to NYSERDA purchasing and funding such loans. Loan Originators will close on loans and disburse loan proceeds to the Borrower's contractor, and then electronically transmit to the Master Loan Servicer information on each loan for loan servicing on a schedule (presumed weekly) and in a manner prescribed by the Master Loan Servicer and NYSERDA. The Loan Originator will also send to the Master Loan Servicer the original signed loan document, the Borrower's signed Credit Application, and any other supporting material used to originate the loan. The electronic file transfers and hard copy deliveries will occur on a regular basis (presumably weekly) and in a manner prescribed by and agreed to by the Master Loan Servicer and NYSERDA. The Master Loan Servicer will be responsible for importing the information from the Loan Originator's data file into its reporting system and perform data validation to ensure the completeness and accuracy of information to support its loan servicing responsibilities. In addition, the Master Loan Servicer shall develop a Quality Control (QC) program to review the credit applications and supporting documentation of Loan Originators. It is the Master Loan Servicer's responsibility to review a sufficient number of each Loan Originator's loans to determine if the Loan Originator is conforming to NYSERDA's program and loan underwriting standards. The Master Loan Servicer shall review a sample of not less than 15% of all loans originated. The Master Loan Servicer will complete this review and communicate the results to NYSERDA within two (2) business days of receipt from the Loan Originator of those loans subject to review. Any exceptions to

these standards will be resolved by NYSERDA and the Loan Originator, and additional information shall be provided as necessary. Once loans are accepted by the Master Loan Servicer for servicing, the Master Loan Servicer shall communicate its acceptance of the loans for servicing to NYSERDA, at which time, NYSERDA will make payment to the Loan Originator for the amount of loans purchased, plus agreed-upon origination fees, and accrued interest.

2. Perform primary servicing for loans originated, including billing, payment processing, customer service, and delinquency collection activities. These activities shall include, but not be limited to the following:
 - a. Mailing Borrower a welcome letter providing customer service contact information, loan payment dates and payment information.
 - b. Accepting loan payments by check or automated ACH payments from a checking or savings account (but not by credit card).
 - c. Initiating pre-note transactions to verify bank account information provided by a customer as part of the loan application process, and allowing a Borrower to subsequently enroll in automated ACH payments to receive a 0.5% (50 basis points) interest rate reduction following the closing of the loan.
 - d. Providing monthly statements, which shall be delivered by mail, for each active account prior to the payment due date.
 - e. Performing collections on delinquent accounts, starting at 15 days past due, with an approximate weekly cycle of letters or phone calls (Three (3) letters, Seven (7) calls) until account is 89 days past due; at 90 days past due, NYSERDA shall be responsible for default collections, working with the Office of the Attorney General who shall perform ongoing collections pursuant to Section 171-f of the State Tax Law.
 - f. Providing telephone customer service during the hours 8:00AM through 5:00PM Monday through Friday, Eastern Standard Time, with the exception of State or federal holidays.
 - g. The Master Loan Servicer shall establish a bank account in NYSERDA's name in which all payments shall be received. The Master Loan Servicer shall be provided inquiry access into such account, but shall not be authorized to initiate banking transactions from such account. The Master Loan Servicer shall reconcile payments received in the account with loan transactions and provide a reconciliation report to NYSERDA monthly. NYSERDA shall transfer funds received in such account on a monthly basis to its own bank account.
 - h. Upon loan payoff, send letter to borrower noting loan satisfaction and return original loan agreement to borrower.
3. NYSERDA may allow certain Loan Originators to service their loans; for these loans, the Master Loan Servicer will perform the following services:
 - a. Accept monthly payments from Loan Originator/servicer based on loan payments received from borrowers, and update the status of borrower account balances.
 - b. Providing monthly statements to the Loan Originator, which shall be delivered by mail, for each active account prior to the payment due date.
 - c. Serve as backup servicer in the event that the Loan Originator is no longer able to service its loans.
 - d. Oversee the Primary Servicers' efforts to collect and monitor all scheduled and actual payment activities.
 - e. The Master Loan Servicer shall establish a bank account in NYSERDA's name in which all payments shall be received. The Master Loan Servicer shall be provided inquiry access into such account, but shall not be authorized to initiate banking transactions from such account. The Master Loan Servicer shall reconcile payments received in the account with loan transactions and provide a reconciliation report to NYSERDA monthly. NYSERDA shall transfer funds received in such account on a monthly basis to its own bank account.
4. Collect information on the servicing capabilities and other factors of Loan Originators that would affect accurate and timely collection of payments due NYSERDA, for the purpose of assisting NYSERDA in

determining whether potential Loan Originators will be authorized by NYSERDA to service their own loans;

5. Maintain a comprehensive reporting system to track and report principal, interest and fees due and collected on individual projects;
6. Retain custody of loan documents for loans serviced; Loan Originators authorized to service their loans shall maintain custody of loan documents during the term of the loan;
7. Provide NYSERDA with timely notice of any loan payment delinquency, shortfall or event of default, as well as any notice of prepayment;
9. Loan Monitoring Responsibilities:
 - a. Promptly report to NYSERDA (a) any failure by any Borrower to comply with its obligations or covenants, (b) any event of default or (c) any prepayment of the loan;
 - b. In accordance with prudent loan monitoring and portfolio management practices, prepare regular detailed reports of the future repayment prospects of NYSERDA Loans;
 - c. Report timely to NYSERDA on the business and financial substance of any proposed amendment to, or assignment of any loan document.

B. Small Business and Not-for-Profit Master Loan Servicing Responsibilities

1. Interact with participating lenders to monitor receipt of NYSERDA's pro-rata share of principal payments received on loans supported by NYSERDA. Loan Originators (financial institutions approved by NYSERDA) will seek pre-approval from NYSERDA to participate in the Loan Originator's loan for qualifying energy efficiency projects. Once pre-approved by NYSERDA, Loan Originators will close on, and service, such loans. Once closed, the Loan Originator will electronically transmit to the Master Loan Servicer information on each loan and send via overnight delivery a copy of the signed loan document. The electronic file transfers and hard copy deliveries will occur on a regular basis (presumably weekly) and in a manner prescribed by and agreed to by the Master Loan Servicer and NYSERDA. The Master Loan Servicer will be responsible for importing the information from the Loan Originator's data file into its reporting system to capture NYSERDA's pro-rata share of scheduled principal payments due on the loan. The Master Loan Servicer will complete this review and communicate the results to NYSERDA within two (2) business days of receipt from the Loan Originator. Once loans are accepted by the Master Loan Servicer for servicing, the Master Loan Servicer shall communicate its acceptance of the loans for servicing to NYSERDA, at which time, NYSERDA will make payment to the Loan Originator of its proportionate share of the loan amount.
2. Perform servicing for loans originated. These activities shall include, but not be limited to the following:
 - a. Accepting payments from Loan Originators by check or automated ACH payments for NYSERDA's pro-rata share of principal payments collected from the loan Borrower.
 - b. Monitoring the status of payments and identifying those loan accounts which are past due. The Master Loan Servicer shall send a monthly statement to each participating lender to identify any accounts past due.
 - c. The Master Loan Servicer shall establish a bank account in NYSERDA's name in which all payments shall be received and the Master Loan Servicer shall be provided inquiry access into such account, but shall not be authorized to initiate banking transactions from such account. The Master Loan Servicer shall reconcile payments received in the account with loan transactions and provide a reconciliation report to NYSERDA monthly. NYSERDA shall transfer funds received in such account on a monthly basis to its own bank account.
3. Maintain a comprehensive reporting system to track and report principal, interest and fees due and

collected on individual projects;

4. Retain a copy of loan documents for loans originated; and
5. Provide NYSERDA with timely notice of any loan payment delinquency, shortfall or event of default, as well as any notice of prepayment.

C. Multifamily Master Loan Servicing Responsibilities

1. Interact with participating lenders to monitor receipt of NYSERDA's pro-rata share of principal payments received on loans supported by NYSERDA. Loan Originators (financial institutions approved by NYSERDA) will seek pre-approval from NYSERDA to participate in the Loan Originator's loan for qualifying energy efficiency projects. Once pre-approved by NYSERDA, Loan Originators will close on, and service, such loans. Once closed, the Loan Originator will electronically transmit to the Master Loan Servicer information on each loan and send via overnight delivery a copy of signed loan document. The electronic file transfers and hard copy deliveries will occur on a regular basis (presumably weekly) and in a manner prescribed by and agreed to by the Master Loan Servicer and NYSERDA. The Master Loan Servicer will be responsible for importing the information from the Loan Originator's data file into its reporting system to capture NYSERDA's pro-rata share of scheduled principal payments due on the loan. The Master Loan Servicer will complete this review and communicate the results to NYSERDA within two (2) business days of receipt from the Loan Originator. Once loans are accepted by the Master Loan Servicer for servicing, the Master Loan Servicer shall communicate its acceptance of the loans for servicing to NYSERDA, at which time, NYSERDA will make payment to the Loan Originator its proportionate share of the loan amount.
2. Perform servicing for loans originated. These activities shall include, but not be limited to the following:
 - a. Accepting payments from Loan Originators by check or automated ACH payments for NYSERDA's pro-rata share of principal payments collected from the loan Borrower.
 - b. Monitoring the status of payments and identifying those loan accounts which are past due. The Master Loan Servicer shall send a monthly statement to each participating lender to identify any accounts past due.
 - c. The Master Loan Servicer shall establish a bank account in NYSERDA's name in which all payments shall be received and the Master Loan Servicer shall be provided inquiry access into such account, but shall not be authorized to initiate banking transactions from such account. The Master Loan Servicer shall reconcile payments received in the account with loan transactions and provide a reconciliation report to NYSERDA monthly. NYSERDA shall transfer funds received in such account on a monthly basis to its own bank account.
3. Maintain a comprehensive reporting system to track and report principal, interest and fees due and collected on individual projects;
4. Retain a copy of loan documents for loans originated; and
5. Provide NYSERDA with timely notice of any loan payment delinquency, shortfall or event of default, as well as any notice of prepayment.

D. Additional Services

1. In addition to the standard services set forth above, the Master Loan Servicer shall perform the following additional services:
 - a. As directed by NYSERDA, provide executive level briefings and decision support on a quarterly basis and promptly notify NYSERDA of special situations that may require NYSERDA or Master Loan Servicer intervention; and
 - b. Take other such actions as may be requested in writing by NYSERDA or as shall be required in respect to the loan documents.

III. UNDERWRITING CRITERIA

The Master Loan Servicer is responsible for overseeing and ensuring that the loan origination practices by Loan Originators (financial institutions approved by NYSERDA) comply with the following NYSERDA loan underwriting standards. NYSERDA may waive certain elements of these underwriting criteria at its sole discretion, and may modify the criteria in writing with not less than 30 days notice.

A. Underwriting Criteria for Unsecured Residential Energy Efficiency Loans

1. General Information
 - a. Loans will be available statewide and will be originated through banks and other eligible financial institutions that have entered into a participation agreement with NYSERDA. However, a single Loan Originator, Energy Finance Solutions, will be used to launch the program and will originate all loans for a period of time to finalize any changes in standards and to establish the system for loan servicing by a Master Loan Servicer to be selected by NYSERDA.
 - b. Loans will be originated using underwriting criteria defined below, as may be modified by NYSERDA.
 - c. In order to make loans acceptable to the capital markets, the loans that are expected to be used to support bonds issued by NYSERDA through the capital markets will be confined to applicants meeting stringent underwriting criteria (“Tier 1 Borrowers”). Applicants not meeting the criteria, but who meet alternate underwriting criteria (“Tier 2 Borrowers”), will be provided loans that will be funded through a separate revolving loan fund using a dedicated portion of the Green Jobs-Green New York funding. As these loans perform satisfactorily, they may be pulled from the revolving loan fund pool and used for support in the loan pool used to provide a source of repayment for the bonds issued by NYSERDA.
 - d. Eligibility to finance energy efficiency measures will be based upon the recommendations contained in an approved energy audit.
2. General Requirements for Unsecured Financing:
 - a. No financing may exceed the statutory limit of \$13,000.
 - b. The minimum financing amount is \$3,000, except \$1,500 for Assisted Home Performance Borrowers.
 - c. The financing may only be made to the owner of a residential property (i.e., an existing residential building with 1-4 dwelling units), but the owner/Borrower does not need to be the occupant of the property.

- d. A comprehensive energy audit must be completed by a NYSERDA-approved HPwES contractor. The HPwES contractor will make recommendations for the retrofit project based on the modeled performance of the home that includes proposed costs and energy savings. A signed scope of work shall be agreed upon by the homeowner and contractor and submitted to NYSERDA's program implementation contractor, Conservation Services Group (CSG), for review and approval.
 - e. The loan is available for measures and accessories that are determined in the energy audit to be cost effective.
 - f. Each scope of work must be approved by NYSERDA, through its implementation contractor CSG, and completed by HPwES contractors. All work will be subject to inspection by NYSERDA, or its contractor, at NYSERDA's option. About 10-15% of projects are inspected by NYSERDA's quality assurance contractor.
 - g. All projects must be cost-effective with a Savings to Investment Ratio (SIR) greater than one (1). The SIR is equal to the present value of anticipated energy savings over the weighted useful life of measures installed divided by the total cost of the project. NYSERDA's implementation contractor will communicate the SIR for each project to the Loan Originator.
 - h. Each homeowner seeking financing must complete and sign the financing documentation, with an agreement that the Loan Originator or NYSERDA has the right to access a credit report(s), a FICO score, utility payment history, and perform similar credit related activities for the purpose of evaluating an applicant's creditworthiness.
 - i. The proceeds from the loan will be assigned by the Borrower to be paid directly to the HPwES contractor(s). Contractors will receive payment by the Loan Originator, after the Borrower agrees the work is completed to his/her satisfaction and signs the Certificate of Completion.
 - j. In most cases, the loan repayment period should be long enough so that the annual energy savings (based upon current rates) will pay for the annual cost of debt service on the loan. The homeowner may select a loan repayment period of 5, 10, or 15 years; however, the loan repayment period may not exceed the weighted average useful life of the financed measures. NYSERDA's implementation contractor shall provide maximum loan term length recommendations to the Loan Originator based upon the installed measures for each project.
 - k. Loan applicants that demonstrate an ability to repay the loan over a shorter loan repayment period will be permitted to select a shorter repayment period.
 - l. Unless NYSERDA has received a written acknowledgement of the debt from a subsequent purchaser who meets the same loan standards, the loan will be due in full upon sale of the residence.
 - m. The loan will be for up to the net cost of the project after subtracting any homeowner deposit or progress payment and available utility, NYSERDA, or other rebates or incentives.
3. Unsecured Financing Underwriting Guidelines:
- a. Residential Direct Loan Standard - Tier 1
 - i. FICO score of 640 or higher for non-self employed applicants (680 or higher if self-employed for two (2) years or more; or 720 or higher if self-employed for less than two (2) years);
 - ii. Debt-to-income ratio less than 50% (including the requested loan);
 - iii. No bankruptcy, repossession, or foreclosure within the last seven (7) years; and
 - iv. No outstanding collections, judgments, or tax liens in excess of \$2,500, including co-Borrowers.
 - b. Residential Direct Loan Standard -Tier 2

- i. Utility bill payments must be current for two (2) consecutive months during each of the last two (2) years;
- ii. No utility or mortgage payments more than 60 days late in the last two (2) years;
- iii. Debt-to-income ratio less than 55% (including the requested loan);
- iv. No bankruptcy, repossession, or foreclosure within the last seven (7) years;
- v. No outstanding collections, judgments or tax liens greater than \$2,500, including co-Borrowers; and
- vi. Current on mortgage payments for the last year.

B. Underwriting Criteria for Small Business and Not-for-Profit Energy Efficiency Loans

1. General Information

- a. Loans will be available statewide and will be originated through banks and other eligible financial institutions that have entered into a participation agreement with NYSERDA.
- b. Loans will be originated using the Lender's customary underwriting criteria. NYSERDA will participate in the Lender's loan by providing 50% of the loan capital at no interest cost to the Lender, allowing the Lender to offer the loan to the Borrower at an interest rate of approximately 50% of its normal interest rate. Upon loan closing, the Loan Originator will disburse loan proceeds and service the loan, and upon acceptance by the Master Loan Servicer NYSERDA shall pay the Lender its pro-rata share of the loan.
- c. Consistent with the Green Jobs-Green New York legislation, loans for energy efficiency improvements will be provided to small businesses that employ 100 or fewer persons and to not-for-profit corporations. Loans will be available to building owners and lessees with triple net leases (i.e., the lessee pays rent to the lessor, and all taxes, insurance, and maintenance expenses that arise from the use of the property). The term of the lease must be longer than the term of the loan.
- d. Eligibility to finance energy efficiency measures will be based upon the recommendations contained in an approved energy audit.

2. General Requirements :

- a. No financing may exceed the statutory limit of \$26,000.
- b. An energy audit must be completed by a qualified auditor and approved by NYSERDA. The energy audit will make recommendations for the retrofit project that includes estimated costs and energy savings. Financing will be based upon the estimated cost of implementing approved energy efficiency measures.
- c. The loan is available for a cost-effective energy efficiency project with a SIR greater than one (1).
- d. Each scope of work must be approved by NYSERDA. All work will be subject to inspection by NYSERDA, or its contractor, at NYSERDA's option. About 10-15% of projects are inspected by NYSERDA's quality assurance contractor.
- e. The loan will be for up to the net cost of the project after subtracting any owner deposit or progress payment and available utility, NYSERDA, or other rebates or incentives.
- f. With respect to the loan repayment period, the annual energy savings (based upon current rates) should pay for the annual cost of debt service on the loan. However, loan applicants that demonstrate the ability to repay the loan over a shorter loan repayment period will be permitted to select a shorter period.

C. Underwriting Criteria for Multifamily Building Energy Efficiency Loans

1. General Information
 - a. Loans will be available statewide and will be originated through banks and other eligible financial institutions that have entered into a participation agreement with NYSERDA.
 - b. Loans will be originated using the Lender's customary underwriting criteria. NYSERDA will participate in the Lender's loan by providing 50% of the loan capital at no interest cost to the Lender, allowing the Lender to offer the loan to the Borrower at an interest rate of approximately 50% of its normal interest rate. Upon loan closing, the Loan Originator will disburse loan proceeds and service the loan, and upon acceptance by the Master Loan Servicer NYSERDA shall pay the Lender its pro-rata share of the loan.
 - c. Eligibility to finance energy efficiency measures will be based upon the recommendations contained in an approved energy audit.
2. General Requirements for Financing:
 - a. No financing may exceed \$5,000 per unit or \$500,000 per building.
 - b. An energy audit must be completed by a contractor and approved by NYSERDA. The contractor will make recommendations for the retrofit project that includes proposed costs and energy savings. A signed scope of work shall be agreed upon by the owner or lessee (as appropriate) and contractor and submitted to NYSERDA for review and approval.
 - c. The loan is available for a cost-effective energy efficiency project with a SIR greater than one (1). NYSERDA's implementation contractor will communicate the SIR for each project to the Loan Originator.
 - d. Each scope of work must be approved by NYSERDA. All work will be subject to inspection by NYSERDA, or its contractor, at NYSERDA's option.
 - e. The loan will be for up to the net cost of the project after subtracting any owner deposit or progress payment and available utility, NYSERDA, or other rebates or incentives.
 - f. With respect to the loan repayment period, the annual energy savings (based upon current rates) should pay for the annual cost of debt service on the loan. However, loan applicants that demonstrate the ability to repay the loan over a shorter loan repayment period will be permitted to select a shorter period.

IV. REPORTING REQUIREMENTS

- A. **Monthly Reports** - The following are the basic monthly reports to be provided by the Master Loan Servicer to NYSERDA. These reports will be sent via e-mail or through a secure FTP Web site. Other reports are available as agreed upon in writing by the Master Loan Servicer and NYSERDA and at an agreed upon fee.
 1. Summary of Monthly Transaction Activity
 2. Monthly Cash Transactions
 3. Monthly Non-Cash Transactions
 4. New Loan Transactions
 5. Trial Balance Report
 6. Summary Delinquency Report
 7. Detail Delinquency Report
 8. Bank Balancing
- B. **Annual Reports** –Provided as of January 31 of the calendar year, following the calendar year in which the Agreement is executed and annually thereafter as long as the Agreement is still in effect, the Master Loan Servicer will on behalf of NYSERDA:

1. **Provide Year-End Loan Interest Statement** – The Master Loan Servicer shall provide a year-end loan interest statement indicating the total amount of interest by each Obligor whose contract is being serviced. This interest statement shall be for interest paid January 1 through December 31 of the prior year or from the date such Borrower’s account was set up on the Master Loan Servicer’s receivables system, if later than January 1 of the prior year. If NYSERDA requests that the Master Loan Servicer include any interest statement information relating to the period prior to the date such purchaser’s account was set up on their receivables system, the Master Loan Servicer shall be entitled to rely on that information provided by NYSERDA or any prior servicer for said prior period.
2. **Internal Revenue Service Reporting** – The Master Loan Servicer shall send to the Internal Revenue Service documentation in electronic or other format reflecting interest paid during the calendar year for those above accounts on which the amount of the interest paid is required by law to be reported. The interest paid documentation shall include appropriate Social Security numbers, if available, and as NYSERDA is required to do so by federal income tax law, and if requested to do so in writing by NYSERDA. Such reporting will be done using NYSERDA’s tax I.D. number, and NYSERDA agrees to provide contractor with such tax I.D. number.

V. PROPOSAL REQUIREMENTS

Proposers must submit five (5) copies of the completed proposal to the attention of Roseanne Viscusi at the address on the front of this RFP. A completed and signed Proposal Checklist must be attached as the front cover of your proposal, one (1) of which must contain an original signature. **Late proposals and proposals lacking the appropriate completed and signed Proposal Checklist may be returned.** Faxed or e-mailed copies will not be accepted.

A. Procurement Lobbying Requirements - State Finance Law sections 139-j and 139-k

Procurement lobbying requirements contained in State Finance Law sections 139-j and 139-k became effective on January 1, 2006. (The text of the laws is available at:

<http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html>). In compliance with §139-j and §139-k of the State Finance Law, for proposals submitted in response to this solicitation that could result in agreements with an annual estimated value in excess of \$15,000, additional forms must be completed and filed with proposals: (1) a signed copy of the Proposal Checklist including required certifications under the State Finance Law and (2) a completed Disclosure of Prior Findings of Non-Responsibility form. Failure to include a signed copy of the Proposal Checklist referenced in this solicitation will disqualify your proposal.

B. Proposal Length-

A proposal should not be excessively long or submitted in an elaborate format that includes expensive binders or graphics. Proposals should be limited to not more than 25 pages, plus attachments. Unnecessary attachments beyond those sufficient to present a complete, comprehensive, and effective response will not influence the evaluation of the proposal. Each page of the proposal should state the name of the proposer, the RFP number, and the page number.

C. Proposal Format

- Proposals must consist of the required forms from Section A above and responses to the management and qualifications items (D, below) and the completed contract Fee for Services pricing information (E, below).

D. Management and Qualifications

1. Briefly discuss your firm's experience as a Master Loan Servicer. Provide information on the number of accounts currently serviced, a description of the type(s), duration and amount of loans serviced, total loan portfolio size, and number of loan originators involved during the past three (3) years. Provide information on any experience in working with state or federally funded energy efficiency programs. Provide a brief description of services you expect to provide to NYSERDA. Indicate whether your firm is prepared to render the services enumerated in this RFP using its own resources. The description should emphasize particular services to be provided in order for NYSERDA to deliver a statewide program, at the lowest cost possible, consistent with the intent of each targeted program. Discuss the approach your firm would take in analyzing the services provided by Loan Originators to ensure that closed loans conform to NYSERDA's underwriting standards. Discuss your approach to ensuring that Borrowers repay their loans.
2. List your firm's major master servicer engagements during the last three (3) years and provide a brief description of each scope of work. Include description of the types of loans, amounts, and terms, total number of accounts serviced, and number of loan originators involved in loan portfolio.
3. Describe any technical knowledge or any subjects related to a Master Loan Servicer in which you feel your firm has special expertise. Provide a project organization and management description that describes the unique capabilities of your firm and the individuals assigned to meet the requirements of this RFP.
4. Provide the names of personnel in the firm that will be assigned to NYSERDA's account and their experience in performing services similar to the services requested by this RFP. Include resumes for all employees proposed to be involved on NYSERDA's account. Include a description of each employee's function in the company, title, office address, and number of years of service with the firm and other relevant past experience. Describe the availability of the lead person(s) for consultation with NYSERDA, including but not limited to his or her ability to meet with NYSERDA staff in Albany, New York. (Resumes may be included as an attachment.)
5. Discuss fully any conflicts of interest, actual or perceived, which might arise in connection with your firm's involvement with NYSERDA. If conflicts do or might exist, describe how your firm would resolve them. Please be aware that the firm selected will be expected to represent NYSERDA in all transactions falling under this RFP; representation of any other party to these transactions involving NYSERDA would be prohibited without the express written approval of NYSERDA, which would be unlikely.
6. Identify any litigation or administrative proceedings to which you are a party and which would either materially impair your ability to perform the services enumerated herein and for which this RFP was issued or, if decided in an adverse manner, materially adversely affect the financial condition of your firm.
7. Identify the employees discussed in Section V (D) (4) that have been the subject of any investigation or disciplinary action by the New York State Ethics Commission, the Commission on Public Integrity, or the Temporary State Commission on Lobbying. Describe briefly how any matter was resolved or whether it remains unresolved.
8. Furnish information on the number and percentages of minorities and women among the employees of the firm; a copy of the firm's affirmative action or equal opportunity plan or other commitment to affirmative action and equal employment opportunity or its status as a minority or women-owned business; and an explanation of how your firm, if selected, would help NYSERDA further its policy of promoting participation of minorities and women in the provision of services to it, including services in support of its financing program.

9. Indicate the address of the office through which NYSERDA's account will be primarily serviced, and any anticipated travel or other such costs.
10. Provide any other information you believe would make your firm's representation of NYSERDA superior to other firms' representation
11. Provide as an attachment three (3) client references. References shall include the necessary contact information.

E. Fees For Services

1. Provide NYSERDA with Fee Schedule for the services to be rendered as a Master Loan Servicer as outlined in this RFP.
 - a. Provide a unit rate schedule of all fees to be charged on a unit rate basis. The schedule shall delineate fees charged for providing direct servicing of loans as well as fees charged for providing backup servicing for any residential loans where the loan originator shall service such loans.
 - b. For unit rate fees, list the quantity of loans, if any, which will result in a reduced loan service fee and the reduced unit prices based upon that quantity.
 - c. Provide an hourly rate fee or fixed rate fee for any services to be charged on this basis.
 - d. List any optional services which you can provide as a Master Loan Servicer which are not specifically addressed by the terms of this RFP, and the pricing for such services.
2. State the basis on which any other firm expenses related to services provided to NYSERDA would be billed, if other than cost.
3. State any special considerations with respect to billing or payment of fees and expenses that your firm offers and that you believe would differentiate you from other proposers and make your firm's services as Master Loan Servicer more cost-effective for NYSERDA.
4. Provide a fee estimate, itemized and in total, for one year of services as a "baseline" scenario using the following assumptions:
 - a. Assume origination of 3,000 residential loans (average loan amount of \$7,500 and average term of 12 years), origination of 400 small business/not-for-profit loans (average loan amount of \$20,000 and average term of seven (7) years), and origination of 40 multifamily building loans (average loan amount of \$250,000 and an average term of ten (10) years). Assume loan origination validation of 15% of loans originated. For residential loans, assume direct servicing of all such loans and that loan originators are not servicing such loans (as noted in 1(a) above, the proposer shall state fees charged for these services, though).
 - b. Assume statement billing and collections on 4,000 active residential accounts, 1,000 small business/not-for-profit accounts, and 100 multifamily building loans for full 12 month period, and assume that 3,000 residential loans are paid through automated ACH payment and the remaining 2,100 loans are paid by check.
 - c. Assume collections activities performed on 10% of active accounts, or provide a fee estimate based on loans of similar nature.
 - d. Assume customer service activities on experience of loan portfolio of similar size and nature.
 - e. Provide any additional assumptions necessary to explain your assumption of total annual fees for this baseline scenario.

VI. PROPOSAL EVALUATION

A. Evaluation Factors - Proposals meeting the RFP requirements will be evaluated using the following Evaluation Factors

1. Quality and depth of the firm's expertise and its prior capability in providing similar services on projects

and programs of magnitude or complexity comparable to the Master Loan Servicer services contemplated in this RFP, and whether the firm's expertise has the highest probability of satisfactorily performing the scope of services. For those firms who have worked in any capacity with NYSERDA, the quality of work on those transactions will be considered.

2. Anticipated cost of services and demonstrated willingness to work with NYSERDA to minimize costs. (Although proposed fees will be taken into account in the selection process, NYSERDA reserves the right to negotiate with any firm selected for lower fees or different fee structures than proposed.)
3. Information provided by client references.
4. Overall organization and quality of proposal, including cohesiveness, conciseness, and clarity of response.

B. Selection Process - A selection committee consisting of internal NYSERDA staff and external reviewers, a Technical Evaluation Panel (TEP), will review and evaluate proposals and develop a short list for further consideration. Firms so selected may also be invited to make oral presentations to the TEP or other NYSERDA staff as part of the final selection process.

VII. GENERAL CONDITIONS

A. Proprietary Information - Careful consideration should be given before confidential information is submitted to NYSERDA as part of your proposal. Review should include whether it is critical for evaluating a proposal, and whether general, non-confidential information, may be adequate for review purposes. The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. Public Officers Law, Section 87(2) (d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSERDA that the proposer wishes to have treated as proprietary and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to exempt it from disclosure, including a written statement of the reasons why the information should be exempted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 www.nyserda.org/about/nyserda.regulations.pdf However, NYSERDA cannot guarantee the confidentiality of any information submitted.

B. Omnibus Procurement Act of 1992 - It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority- and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development
Division for Small Business
30 South Pearl Street
Albany, NY 12245

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development
Minority and Women's Business Development Division
30 South Pearl Street
Albany, NY 12245

- C. State Finance Law sections 139-j and 139-k** - NYSERDA is required to comply with State Finance Law sections 139-j and 139-k. These provisions contain procurement lobbying requirements which can be found at <http://www.ogs.state.ny.us/aboutogs/regulations/advisoryCouncil/StatutoryReferences.html>. The attached Proposal Checklist calls for a signature certifying that the proposer will comply with State Finance Law sections 139-j and 139-k and the Disclosure of Prior Findings of Non-Responsibility form includes a disclosure statement regarding whether the proposer has been found non-responsible under section 139-j of the State Finance Law within the previous four years.
- D. Tax Law Section 5-a** - NYSERDA is required to comply with the provisions of Tax Law Section 5-a, which requires a prospective contractor, prior to entering an agreement with NYSERDA having a value in excess of \$100,000, to certify to the Department of Taxation and Finance (the "Department") whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the Department to collect New York State and local sales and compensating use taxes. The Department has created a form to allow a prospective contractor to readily make such certification. *See*, ST-220-TD (available at http://www.tax.state.ny.us/pdf/2006/fillin/st220td_606_fill_in.pdf). Prior to contracting with NYSERDA, the prospective contractor must also certify to NYSERDA whether it has filed such certification with the Department. The Department has created a second form that must be completed by a perspective contractor prior to contracting and filed with NYSERDA. *See*, ST-220-CA (available at http://www.tax.state.ny.us/pdf/2006/fillin/st220ca_606_fill_in.pdf). The Department has developed guidance for contractors which is available at http://www.tax.state.ny.us/pdf/publications/sales/pub223_606.pdf.
- E. Contract Award** - NYSERDA anticipates making one award under this solicitation, but is not precluded from selecting a second firm if it is in the best interest of NYSERDA to do so. It may award a contract based on initial applications without discussion, or following limited discussion, negotiations, or interviews. Each offer should be submitted using the most favorable cost and technical terms. NYSERDA may request additional data or material to support applications. NYSERDA will use the Sample Agreement to contract successful proposals. NYSERDA expects to notify proposers in approximately eight (8) weeks from the proposal due date whether your proposal has been selected to receive an award. NYSERDA also reserves the right to correct any arithmetic errors, to change the final due date and time for the proposals, to accept or reject any of the firm's employees assigned to provide services on this project and to require their replacement at any time, and to reject any proposal containing false or misleading statements or that provides references that do not support an attribute or a condition claimed by the proposer.
- F. Limitation** - This solicitation does not commit NYSERDA to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. NYSERDA reserves the right to accept or reject any or all proposals received, to negotiate with all qualified sources, or to cancel in part or in its entirety the solicitation when it is in NYSERDA's best interest.
- G. Disclosure Requirement** - The proposer shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five (5) years, under the laws of the United States or any state or territory of the United States, and shall describe circumstances for each. When a proposer is an association, partnership, corporation, or other organization, this disclosure requirement includes the organization and its officers, partners, and directors or members of any similar governing body. If an indictment or conviction should come to the attention of NYSERDA after the award of a contract, NYSERDA may exercise its stop-work right pending further investigation, or terminate the agreement; the contractor may be subject to penalties for violation of any law which may apply in the particular circumstances. Proposers must also disclose if they have ever been debarred or suspended by any agency of the U.S. Government or the New York State Department of Labor.

Attachments:

Attachment A - Proposal Checklist

Attachment B - Disclosure of Prior Findings of Non-responsibility form

Attachment C - Sample Agreement