Financing for Assisted Home Performance with ENERGY STAR®
Request for Qualifications (RFQ) 925

Revised July 1, 2007

Open Enrollment through June 30, 2008

The New York State Energy Research and Development Authority (NYSERDA) is continuing to seek statements of qualifications from lending institutions to provide financing and program support services to borrowers to finance improvements through NYSERDA's Assisted Home Performance with ENERGY STAR® Program.

Background: Assisted Home Performance with ENERGY STAR offers 1-4 family households with incomes at or below 80% of the State Median Income a work scope subsidy ("Assisted Subsidy") for up to 50% of the total cost of the approved efficiency improvements. This RFQ seeks to expand the availability of financing for the balance of the cost of the efficiency improvements.

Purpose of RFQ: Lending institutions selected through this RFQ must agree to offer financing to homeowners with credit scores of 550 and above and will be responsible for processing applications for Assisted Home Performance with ENERGY STAR in accordance with program guidelines, determining the income qualification of applicants, reviewing proposed work scopes for adherence to program requirements, including cost-effectiveness, pre-and post-installation inspection services for compliance purposes, financial management education, and providing interaction between the borrower, the Home Performance contractor, and NYSERDA's Program Implementer. Only qualified lenders selected through this process will be eligible to receive the fees associated with the Program Lender services contained herein.

To qualify as an Assisted Home Performance Program Lender ("Program Lender"), the lending institutions must first become a participating lender in the **New York Energy $mart℠ Loan Fund**. A revised Program Opportunity Notice (PON)1060 for the Loan Fund is planned for August 2007. Lenders interested in providing services under RFQ 925 will need to respond to PON1060. Any changes in the Loan Fund resulting from PON 1060 will apply to projects implemented through RFQ 925. These participating lenders provide loans of up to $20,000 to qualified borrowers for a period of up to ten years, with NYSERDA subsidizing the reduced interest rate through a lump sum payment to the lender upon loan closing. The lender's market interest rate for qualified loans shall be reduced by up to 4%, or 400 base points, subject to change by NYSERDA.

Statements of Qualifications Submission: Statements of Qualifications by interested lenders will be accepted continuously over the life of the Assisted Home Performance with ENERGY STAR Program. NYSERDA will make every effort to complete its review of each submitted Statement of Qualifications within five [5] weeks of receipt. Qualified lenders will be offered an Assisted Home Performance Program Lender Participation Agreement through June 30, 2008. This period may be extended for up to an additional two years at NYSERDA's discretion. Send five [5] clearly labeled, completed and signed Statements of Qualifications*, one of which must contain an original signature, to:

Roseanne Viscusi, RFQ 925
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399

All Program questions should be directed to: David Friello, (866) NYSERDA, ext. 3355, or daf@nyserda.org.
All Contractual questions should be directed to: Doreen Darling, (866) NYSERDA, ext. 3216, or djd@nyserda.org.

*Late, incomplete, or unsigned Statements of Qualifications will be returned. Faxed or e-mailed Statements of Qualifications will not be accepted. Statements of Qualifications will not be accepted at any other NYSERDA location other than the address above. If changes are made to this Request for Qualifications, notification will be posted on NYSERDA's website at www.nyserda.org.

I. INTRODUCTION

The New York State Energy Research and Development Authority (NYSERDA) is a public benefit corporation established pursuant to Title 9 of Article 8 of the Public Authorities Law of the State of New York. NYSERDA is governed by a 13-member Board of Directors including State officials and other individuals representing a broad range of interests in energy affairs.

NYSERDA's principal mission is to develop innovative solutions to some of the State's most difficult energy and environmental problems. Major program areas include providing financial and technical assistance to implement energy efficiency products, technologies and practices for business and institutional, residential, and low income customers and to promote research and development projects to develop energy and environmental products manufactured in New York State.

Pursuant to a January 30, 1998 order of the New York State Public Service Commission (PSC), NYSERDA became the administrator of statewide public benefit programs funded by a System Benefits Charge (SBC). In Opinion No. 98-3, the PSC established a system for funding public benefit programs for energy efficiency, research, demonstration and development, low-income services, and environmental protection. In January 2001, the PSC issued an order continuing the SBC through June 2006.

On December 21, 2005 the New York State Public Service Commission (PSC) issued the *Order Continuing the System Benefits Charge (SBC) and the SBC-funded Public Benefits Programs.* The Order extends the program for five years, from July 1, 2006 to June 30, 2011, increases funding to $175 million annually, and retains NYSERDA as the program administrator.

The SBC is an assessment made by New York State investor-owned utilities on the distribution of electricity. The following investor-owned utilities participate in the SBC: Central Hudson Gas & Electric Corp., Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Rochester Gas and Electric Corporation, National Grid, and Orange and Rockland Utilities, Inc.

II. BACKGROUND

NYSERDA's Home Performance with ENERGY STAR program was introduced throughout upstate New York in 2001, with Assisted Home Performance with ENERGY STAR following in 2003. The program is a grass roots effort designed to train and certify home improvement contractors in current and cutting-edge building sciences and proper installation techniques of energy-saving measures in 1-4 family dwellings. Contractors must complete a training program and become accredited through the Building Performance Institute (BPI). Customers participating in the program request a Comprehensive Home Assessment from a participating BPI-accredited contractor to identify energy efficiency improvements for the home.

Participating Home Performance contractors benefit from a number of attractive program incentives including: incentives for technical and sales training they will need to take full advantage of the program's potential; incentives for a portion of the costs of BPI certification and accreditation; assistance in purchasing Home Performance diagnostic equipment; free marketing through listing on NYSERDA's consumer website; and the ability to offer consumers low-interest financing offered through the Program Lender.

NYSERDA's Home Performance with ENERGY STAR program, and the Assisted Home Performance component, is managed by a Program Implementer, currently Conservation Services Group, Inc. (CSG). The Program Implementer services are not part of this RFQ. CSG is responsible for providing support to BPI-accredited contractors through the Program. The Program does require interaction between CSG and Assisted Home Performance with ENERGY STAR Program Lenders selected through this RFQ.

The Home Performance with ENERGY STAR initiative is backed with a multi-million dollar training and marketing campaign, including television, radio, and print. A toll-free number (1-877-NY-SMART) is provided for consumers to obtain program literature, a list of BPI-accredited contractors, and answer questions regarding the Home Performance with ENERGY STAR program. To date, more than 15,000 homes have been served.

The Assisted Home Performance with ENERGY STAR program is available to homeowners and tenants with a total household income at or below 80% of the State Median Income (SMI). It currently provides an Assisted Subsidy of 50% of the cost of qualifying measures installed by a participating BPI-accredited Home Performance contractor, subject to a maximum subsidy of $5,000 per applicant for single family homes or up to $10,000 per building for 2-4 family dwellings based on additional income eligible households. The balance of the work may be eligible for reduced interest-rate financing through the **New York Energy $mart℠ Loan Fund**. Through April 2007, Assisted Home Performance with ENERGY STAR contractors have completed work for 5,725 households with approved work scope subsidies in excess of $21 million for contracts exceeding $47 million.

Through April 2007, participating Program Lenders under this RFQ have approved over 260 Assisted Home Performance with ENERGY STAR grants and loans. Program Lenders continue to reach low and moderate income clients which, for various reasons, would not otherwise qualify for assistance. Financial management training provided by the Program Lenders enable customers to better track their monthly expenses and reduce the risk of default and bankruptcy.

To qualify as a Program Lender, the lending institutions must first become a participating lender in the **New York Energy $mart℠ Loan Fund**. A revised Program Opportunity Notice (PON)1060 for the Loan Fund is planned for August 2007. Lenders interested in providing services under RFQ 925 will need to respond to PON1060. Any changes in the Loan Fund resulting from PON 1060 will apply to projects implemented through RFQ 925. These participating lenders provide loans of up to $20,000 to qualified borrowers for a period of up to ten years, with NYSERDA subsidizing the reduced interest rate through a lump sum payment to the lender upon loan closing. The lender's market interest rate for qualified loans shall be reduced by up to 4%, or 400 base points, subject to change by NYSERDA. Information on becoming a Loan Fund Participating Lender is available at www.nyserda.org/loanfund or by calling 1-866-NYSERDA.

Households with incomes above 80% of the SMI are eligible for Home Performance with ENERGY STAR. These projects are not eligible for the fees provided for Assisted Home Performance projects processed by a Program Lender selected through this RFQ. However, several financing options are available, including the Loan Fund. For more information on Home Performance with ENERGY STAR and the financing options go to www.GetEnergySmart.org.

III. SERVICES AND DELIVERABLES TO BE PROVIDED

This Request for Qualifications seeks Statements of Qualifications for Assisted Home Performance with ENERGY STAR Program Lender Services from lenders participating in the **New York Energy $mart℠ Loan Fund**. Responses are sought from lenders willing to provide financing with a minimum credit score of 550 in order to better serve households with incomes at or below 80% of the state median. Responses must indicate the lender's willingness to provide financing, and under what terms and interest rates, for various credit scores as well as all other criteria to be used in underwriting program loans.

The services to be provided by Program Lenders are summarized in the Statement of Work presented below.

Statement of Work

Task 1. Program Application and Loan Application Intake System: The Program Lender shall establish and implement a Program and loan application intake system. The intake system shall include a phone number for consumer access, data collection including applicant household size and income level, project costs, loan amount, household size, applicant, co-applicant and total household income, Assisted Subsidy eligibility, a brief description of targeted improvements, and utility provider. Customers will apply for the work scope subsidies and loans using the Assisted Home Performance with ENERGY STAR Application and the Loan Fund Application with supplements as determined necessary by the Program Lender.

For each Assisted Subsidy application received, the Program Lender shall verify and document household size and income level against income guidelines provided by NYSERDA. Households with a total income level at or below 80% of the State Median Income (SMI) are eligible to receive an Assisted Subsidy not to exceed the lesser of 50% of the qualifying measures or $5,000 per applicant for single family homes. Up to

$10,000 may be available for households with income eligible customers in 2-4 family dwellings . The homeowner then may qualify for financing through the Program for the balance of the cost of qualifying measures.

For each loan application received, the Program Lender shall process and underwrite the loan application based on its own current agreed upon underwriting criteria and financing guidelines. The Program Lender shall make every effort to ensure that it will respond to loan and Assisted Subsidy applications within five days of receipt.

Deliverable: Prior to the commencement of services each Program Lender shall prepare a report verifying that the intake system has been established and is prepared to take applications and shall submit copies of any supplemental loan application forms and any other materials to NYSERDA for approval.

Task 2. Pre-Approval Procedures: The Program Lender shall offer pre-approval for loans and the Assisted Subsidy so that customers can know the resources available to them before requesting a Home Performance contractor conduct a Comprehensive Home Assessment.

The Program Lender shall review the Assisted Subsidy and loan applications following the intake system approved in Task 1.

The Program Lender shall notify the applicant of the Assisted Subsidy and loan decision in writing. Should an applicant be denied a loan, yet is qualified for a subsidy under the Assisted Home Performance with ENERGY STAR program, the Program Lender shall indicate in the loan denial letter to the applicant the maximum subsidy level and the subsidy as a percent of the work scope that the applicant is eligible to receive.

Once a customer has been pre-approved, the customer will be notified by the Program Lender to schedule a Comprehensive Home Assessment, and then provide a loan application and copy of the proposed contract.

Deliverables: The Program Lender shall produce a written weekly report informing NYSERDA's Home Performance Program Implementer of loan approvals and denials, and the number of applicants that have been denied a loan, but are requesting a letter stipulating their Assisted Subsidy eligibility. The reports will include key data to be used for program tracking and evaluation, as mutually agreed by the Program Lender and NYSERDA. At a minimum, the report shall include data on Assisted Subsidies and loans approved (based on completed and signed applications) including customer name and address, amount of loan and Assisted Subsidy, loan term, income level, credit score, and Home Performance contractor, if identified. NYSERDA's Program Implementer will process the weekly reports and forward them to NYSERDA as part of its own monthly or biweekly reporting requirements under the Program.

The Program Lender is responsible for sending invoices to NYSERDA for fees earned for performing income verification services.

Task 3. Program Lender and NYSERDA Review and Approval Procedures: Upon determination that the household is eligible for the Assisted Subsidy and a loan, the customer and Home Performance contractor will negotiate a scope of work and contract. The Program Lender shall review the proposed work scope for eligibility under the program guidelines.

Next, the customer/borrower and the Program Lender complete and sign their respective sections of the Loan Fund Application and the Program Lender submits the completed Loan Fund Application and a copy of the contract to NYSERDA Loan Fund by regular mail or by fax.

At the same time the Program Lender submits a copy of the Assisted Home Performance Application, a signed Customer Information Form, and a copy of the contract to the Program Implementer by regular mail, e-mail, or by fax.

The Program Implementer shall review the work scope and the contract, verify participation of the contractor in the program (which includes proper BPI certification and accreditation), and verify that the

proposed measures are cost-effective and meet program eligibility requirements. If approved, the Program Implementer will notify NYSERDA. If an issue is identified that prevents approval, the Program Implementer will work with the contractor and the Program Lender to resolve the issue.

Upon notification of approval by the Program Implementer, NYSERDA will conduct its review and, if approved, complete the Lump Sum Interest Reduction Calculation and notify the Program Lender in writing via e-mail.

Deliverable: The Program Lender is responsible for promptly sending the completed Loan Fund Application and a copy of the contract to NYSERDA; and a copy of the Assisted Home Performance Application, Customer Information Form, and the contract to the Program Implementer. The Program Implementer will notify the Program Lender and Home Performance contractor of the results of the review.

Task 4. Signing of Loan Agreement and Project Installation: The Program Lender shall allow the customer/Home Performance contractor from 55 to 90 days from the signing of the loan agreement or loan closing to install the eligible measure(s). If a change order is executed that increases the requested Assisted Subsidy or loan amounts, the customer will need to contact the Program Lender to be re-qualified at the new loan amount and new Assisted Subsidy amount. The Home Performance contractor must then submit a copy of the change order to the Program Implementer who will coordinate review with NYSERDA.

Deliverable: The Program Lender shall promptly process any change orders.

Task 5. Payments to Home Performance Contractors: Upon completion of work within the allowed time frame from execution of the loan agreement, the installing Home Performance contractor and the customer must complete, sign and submit a Certificate of Completion to NYSERDA's Program Implementer along with a final invoice and a change order (if needed). The Program Implementer will, within five days of receiving the Certificate of Completion, review the Certificate of Completion; schedule a quality control inspection (if appropriate); verify that the installed measures are consistent with the approved work scope and the contract that the customer signed. If all is in order, the Program Implementer will instruct the Program Lender to close the loan and forward payment to the installing Home Performance contractor. The Program Lender shall make every effort to process and mail a check or initiate an Automated Clearing House (wire transfer) into the Home Performance contractor's account within ten (10) business days from receipt of the Certificate of Completion.

Deliverable: Upon receipt of the Certificate of Completion from NYSERDA's Program Implementer, the Program Lender shall close on the loan and disburse the loan proceeds and Assisted Subsidy to the Home Performance contractor within ten (10) business days. The Program Lender shall then invoice NYSERDA for the approved amount of the Assisted Subsidy and the lump sum interest rate reduction.

Task 6. Income Verification for Loans that have been Denied, for Consumers Paying Cash or using Alternative Financing In instances when the applicant has been denied financing by the Program Lender, or when the applicant will be paying cash or using alternative financing, the Program Lender shall collect all required income data, determine if the applicant qualifies for an Assisted Subsidy, then inform both NYSERDA's Program Implementer and the applicant of his or her subsidy eligibility, and amount of subsidy if known. The applicant will then be required to pay the Home Performance contractor the unsubsidized portion of the agreed upon work scope.

Deliverables: No later than on a weekly basis, the Program Lender shall provide NYSERDA's Program Implementer with the name of applicant, address, subsidy amount (if known), and name of the Home Performance contractor via fax or e-mail. This report shall be forwarded to NYSERDA on a monthly basis.

The Program Lender is responsible for sending invoices to NYSERDA for fees approved by NYSERDA for performing income verification services.

Task 7. On-Site Quality Assurance: The Program Lender shall be responsible for conducting on-site quality assurance for all projects that are approved for financing. This quality assurance shall at a minimum verify that the following objectives are being met:

- Project is completed in accordance with the terms of the customer contract and the approved work scope.
- Customer has signed the Certificate of Completion.
- Customer confirms that the Contractor tested in and tested out.

Deliverables: Prior to the commencement of Program Lender services a QA plan shall be submitted for NYSERDA's approval. The plan shall include provision for reporting all deficiencies to the Program Implementer.

Task 8. Financial Management Education: The Program Lender shall provide financial management education to help ensure low-default rates on approved loans. Proposers must outline plans, including schedule and content of financial management education, and prior experience in delivering this service in the Statement of Qualifications.

Deliverable: Prior to the commencement of Program Lender services a plan for financial management education shall be submitted to NYSERDA for approval.

Task 9. Reporting: The Program Lender shall compile concise monthly progress reports throughout the course of the project to highlight the status of activities and major events. The progress reports shall be submitted to NYSERDA's Program Implementer no later than the 10th of each month, beginning with the first 10th after the month when work began. The reports shall include three sections. Section 1 shall be in table format, and shall include but may not be limited to the following information: (1) Title of project, agreement number, and period of report; (2) Number of loans made during the month, year-to-date, and program-to-date; (3) Number of households qualifying for work scope subsidies during the month, year-to-date, and program-to-date; and (4) Dollar value of the Assisted Subsidy for the month, year-to-date, and program-to-date basis. Section 2, also in table format, shall report on QA activities during the month and include metrics, determined by NYSERDA, for year-to-date and program-to-date. Section 3 shall report on Financial Management Education activities during the month and include metrics, determined by NYSERDA, for year-to-date and program-to-date.

Deliverable: The Program Lender shall submit monthly reports to the Program Implementer at the appropriate times.

IV. FEE SCHEDULE

NYSERDA will reimburse for Program Lender services at the following rates:

1. Assisted Home Performance with ENERGY STAR Application Review	$75 for each customer approved for the Assisted Subsidy
2. Work scope review, on-site quality assurance to verify the installed work meets program standards, and Financial Management Education	$350 per loan approved

V. PROGRAM REQUIREMENTS AND SCHEDULE

Each proposer must be a participating lender in the **New York Energy $mart℠ Loan Fund**, possess the required expertise and experience to complete the tasks outlined in the Statement of Work presented above, and must be able to:

- Offer affordable financing to households with incomes below 80% of the state median and credit scores of 550 and above.
- Income qualify applicants for an Assisted Subsidy under Assisted Home Performance.
- Provide credit pre-approval and loan approval to participants through telephone, website, and/or facsimile access.

- Propose acceptable underwriting criteria to be used in qualifying borrowers for financing under the program.
- Demonstrate the financial capacity to fund loans and advance the work scope subsidies provided by Assisted Home Performance with ENERGY STAR. Proposers must be aware that a timing difference will occur between the funding of a loan and the Assisted Subsidy and receipt of the Assisted Subsidy and interest subsidy payments from NYSERDA.
- Provide work scope review, on-site quality assurance, and financial management education.
- Provide strong data collection and management capabilities.
- Coordinate and communicate effectively with program applicants (borrowers), Home Performance contractors, the Program Implementer and NYSERDA.
- Demonstrate a thorough understanding of the goals and objectives of this RFQ.
- Successful experience in the implementation of similar financing projects is required.

Schedule

Program Lender services will begin upon qualification of the first Program Lender, acceptance by NYSERDA of the intake system report, Quality Assurance plan, financial management education plan, and signing of a Participation Agreement. Agreements will be in effect through June 30, 2008 subject to the availability of funds. The application review, loan-processing, work scope review, quality assurance, contractor payment, financial management education, and reporting activities will occur through the Agreement period.

VI. RESPONSE REQUIREMENTS

Five (5) copies of your Statement of Qualifications are required. NYSERDA may request additional data or materials to support the Statement of Qualifications. Your Statement of Qualifications is limited to 20 pages, excluding resumes to be included as an appendix.

Response Checklist: The Response Checklist to be completed is attached to this RFQ. The checklist must be attached to all five (5) copies of the proposal. At least one (1) copy must contain an original signature.

NYSERDA will review each Statement of Qualifications and contact selected references to determine whether a lender has the necessary technical and financial resources to successfully provide program support and financing for the Assisted Home Performance with ENERGY STAR program.

VII. STATEMENT OF QUALIFICATIONS

Section 1: Introduction and general information. Proposers should summarize their understanding of the objectives and requirements of this RFQ Proposers should *briefly* identify key information about their organization. Proposers should describe why they feel they are qualified to perform and complete the services requested under this RFQ.

Section 2: Statement of Work. The Statement of Work presented on pages 4 to 7 is the plan of how the Program Lenders will accomplish the Program's objectives. It is an action document that delineates the major steps required to accomplish the Program's objectives and is incorporated in the Sample Participation Agreement. Proposers should include additional detail on plans for providing quality assurance and financial management education. In addition to responding to how the proposer will address the various tasks, proposers are invited to present additional tasks, or modifications, as long as they promote, or are consistent with, the goals and objectives of the Program.

Section 3: Management structure. Proposals should identify all team members, including the program director, who will be responsible for ensuring that the duties of the Program Lender are carried out properly and timely. Provide a clear description of the roles and responsibilities of each key person in completing the work plan outlined in the Statement of Work. Provide an organization chart. Resumes of all team members should be provided as an appendix.

Section 4: Qualifications. Describe how the proposer meets the experience, skills and abilities, and financial and on-site quality assurance capacity criteria. State the individual and combined expertise that would enable successful completion of Program Lender services. Indicate the location of offices in New York State. List and

briefly explain relevant financial products offered by the proposer with numbers served and dollar values. Include the name and telephone number of at least three (3) business references.

Section 5: Underwriting Criteria
The Statement of Qualifications must clearly describe the underwriting criteria, process, and time frames to be used for approving loans and credit pre-approvals through the Program. The Loan Fund currently requires loans over $7,500 to be secured. Proposers should describe how the processing of secured or unsecured loans would differ and any interest rate implications. Proposers should also address if a payment for a percentage of the total Contract can be made to the Home Performance contractor by the Lender at the time the Customer signs the Contract. Proposers must provide information on the lender's current policies and practices for setting interest rates on similar loans and how often these rates are reset. The proposal must provide information on current and recent historical interest rates for such loans. It must provide information on the pricing impact, if any, of offering financing to households with credit scores from 550 to 640 compared to those above 640.

VIII. STATEMENT OF QUALIFICATIONS EVALUATION

All Statements of Qualifications meeting the submission requirements established in this RFQ will be reviewed by a committee to be established by NYSERDA. Determination of whether a lender is qualified to participate as a Program Lender will be based on the following criteria.

Responsiveness to the Program Components and Requirements of the RFQ.
- Is the RFQ complete?
- Is the Proposer a Participating Lender in the **New York Energy $mart℠ Loan Fund**?
- Has the Proposer demonstrated a clear understanding of the program goals and objectives?
- Is there clear evidence that the Proposer possesses the capability to implement the Statement of Work?

Relevant Experience and Qualifications.
- Are key personnel's education and experience relevant to the program's needs, and specifically to the quality assurance and financial management education tasks?
- Does the Proposer demonstrate recent experience in the conduct of similar tasks and responsibilities?
- Has the Proposer identified appropriate management and data collection capabilities?

Comprehensiveness of Approach and Management Plan.
- Does the proposer agree to complete all aspects of the Program Lender services outlined in the Statement of Work?
- Are appropriate strategies articulated for delivering customer intake, income verification, quality assurance, and financial management?
- Is the proposed staffing plan, clear and well-defined?

Underwriting Criteria.
- Does the proposer agree to offer financing to households with incomes below 80% of state median with credits scores of 550 and above?
- Are the underwriting criteria, process to be used for approving loans and credit pre-approvals, and timing of such reviews and approval advantageous to participants?
- What is the Proposer's market interest rate(s) for similar loans.
- Are fees to be charged to the applicant, if any, reasonable?

Statement of Qualifications must meet the requirements articulated in Section V. Respondents that fail to meet one or more of the criteria may be determined to be non-responsive and may be disqualified from further consideration by the Evaluation Committee.

IX. GENERAL CONDITIONS

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 accept it from disclosure, including a written statement of the reasons why the information should be excepted. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501 www.nyserda.org/nyserda.regulations.pdf. However, NYSERDA cannot guarantee the confidentiality of any information submitted.

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

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 new 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.

Tax Law Section 5-a - NYSERDA is required to comply with the provisions of Tax Law Section 5-a, which requires contractors, prior to entering an agreement with NYSERDA, to certify whether the contractor, its affiliates, its subcontractors and the affiliates of its subcontractors have registered with the New York State Department of Taxation and Finance to collect New York State and local sales and compensating use taxes. The Department of Taxation and Finance has developed guidance and a certification form (ST-220) for contractors which is available at www.nystax.gov/sbc/nys_contractors.htm. The completed Form ST-220 (which is available upon request or at http://www.nyserda.org/Funding/stdforms.asp), will be incorporated in the agreement between NYSERDA and the contractor.

Contract Award - NYSERDA anticipates making one [or multiple, as it applies to solicitation] award under this solicitation. It may award a contract based on initial applications without discussion, or following limited discussion or negotiations. 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/applicants] in approximately [XXX] weeks from the [proposal due date/receipt of an application] whether your [proposal/application] has been selected to receive an award.

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.

Disclosure Requirement - The proposer shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five 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 similarly 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 Sample Assisted Home Performance Lender Participation Agreement
- Attachment C Assisted Home Performance with ENERGY STAR Application

Attachment A
RFQ 925 PROPOSAL CHECKLIST (MANDATORY)

Proposal Title: **Financing for Assisted Home Performance with ENERGY STAR®**

Contact (Prime Contractor - please print)			Title
Company			Phone
Address			Fax
City	State/Province	Zip	E-Mail
Contact (Proposal Author if different - please print)			Title
Company			Phone
Address			Fax
City	State/Province	Zip	E-Mail

The prime contractor must sign this form below.

THE PRIME CONTRACTOR MUST ANSWER THE FOLLOWING QUESTIONS:

Do you accept all provisions of the Sample Participation Agreement? (If no, explain on separate page.) __ Yes __ No

Have you been indicted/convicted for a felony within the past 5 years? (if yes, explain on separate page) __ Yes __ No

Are you a Minority or Women-Owned Business Enterprise? __ Yes __ No

Does your proposal contain Minority or Women-Owned Business enterprises as subcontractors? __ Yes __ No

Are you submitting the required number of copies of the Statement of Qualifications? __ Yes __ No

Is other public funding pending/awarded on this and/or very-similar topic (prior and/or competing proposals)? (if yes, explain on separate page) __ Yes __ No

Have you retained, employed, or designated any person or organization to attempt to influence the procurement process with respect to this solicitation? __ Yes __ No

Have you included letters of commitment and/or support in an appendix to the proposal? __ Yes __ No

AUTHORIZED SIGNATURE

I certify that the above information is accurate, and that the proposal requirements noted have been completed and are enclosed. I understand that this proposal may be disqualified if the solicitation requirements are not met. I the undersigned am authorized to commit my organization to this proposal.

Signature	Name (please print)
Title	Organization
Phone	Date

NOTE: This completed form **MUST** be signed and attached to the front of all copies of your proposal.

Attachment B

NYSERDA New York State Energy Research and Development Authority

Financing for Assisted Home Performance with ENERGY STAR®
Program Lender Participation Agreement

July 1, 2007 to June 30, 2008

SAMPLE ONLY - DO NOT FILE

Lender:_____

Contact Person:_____

Mailing Address:_____

_____

Telephone Number:_____ Fax Number: _____ E-mail Address_____

This Assisted Home Performance with ENERGY STAR® Program Lender Participation Agreement, dated as of _____, 200__, by and between the New York State Energy Research and Development Authority (NYSERDA) and _____ (the "Program Lender") supplements the **New York Energy $mart**℠ Loan Fund Lender Participation Agreement to provide financial support to Program Lenders that provide financing and program support for customers participating in the Assisted Home Performance with ENERGY STAR Program.

Assisted Home Performance with ENERGY STAR is a grass roots strategy to develop an infrastructure of trained home performance contractors to assess and improve energy efficiency in low-income 1-4 family residences. Contractors must complete a training program and become accredited through the Building Performance Institute (BPI). Customers participating in the program request a Comprehensive Home Assessment from a BPI-accredited contractor to identify energy efficiency improvements for the home. Households with incomes at or below 80% of the State Median Income are eligible for a work scope subsidy for up to 50% of the total cost of the approved efficiency improvements.

Under this Participation Agreement lending institutions agree to offer financing to homeowners with credit scores of 550 and above and will be responsible for processing applications for Assisted Home Performance with ENERGY STAR in accordance with program guidelines, determining the income qualification of applicants, reviewing proposed work scopes for adherence to program requirements, including cost-effectiveness, pre- and post installation inspection services for compliance purposes, financial management education, and providing interaction between the borrower, the home performance contractor, and the Program Implementer. Only Lenders that have qualified for this Participation Agreement will be eligible to receive the special incentives and fees associated with the Program Lender services.

This Agreement is completely voluntary and can be terminated at any time for any reason by the Program Lender or by NYSERDA.

By executing this Agreement, the Program Lender agrees to provide the services described in Section I, the Statement of Work, and NYSERDA agrees to pay the fees described in Section II, Fee Schedule.

I. STATEMENT OF WORK

Task 1. Program Application and Loan Application Intake System: The Program Lender shall establish and implement a Program and loan application intake system. The intake system shall include a phone number for consumer access, data collection including applicant household size and income level, project costs, loan amount, household size, applicant, co-applicant and total household income, Assisted Subsidy eligibility, a brief description of targeted improvements, and utility provider. Customers will apply for the work scope subsidies and loans using the Assisted Home Performance with ENERGY STAR Application and the Loan Fund Application with supplements as determined necessary by the Program Lender.

For each Assisted Subsidy application received, the Program Lender shall verify and document household size and income level against income guidelines provided by NYSERDA. Households with a total income level at or below 80% of the State Median Income (SMI) are eligible to receive an Assisted Subsidy not to exceed the lesser of 50% of the qualifying measures or $5,000 per applicant for single family homes. Up to $10,000 may be available for households with income eligible customers in 2-4 family dwellings . The homeowner then may qualify for financing through the Program for the balance of the cost of qualifying measures.

For each loan application received, the Program Lender shall process and underwrite the loan application based on its own current agreed upon underwriting criteria and financing guidelines. The Program Lender shall make every effort to ensure that it will respond to loan and Assisted Subsidy applications within five days of receipt.

Deliverable: Prior to the commencement of services each Program Lender shall prepare a report verifying that the intake system has been established and is prepared to take applications and shall submit copies of any supplemental loan application forms and any other materials to NYSERDA for approval.

Task 2. Pre-Approval Procedures: The Program Lender shall offer pre-approval for loans and the Assisted Subsidy so that customers can know the resources available to them before requesting a Home Performance contractor conduct a Comprehensive Home Assessment.

The Program Lender shall review the Assisted Subsidy and loan applications following the intake system approved in Task 1.

The Program Lender shall notify the applicant of the Assisted Subsidy and loan decision in writing. Should an applicant be denied a loan, yet is qualified for a subsidy under the Assisted Home Performance with ENERGY STAR program, the Program Lender shall indicate in the loan denial letter to the applicant the maximum subsidy level and the subsidy as a percent of the work scope that the applicant is eligible to receive.

Once a customer has been pre-approved, the customer will be notified by the Program Lender to schedule a Comprehensive Home Assessment, and then provide a loan application and copy of the proposed contract.

Deliverables: The Program Lender shall produce a written weekly report informing NYSERDA's Home Performance Program Implementer of loan approvals and denials, and the number of applicants that have been denied a loan, but are requesting a letter stipulating their Assisted Subsidy eligibility. The reports will include key data to be used for program tracking and evaluation, as mutually agreed by the Program Lender and NYSERDA. At a minimum, the

report shall include data on Assisted Subsidies and loans approved (based on completed and signed applications) including customer name and address, amount of loan and Assisted Subsidy, loan term, income level, credit score, and Home Performance contractor, if identified. NYSERDA's Program Implementer will process the weekly reports and forward them to NYSERDA as part of its own monthly or biweekly reporting requirements under the Program.

The Program Lender is responsible for sending invoices to NYSERDA for fees earned for performing income verification services.

Task 3. Program Lender and NYSERDA Review and Approval Procedures: Upon determination that the household is eligible for the Assisted Subsidy and a loan, the customer and Home Performance contractor will negotiate a scope of work and contract. The Program Lender shall review the proposed work scope for eligibility under the program guidelines.

Next, the customer/borrower and the Program Lender complete and sign their respective sections of the Loan Fund Application and the Program Lender submits the completed Loan Fund Application and a copy of the contract to NYSERDA Loan Fund by regular mail or by fax.

At the same time the Program Lender submits a copy of the Assisted Home Performance Application, a signed Customer Information Form, and a copy of the contract to the Program Implementer by regular mail, e-mail, or by fax.

The Program Implementer shall review the work scope and the contract, verify participation of the contractor in the program (which includes proper BPI certification and accreditation), and verify that the proposed measures are cost-effective and meet program eligibility requirements. If approved, the Program Implementer will notify NYSERDA. If an issue is identified that prevents approval, the Program Implementer will work with the contractor and the Program Lender to resolve the issue.

Upon notification of approval by the Program Implementer, NYSERDA will conduct its review and, if approved, complete the Lump Sum Interest Reduction Calculation and notify the Program Lender in writing via e-mail.

Deliverable: The Program Lender is responsible for promptly sending the completed Loan Fund Application and a copy of the contract to NYSERDA; and a copy of the Assisted Home Performance Application, Customer Information Form, and the contract to the Program Implementer. The Program Implementer will notify the Program Lender and Home Performance contractor of the results of the review.

Task 4. Signing of Loan Agreement and Project Installation: The Program Lender shall allow the customer/Home Performance contractor from 55 to 90 days from the signing of the loan agreement or loan closing to install the eligible measure(s). If a change order is executed that increases the requested Assisted Subsidy or loan amounts, the customer will need to contact the Program Lender to be re-qualified at the new loan amount and new Assisted Subsidy amount. The Home Performance contractor must then submit a copy of the change order to the Program Implementer who will coordinate review with NYSERDA.

Deliverable: The Program Lender shall promptly process any change orders.

Task 5. Payments to Home Performance Contractors: Upon completion of work within the allowed time frame from execution of the loan agreement, the installing Home Performance contractor and

the customer must complete, sign and submit a Certificate of Completion to NYSERDA's Program Implementer along with a final invoice and a change order (if needed). The Program Implementer will, within five days of receiving the Certificate of Completion, review the Certificate of Completion; schedule a quality control inspection (if appropriate); verify that the installed measures are consistent with the approved work scope and the contract that the customer signed. If all is in order, the Program Implementer will instruct the Program Lender to close the loan and forward payment to the installing Home Performance contractor. The Program Lender shall make every effort to process and mail a check or initiate an Automated Clearing House (wire transfer) into the Home Performance contractor's account within ten (10) business days from receipt of the Certificate of Completion.

Deliverable: Upon receipt of the Certificate of Completion from NYSERDA's Program Implementer, the Program Lender shall close on the loan and disburse the loan proceeds and Assisted Subsidy to the Home Performance contractor within ten (10) business days. The Program Lender shall then invoice NYSERDA for the approved amount of the Assisted Subsidy and the lump sum interest rate reduction.

Task 6. Income Verification for Loans that have been Denied, for Consumers Paying Cash or using Alternative Financing In instances when the applicant has been denied financing by the Program Lender, or when the applicant will be paying cash or using alternative financing, the Program Lender shall collect all required income data, determine if the applicant qualifies for an Assisted Subsidy, then inform both NYSERDA's Program Implementer and the applicant of his or her subsidy eligibility, and amount of subsidy if known. The applicant will then be required to pay the Home Performance contractor the unsubsidized portion of the agreed upon work scope.

Deliverables: No later than on a weekly basis, the Program Lender shall provide NYSERDA's Program Implementer with the name of applicant, address, subsidy amount (if known), and name of the Home Performance contractor via fax or e-mail. This report shall be forwarded to NYSERDA on a monthly basis.

The Program Lender is responsible for sending invoices to NYSERDA for fees approved by NYSERDA for performing income verification services.

Task 7. On-Site Quality Assurance: The Program Lender shall be responsible for conducting on-site quality assurance for all projects that are approved for financing. This quality assurance shall at a minimum verify that the following objectives are being met:

- Project is completed in accordance with the terms of the customer contract and the approved work scope.
- Customer has signed the Certificate of Completion.
- Customer confirms that the Contractor tested in and tested out.

Deliverables: Prior to the commencement of Program Lender services a QA plan shall be submitted for NYSERDA's approval. The plan shall include provision for reporting all deficiencies to the Program Implementer.

Task 8. Financial Management Education: The Program Lender shall provide financial management education to help ensure low-default rates on approved loans. Proposers must outline plans, including schedule and content of financial management education, and prior experience in delivering this service in the Statement of Qualifications.

Deliverables: Prior to the commencement of Program Lender services a plan for financial management education shall be submitted to NYSERDA for approval.

Task 9. Reporting: The Program Lender shall compile concise monthly progress reports throughout the course of the project to highlight the status of activities and major events. The progress reports shall be submitted to NYSERDA's Program Implementer no later than the 10th of each month, beginning with the first 10th after the month when work began. The reports shall include three sections. Section 1 shall be in table format, and shall include but may not be limited to the following information: (1) Title of project, agreement number, and period of report; (2) Number of loans made during the month, year-to-date, and program-to-date; (3) Number of households qualifying for work scope subsidies during the month, year-to-date, and program-to-date; and (4) Dollar value of the Assisted Subsidy for the month, year-to-date, and program-to-date basis. Section 2, also in table format, shall report on QA activities during the month and include metrics, determined by NYSERDA, for year-to-date and program-to-date. Section 3 shall report on Financial Management Education activities during the month and include metrics, determined by NYSERDA, for year-to-date and program-to-date.

Deliverable: The Program Lender shall submit monthly reports to the Program Implementer at the appropriate times.

II. FEE SCHEDULE

NYSERDA will reimburse for Program Lender services at the following rates:

1. Assisted Home Performance with ENERGY STAR® Application Review	$75 for each customer approved for the work scope subsidy
2. Work scope review, on-site quality assurance to verify the installed work meets program standards, and Financial Management Education	$350 per job

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed, intending to be legally bound hereby, the day and date first above written.

LENDER:	_____	**NYSERDA: New York State Energy Research and Development Authority**	
BY:	SAMPLE - DO NOT SIGN	BY:	SAMPLE - DO NOT SIGN
PRINT NAME:	_____	PRINT NAME:	Gregory Frank
TITLE:	_____	TITLE:	Assistant Director Contract Management
DATE:	_____	DATE:	_____
FEDERAL TAX ID #:	_____		

Mail **two** completed Agreements to: New York State Energy Research and Development Authority, Attn: Assistant Contracts Director, 17 Columbia Circle, Albany, NY 12203-6399

Assisted Home Performance with ENERGY STAR®
Application

To be eligible for the Assisted Home Performance with ENERGY STAR work scope subsidy, applicants must fully complete this application and provide the requested documentation.

APPLICANT NAME			**Project #**		
APPLICANT ADDRESS	Street	City	County	Zip Code	Apt# or Floor
TELEPHONE NUMBERS Day ( )		Evening ( )			
DIRECTIONS TO THE HOME					
TYPE OF RESIDENCE	❑ Owner Occupied	❑ Single Family Home	❑ Mobile Home	❑ Rental Unit	
	# of units _____	Age of Home_____	If Rental Unit, Electricity Paid By: ❑ Owner	❑ Tenant	
OWNER'S NAME Owner's Address (if different from address listed above)					

Total Number of Household Members:_____	TOTAL INCOME: Complete the following table listing the income received by each household member 16 or older who is not a full-time student; and the names and ages for all members of the household.

Name	SEX	AGE	SOURCE(S) OF INCOME	AMOUNT IN DOLLARS		
				WEEKLY	MONTHLY	YEARLY
			TOTALS			

Salaried Applicants and Salaried Household Members

- Copy of 1st two pages of previous year's Federal Income Tax Return (Tax Returns must be signed). If previous year's Federal Income Tax Return have not been completed, please submit prior year's W2's.
- Copy of most recent paycheck stub indicating year-to-date income.
- Proof of Social Security/Disability/Pension (Award Letters), Child Support, Alimony

Applicants/Household Members who are Self-Employed or Receive Rental Income

- Copy of previous year's Federal Income Tax Return, (signed) including all schedules and attachments. If previous year's Federal Income Tax Return have not been completed, please submit a signed year to date Profit and Loss Statement.

Revised January 2005

HOMEOWNER CONTRIBUTION

The maximum work scope incentive available from Assisted Home Performance with ENERGY STAR is 50% of the approved work scope. The maximum work scope incentive is $5,000 for a single family home and $10,000 for 2-4 family residences. Where other public funds are available to defray the homeowner contribution, the homeowner contribution must not be less that 10% of the approved Assisted Home Performance with ENERGY STAR work scope or $500 whichever is less. The Assisted Home Performance with ENERGY STAR work scope incentives may not be combined with the federally funded Weatherization Assistance Program.

Identify the source and amount of the homeowner contribution:

_____

_____

ENERGY SUPPLIER INFORMATION RELEASE AUTHORIZATION

I hereby authorize the energy suppliers named below to release information on my energy use to NYSERDA for two years prior to and two years after completion of the work.

Electricity Supplier: _____ Account Number: _____

Heating Fuel Supplier: _____ Account Number: _____

SITE VISITS

NYSERDA reserves the right to make a reasonable number of visits during the installation and for up to 24 months following project completion. Such visit(s) will be at a time convenient to the Applicant. The purpose of the visit(s) is to provide NYSERDA with an opportunity to ensure that the eligible energy efficient measures are installed consistent with the program standards and to assess the energy savings.

APPLICANT AFFIRMATION

I certify, under the penalties of law, that the statements made in this application (including statements made in any accompanying papers) have been examined by me and are true and complete. I understand that by signing this application, I consent to any other inquiry to verify or confirm the information I have given.

I understand that this application does not guarantee that assistance will be granted but will be used in determining eligibility for the program. Whether or not an eligible applicant will be provided assistance will depend in part upon the number of applications received, the remaining funds available and the priorities to be met by the program.

Applicant's Signature_____ Date_____

Co-Applicant's Signature_____ Date_____

OFFICE USE ONLY

INCOME GUIDELINES FOR A HOUSEHOLD OF MEMBERS: $ ❑ DOCUMENTATION ATTACHED

ON THE BASIS OF THE ABOVE INFORMATION, HOUSEHOLD ❑ IS ❑ IS NOT INCOME ELIGIBLE

Intake Worker's Signature: Date

INCOME SOURCE	ACCEPTABLE DOCUMENTATION
Alimony	Court order; pertinent pages of separation agreement or divorce decree that identify client and amount of alimony. (If court ordered payments are not being received by the client, a notarized statement to this effect will be accepted.)
Annuities	Statement from issuing organization.
Child Support	Court order; pertinent pages of agreement that identify the client and amount of support. (If court ordered payments are not being received by the client, a notarized statement to this effect from the Court, the Child Support Collection Unit, or the spouse required to pay will be accepted.)
Direct Deposits	Copy of two or more bank statements listing the date and amount of deposit; letter from local bank stating source and amount of direct deposit income; verification of income from benefit source.
Dividends and Interest, as Regular Source of Income	Statement from bank or brokerage firm.
Estates and Trusts, as Regular Source of Income	Fiduciary statement or current statement from bank or brokerage firm.
Insurance Proceeds or Dividends, as Regular Source of Income	Statement from insurance company.
Joint Legal Custody	In cases where a divorce decree establishes true-shared legal and physical custody of the minor children of the marriage (i.e., sole custody or a custodial parent was not established) the minor children are to be included as members of both households for the purpose of establishing eligibility for Assisted Home Performance.
HUD FORM 50059	Copy of the current form for the tenant.
Pensions, Government or Private	Award letter; copy of checks; a letter from administrative agency.
Rents	Income tax form; rent receipts; notarized statement from applicant listing each apartment and the rent received per month, as well as the description and amount of deductible expenses. When the tenant is a family member and is paying no rent to the owner, a notarized statement should be received from the tenant and signed by the owner stating that no rents are being collected.
Royalties	Income tax return; current statement from company issuing checks.
Self Employment Income	Business records for three months prior to the date of application; IRS form for income from previous year notarized statement of gross adjusted income, including list of deductions and amounts for previous three months. **Note**: Losses incurred in the pursuit of income cannot be deducted from your adjusted gross household income.

Social Security Benefits	Award letter; checks; statement from bank or brokerage firm (if direct deposit); SSA form 2458 (Report of Confidential Social Security Benefit Information.)
Strike Benefits	Award letter; copy of checks; letter from union.
Training	Award letter, copy of checks; letter from appropriate administrative agency.
Unemployment	Notice of Benefit Rate letter (Form Benefits L0403x).
Veterans Benefits	Award letter from Veterans Administration or Department of Defense; copy of check.
Wages and Salaries Before Deduction	Letter from employer on company's stationary; wage, earnings, or pay stubs; any combination of the above to document total earnings for the 4 weeks prior to date of application.
Workers Compensation	Award letter from Workers Compensation Board; current check.

ELIGIBILITY- INCOME EXCLUSIONS

The following income sources should not be included in total monthly income for purposes of determining eligibility:

Cash Over Which the Household Has No Control:

Cash including, but not limited to, reimbursement for expenses incurred in connection with employment (e.g., gas mileage provided), and reimbursement for medical expenses (e.g., Medicare payment for doctor bills.)

Loans:

All except reverse-annuity mortgage and home-equity conversion payments.

Dependent Student Income:

Earnings of full-time high school students aged 18 or younger should not be included in the household's income, however, the income of dependent students over the age of 18 and enrolled for at least 12 credit hours in an institution of higher education should be treated in the following manner.

- Income received by students from State and/or Federal grants and/or loans is excluded as income (e.g., TAP, Pell, NYSHEA).

- Earnings of a student living at home are excluded as income in determining a household's eligibility; however, students living at home are included in the household count.

- Earnings of a student enrolled at an institution of higher education and living away from home during normal periods of class attendance and recess are excluded as income in determining a household's eligibility. Such students are, however, included in the household count. A student's status may be further tested by whether the student lives at home during normal vacation periods, or is claimed as a deduction on the household's income tax.

Farm and Business Expenses:

Allowable deductions for farms and businesses include only the cost of doing business. If the enterprise is a partnership, the percentage owned by the applicant should be established by documentation. The adjusted gross income figure listed on an applicant's income tax return should not be used in determining income from small businesses/farms since the IRS allows deductions for depreciation, personal business and entertainment expenses, income tax, personal transportation, purchase of capital equipment, and payments on the principal of loans. Business records required by law should be used to document gross income and business costs for the three calendar months prior to the month of application and pro-rated for an average gross monthly income.

Note:
Losses incurred in the pursuit of income cannot be deducted from your adjusted gross household income.

Rental Property Costs:

The following costs for rental property maybe deducted from the owner's income, if documented:

- Interest paid to purchase income-producing property.
- Insurance premiums.
- Taxes paid on income-producing property.
- Heating and/or utility costs paid for income-producing property where rent includes heat and/or utilities.
- Improvements and/or repairs necessary to maintain the property as income producing.

Note: To determine the allowable deduction for an improvement, use the life expectancy of the improvement and pro-rate the cost (e.g., a new roof costs $5,000 and has a life expectancy of 15 years). The $5,000 roof would be pro-rated at $333 per year or $27.75 per month. To determine the allowable deduction for a repair, divide the cost of the necessary repair by 12 months, e.g., a $500 repair to a roof would be $41.67 per month.

If the owner/applicant also resides in the income-producing property, the applicant's allowable costs should, also, be prorated. For example, an applicant with a three-unit dwelling who resides in one of the units would receive two thirds of the allowable costs deducted from his/her gross rental income. Applicants who do not reside in the income-producing property would have 100 percent of their documented allowable costs deducted from their gross rental income.

Depreciation, payments on the principal of income-producing property, and net loses are not allowable deductions in determining income for eligibility.

Lump Sum Payments;

Non-recurring lump-sum payments which are to be excluded from income in determining eligibility include, but are not limited to: income tax refunds, rebates, or credits; retroactive lump-sum insurance settlements; and, lump-sum income from the sale of property.

Special Energy Assistance Payments:

Home energy assistance, either in cash or in-kind, provided by a private non-profit organization or by an entity whose revenues are primarily derived on a rate of return basis and regulated by a State of Federal government body, is not to be considered as income.

Payment for Foster Children and Foster Care Adults:

Payments provided for care and maintenance of foster children or adults are not considered income. Foster children and foster-care adults (e.g., individuals 18 years of age or older, who are socially, physically, or mentally handicapped and placed in a community-based care setting approved by appropriate State agencies or local social services agencies) are not counted as members of an applicant's household.

Roomer and/or Boarder Payments:

Roomers and Boarders are not counted as household members, and their gross income is excluded from the household's income. However, payments made by the Roomer/Boarder to the household are included in the household income.

The eligibility of Roomers or Boarders is dependent upon whether the building in which they live is commercial enterprise, or a non-commercial enterprise, however, in no case is the spouse of an applicant or a dependent child under the age of 18 to be considered a lodger/boarder.

Individuals residing in a non-commercial enterprise (private home) are not eligible to apply for Home Performance as individuals apart from the host household. This applies to relatives and children over the age of 18, as well as to non-related individuals who pay for room only, board only, or room-and-board in private homes. If the host household applies for Home Performance, the roomer/boarder's weekly or monthly payments to the household must be included in the household's income, however, the roomer/boarder is not included in the household count, and the roomer/boarder's income is not included in the household's income.

Holocaust Survivors Payment:

Restitution payments from foreign governments to survivors of the Holocaust are excluded as income.

Income Committed to Health Care/ Homemaker Services:

The amount which an applicant pays an employee for household work or health care is not an allowable deduction from gross income except in the following cases:

- *Health Care Services*: Income used to pay for in-patient hospital care, in-patient care in a skilled nursing facility, or home health care, which is also counted toward Medicaid eligibility, is exempted as income.

- For income exclusion purposes, home health care means payments made for home nursing services rendered by a person (other than a family member) who is qualified to provide services such as assistance with personal hygiene, dressing, feeding or household tasks, and who has been appropriately trained and is supervised by a registered professional nurse.

- *Housekeeper/ Homemaker Services*: Reimbursements for housekeepers or homemakers under Title XX of the Social Security Act are not considered as income for eligibility purposes. Those services include assessing the need for, arranging for, providing and evaluating the provision of personal care, home management and incidental household tasks by a professionally trained homemaker.

- *In-Kind Services*: When an applicant has an employee residing in the household to assist in household work and health care, the employee's income should not be considered in determining the household's eligibility nor is the employee included in the household count. No monetary value may be attached to any in-kind contribution which the employee provides to the household.

Student Head of Household:

For the purpose of receiving Assisted Home Performance in his/her own right, a "student" shall mean a person who has completed his/her K-12 education, and who is now enrolled for at least 12 credit hours in an institution of higher education, and is living separate and apart from his/her family, and is not claimed by his/her family as a dependent. In the case of students age 21 and under, documentation (such as the income tax form of the applicant's parents) must be obtained to establish financial independence. No student living in a dormitory is eligible for Home Performance. Gifts, scholarships, grants and loans, which are used specifically for tuition and other educational expenses, are excluded from income in determining eligibility for Assisted Home Performance. Income from any source which is used for living expenses must be included in the household's income. Documentation of student status will be collected and kept in the client file.

Dependent Students:

Full-time college students who remain dependents are counted as members of their family's household, regardless of their temporary absence during school terms. Their income (except Social Security Income or Veteran's Survivor's Benefits) is exempted from consideration in determining the family's total income. Full time high school student's age 18 or younger and who is temporarily living away from their principal residence in order to attend school should be included in their family's household count. Documentation of student status will be collected and kept in the client file.

Unemployed, Strikers, Seasonal Workers:

For applicants whose regular, recurring income would render them ineligible for Assisted Home Performance, but who are laid off or unemployed for three months or less during the year, eligibility for Assisted Home Performance subsidies would be based upon this average monthly income amount. The applicant's total annual income should be divided by 12 to yield an average monthly income figure. Examples of this type of worker are those workers who have a reasonable expectation of returning to work within a three-month period and include but are not limited to, seasonal construction employees, teachers and other contract employees, and strikers. This provision does not apply to individuals who have been fired from their jobs, or whose jobs have been abolished, or who are in a permanent lay-off status.

Self-Employed:

In determining income eligibility for self-employed applicants, "earned income" means the net profit from a business enterprise, a business operated from out of the home, or farming. Net profit is the gross income received, less the business expenses (e.g., total cost of the production of the income). To compute income eligibility, this net profit should be averaged for the three calendar months prior to the month of application.

Such income includes earnings over a period of time for which settlement is made at one given time, as in sales of farm crops, livestock or poultry, or lump sum payments for services rendered over a period of more than one month. Such income should be pro-rated over the period covered by the income, (e.g., sale of an annual farm crop should be divided by 12 to yield an average monthly figure, and this amount added in to each of the three months used to determine average monthly income).

Those expenses directly related to producing the goods or services and without which the goods or services could not be produced, must be deducted from the total income. However, depreciation, personal business, entertainment expenses, income tax, personal transportation, purchase of capital equipment and payments on the principal of loans must not be deducted.

Losses incurred in the pursuit of income cannot be deducted from your adjusted gross household income.

Assisted Home Performance with ENERGY STAR®

2007 Income Guidelines

Household Size	80% of Median
1	$28,848
2	$37,728
3	$46,608
4	$55,488
5	$64,352
6	$73,232
7	$74,896
8	$76,560
9	$78,224
10	$79,888
11	$84,368
Each Additional	$6,528

*Effective 11/01/06

All **New York Energy $mart**SM programs are funded by a System Benefits Charge (SBC) paid by electric distribution customers of Central Hudson, Con Edison, NYSEG, National Grid, Orange and Rockland, and Rochester Gas and Electric. NYSERDA, a public benefit corporation established by law in 1975, administers SBC funds and programs under an agreement with the Public Service Commission.

New York Energy $martSM programs are designed to lower electricity costs by encouraging energy efficiency as the State's electric utilities move to competition. The programs are available to electric distribution customers (residential, commercial, institutional, and industrial) who pay into the System Benefits Charge (SBC).