



Residential Financing and Income Verification Services Request for Proposal (RFP) 3240

NYSERDA reserves the right to extend and/or add funding to the Solicitation should other program funding sources become available.

Proposals Due: by November 15, 2016, at 5:00 PM Eastern Time*

The New York State Energy Research and Development Authority (“NYSERDA”) is seeking proposals from qualified financing companies (“Originator”) to provide the following services for residential energy efficiency and renewable energy system improvements: (1) loan origination and underwriting services to New York State residents for fixed rate loans between \$1,500 and \$25,000 for terms of 5-, 10- or 15-years; (2) income eligibility verification for NYSERDA financing and incentive applications; and (3) payment of loan funds and incentive funds to participating contractors, to be reimbursed by NYSERDA. The contract term will be for three years with two (1) year extensions at NYSERDA’s option. Additional time and funding may be added at NYSERDA’s discretion.

Proposal Submission: All proposals must be received by NYSERDA by 5:00 P.M, EST, on November 15, 2016. Electronic submission is preferable. NYSERDA will also accept proposals by mail or hand-delivery. If submitting electronically, proposers must submit the proposal in either PDF or MS Word format with a completed and signed Proposal Checklist and Disclosure of Prior Findings of Non-Responsibility, in PDF format. Proposal PDFs should be searchable and should be created by direct conversion from MS Word, or other conversion utility, rather than scanning. For ease of identification, all electronic files must be named using the proposer’s entity name in the title of the document. Proposals may be submitted electronically by following the link for electronic submissions found on this RFP’s webpage, which is located in the “Current Opportunities” section of NYSERDA’s website (<http://www.nyserda.ny.gov/Funding-Opportunities/Current-Funding-Opportunities.aspx>). Instructions for submitting electronically are provided as Attachment C to this RFP.

If mailing or hand-delivering, proposers must submit eight (8) paper copies of their proposal with a completed and signed Proposal Checklist, along with a CD or DVD containing both a PDF or MS Word digital copy of the proposal, following the above guidelines. Mailed or hand-delivered proposals must be clearly labeled and submitted to:

**Jillina Baxter, RFP 3240
NYS Energy Research and Development Authority
17 Columbia Circle
Albany, NY 12203-6399**

If you have technical questions concerning this solicitation, contact Kevin Hunt at (518) 862-1090, ext. 3259 or kevin.hunt@nyserda.ny.gov (**Designated Contact**) if you have technical questions. If you have contractual questions concerning this solicitation, contact Elsyda Sheldon at (518) 862-1090, ext. 3232 or elsyda.sheldon@nyserda.ny.gov.

No communication intended to influence this procurement is permitted except by contacting the above Designated Contacts. Contacting anyone other than the 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 will be returned. Incomplete proposals may be subject to disqualification. It is the proposer's responsibility to ensure that all pages have been included in the proposal. Faxed or e-mailed proposals will not be accepted. Proposals will not be accepted at any other NYSERDA location other than the address above. If changes are made to this solicitation, notification will be posted on NYSERDA's web site at www.nyserda.ny.gov.

I. INTRODUCTION

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's principal mission is to develop innovative solutions to some of the State's most difficult energy and environmental problems.

NYSERDA is charged with implementing the Green Jobs Green New York (GJGNY) Act of 2009 and the Power NY Act of 2011 which authorized NYSERDA to offer loans to New York State residents for residential energy efficiency technologies and net metered technologies, including solar photovoltaic (PV) installations, on existing buildings.

NYSERDA is seeking proposals from qualified Originators to provide the following services for residential energy efficiency and renewable energy system improvements: (1) loan origination and underwriting services to New York State residents for fixed rate loans between \$1,500 and \$25,000 for terms of 5, 10 or 15 years; (2) income eligibility verification for NYSERDA financing and incentive applications; and (3) payment of loan funds and incentive funds to participating contractors, to be reimbursed by NYSERDA.

Definitions:

Clean Energy Fund ("CEF"): The CEF supports the State's commitment requiring 50% of New York State's electricity to be sourced from renewable sources by 2030. It is designed to reduce the cost of clean energy by accelerating the adoption of energy efficiency to reduce load while increasing renewable energy demand.

Community-Based Organization ("CBO"): An organization which may or may not be under contract to NYSERDA to provide outreach and assistance services within their community to households interested in undertaking energy efficiency or renewable energy improvements. In particular, CBOs assist LMI households with loan and incentive applications.

Contractor ("Contractor"): A qualified contractor participating in NYSERDA's residential energy efficiency or renewable energy programs.

Household Income: Total income of residents within a home that are over the age of 18 and are not full-time students.

Implementation Contractor ("Implementation Contractor"): The program implementer for NYSERDA's residential programs. The Implementation Contractor reviews Contractor work scopes, and informs the Originator that a project is completed and the loan and/or incentive can be funded, among other services.

Loan Servicer ("Loan Servicer"): A company that accepts and processes principal and interest payments, and monitors loans on behalf of NYSERDA.

Low-to Moderate-Income Household ("LMI"): Households with income at or below 80% of the State or Area Median Income, whichever is higher. Various income thresholds within the LMI sector may be used for different types and levels of incentives. Income thresholds are subject to change depending on the needs of individual programs.

Residential Programs: NYSERDA's energy efficiency and renewable energy system programs targeting one-to-four family existing homes. Income-eligible customers of some programs may receive reduced interest rates and additional incentives to help offset the cost of the work.

II. RESIDENTIAL FINANCING OVERVIEW

NYSERDA provides New York State residents with access to two loan products to assist with the installation of energy efficiency or renewable energy projects: (1) On-Bill Recovery (OBR) loan; and, (2) Smart Energy loan

(SEL). The selected Originator will be responsible for originating and funding both loan products on NYSERDA's behalf, with NYSERDA providing reimbursement of the loan amount. The OBR and SEL loan amounts range from \$1,500 to \$25,000 for a terms of 5, 10 or 15 years.

On-Bill Recovery loan

- The OBR loan is associated with a specific electric or gas utility meter, with loan repayment assessed on the borrower's utility bill;
- The homeowner must be a customer of one of the following utilities: National Grid (upstate customers only), Consolidated Edison, PSEG Long Island, Orange & Rockland, New York State Electric and Gas, or Rochester Gas & Electric;
- The loan is unsecured; however, a Program Declaration is recorded in the city/county book of deeds, informing prospective purchasers and interested parties that there is an on -bill recovery loan outstanding that unless satisfied prior to the sale or transfer of the property will become the obligation of the new utility account holder;
- A last owner's search is required, which is initiated by the Originator and accomplished by a title company under contract to NYSERDA;
- The outstanding debt may be assumed by the new 1) property owner upon transfer of the property; or 2) tenant in instances when rental units undergo eligible work and the owner seeks GJGNY financing; and
- This product has a cost effectiveness requirement in that the monthly loan payment may not exceed 1/12th of the estimated average annual energy cost savings from the improvements over the term of the loan.

Smart Energy Loan

- Monthly payments are made to NYSERDA's Loan Servicer. Payment may be made by direct billing or automatic withdrawal;
- The loan is unsecured; and
- The borrower remains responsible for the balance of the loan if the home is sold or the property is transferred to a new owner.

Underwriting Criteria

The selected Originator will underwrite OBR loans and SELs using the current criteria found in Attachment D, Underwriting Guidelines, which is subject to change at NYSERDA's discretion.

Loan approvals will in part depend upon approval of a project scope by the relevant NYSERDA program. The Originator will need to work through NYSERDA program processing systems to verify project status as it relates to loan application approval and payment. The Originator will be responsible for notifying the applicant and updating NYSERDA's data systems of changes in applications status. After the Originator is notified of project completion, the Originator will be responsible for disbursing the loan payment to the Contractor. NYSERDA will then reimburse the Originator for those payments.

Interest Rates

The interest rate charged on loans, per the table below, is dependent upon project type (energy efficiency and/or renewable energy project), income level and credit.

Project Type	Energy Efficiency ¹			Renewable Energy ¹ / Combined ²		
Income Level ³	Smart Energy - Pay by mail	Smart Energy - Auto Pay	On-Bill Recovery	Smart Energy - Pay by mail	Smart Energy - Auto Pay	On-Bill Recovery
Less than or equal to 80%	3.99%	3.49%	3.49%	3.99%	3.49%	3.49%
Greater than 80% up to 120%	5.49%	4.99%	4.99%	5.49%	4.99%	4.99%
Greater than 120% ⁴	Standard Criteria=7.49 Extended Criteria=6.49	Standard Criteria=6.99 Extended Criteria=5.99	Standard Criteria=6.99 Extended Criteria=5.99	Standard Criteria=8.49 Extended Criteria=6.49	Standard Criteria=7.99 Extended Criteria=5.99	Standard Criteria=7.99 Extended Criteria=5.99

- (1) NYSERDA offers several energy efficiency and renewable energy programs that offer GJGNY financing to participants.
- (2) Energy efficiency and renewable energy projects that are in combination with one another.
- (3) Household income is used to determine the interest rate for OBR loans and SELs, and is based on the percentage of State or area (county) median income, whichever is higher, for the household size. NYSERDA will provide relevant median income information to Originator as it is updated.
- (4) Refer to Attachment D for a summary of Standard and Extended underwriting criteria and details of underwriting and documentation requirements.

Loan Volume

Attachment E illustrates overall GJGNY loan growth in both the number of loans and dollar volume, as well as loan growth within each residential program. Data is provided since program inception through March 31, 2016. To summarize, 14,068 loans have closed representing approximately \$165 million in total loans, with an average loan of \$11,728. This has resulted in a compound growth rate of 72% year-over-year. While loan volume has rapidly increased since 2013, future loan volume growth may change as alternative financing options make their way into the New York State market, and as NYSERDA effectuates a tiered interest rate structure for the LMI/non-LMI sectors.

Income Verification Services

The Originator will be responsible for providing income verification services for certain Residential Programs that offer income-eligible incentives. As the LMI programs evolve under the CEF, the number and size of programs making use of income verification services may change. In addition, NYSERDA may issue solicitations for program implementation services which may include income verification services, in which case income verification services provided in a contract awarded through this solicitation may be reduced or terminated.

The Originator will verify income to determine eligibility for certain incentives and interest rates, notify the applicant, Contractor and, if applicable, the CBO, of eligibility, and document eligibility in NYSERDA program data systems. Depending on the residential program, the Originator may also be required to pay the NYSERDA incentive to the Contractor upon notice of project completion, and will be reimbursed by NYSERDA for that payment.

Incentive Application and Payment Volume

The table below shows the number of applications received since 2010 through March 31, 2016, for income verification, as well as the incentives paid by the Originator and reimbursed by NYSERDA.

Total Incentive Applications Received	27,507
Total Incentive Applications Approved	15,551
Number of Total Incentives Paid	10,188
Dollar Volume, Incentives Paid	\$35,666,952

Coordination with Contractors and CBOs

As part of the loan or incentive application process, applicants often depend on their contractor or CBO for assistance. In addition to answering questions from applicants, the Originator may need to work with the Contractor or CBO to help the applicant move forward in the process. This may also include obtaining permission from the applicant to share certain information with the Contractor or CBO, to the extent permitted by law.

III. PROPOSAL REQUIREMENTS

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

In compliance with §139-j and §139-k of the State Finance Law (see Section V, General Conditions below for additional information), 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 may disqualify your proposal.

Format. Proposals should not be excessively long or submitted in an elaborate format that includes expensive binders or graphics. 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. The proposal must be in the following format:

1. **Company Information.**

Provide the following required information about the proposer:

- a) Name of business entity (including any “Doing Business As” names)
- b) All entities, except for publicly held corporations or membership non-profits: disclose who your principals/shareholders/partners/members are.
- c) Primary contact for this proposal
- d) Headquarters/Parent Company Location
- e) Date founded and history of firm
- f) Details of entity’s business structure
- g) Internet web site address (if any)
- h) Lending experience in New York
- i) New York State and other pertinent locations and total number of employees at each site
- j) Submit proof of insurability for workers compensation and consultant liability
- k) List of any outstanding litigation that would threaten the viability of the firm or the performance of this contract
- l) Disclose whether you have ever had any lending license or approval suspended or revoked. If so, provide an explanation of the circumstances and the outcome
- m) Disclose whether you have ever been the subject of any judicial, regulatory or administrative proceeding. If so, provide detail on the nature of the proceeding and its outcome

2. **Description of Qualifications.**

- a. **Proposer.** Describe your experience in unsecured loan originations and/or third party loan originations, loan underwriting, and customizing and maintaining internet portal(s) for on-line credit applications intake. If relevant, summarize describe your consumer loan program and/or any consumer loan program(s)

handled for third parties, including length of contract, loan volume (both number and dollar), the method of application intake, complaint resolution process, and reporting requirements.

- b. **Staff.** Identify the individual who will be the Project Lead, and provide the Project Lead's resume. The Project Lead will be NYSERDA's primary point of contact. Clearly state the Project Lead's qualifications to oversee this program, including length of time with the Proposer and in managing consumer loan program(s) and/or third party loan origination programs. Identify the number of staff to be associated with this project, including the number of loan processors, etc., along with the staffs' average years of experience. Identify the Project Lead's backup, and provide the backup's resume and qualifications.
- c. **References.** Submit three (3) references documenting your organizations' experience in originating third party loans and/or unsecured lending, including the following information:
 - i. Program name;
 - ii. Loan volume (both number of loans originated and average dollar per loan);
 - iii. Number of staff assigned to the project;
 - iv. Name, title and employer/organization of reference;
 - v. Telephone number(s); and
 - vi. If applicable, identify any contracts with NYSERDA that you have been a party to, and provide the name of your NYSERDA contact.

3. **Loan Origination System.** The Proposer must have an automated application intake system (the "System") which can accommodate on-line applications in addition to taking loan applications through a toll free number, email and fax. **Failure to have an operational automated application intake system will result in proposal disqualification.** The System must be a web-based, interactive portal which will allow consumers to complete an on-line credit and incentive application, and receive a rapid pre-approval decision, followed by a final loan and incentive decision. The System shall be made available to applicants, Contractors, CBOs and NYSERDA, sharing only the data appropriate for each party based on need, consistent with NYSERDA's policies regarding consumer privacy, and to the extent permitted by law. The System will provide for data exchange between NYSERDA's residential and renewable programs, and possibly others, and the Originator through an automatic Application Program Interface ("API") and through a secure FileTransfer Protocol ("FTP") site for the purpose of fulfilling the tasks as described herein.

Your proposal should clearly indicate the following:

- a) That the Proposer's System is flexible and allows for customization if needed;
- b) Any limits on customization;
- c) The extent of customization needed to meet the requirements of this solicitation, and anticipated time frame to customize your System. Note that the System should be fully operational within three months of contract execution;
- d) Any system barriers that may preclude you from originating loans within three months of contract execution;
- e) The collaborative process and frequency of interactions with NYSERDA throughout the customization process to ensure that your System meets NYSERDA's requirements;
- f) The process for determining loan and incentive pre-approval and approval, including response timeframes and required documentation. Indicate which parts of the process(es), if any, are manually or automatically completed by your System. Explain how you will address any sudden increase or decrease in the volume of applications.
- g) The length of time the Proposer has been using its web-based System;
- h) How much activity the Proposer's System currently experiences (number of total applications and average annual number of applications);
- i) If available, a link to your portal or to a live demonstration site;

- j) The process used for obtaining credit reports and which credit bureau you propose to use for NYSERDA's program; and
- k) The method you propose to use to validate income documented by applicants. Currently, this is done through applicants attaching through the online application system copies of filed tax returns or other documentation. NYSERDA is interested in alternative techniques that could be used to satisfy income documentation and validation as part of DTI calculation and income eligibility determination.

4. **Tasks.**

The tasks found in Section V will provide the foundation for the Statement of Work ("SOW"), a detailed plan or action document that describes how the Proposer will accomplish the project. It specifically delineates each step or procedure required to accomplish the Program's objectives, identifying deliverables and is the basis for payment. As such, it is the primary contractual document.

Describe in detail your approach and methodology to satisfactorily complete each task and subtask. Ensure you address the following minimum requirements:

- a. Provide a description of the data exchange capabilities between the Originator's system and NYSERDA data and program processing systems through using a web-based API and secure FTP site;
- b. Fully describe how the Proposer will originate, underwrite in accordance with NYSERDA's underwriting criteria, and fund loans between \$1,500 and \$25,000;
- c. Discuss fully how the Proposer will provide loan closing documents to borrowers through on-line accessibility, mail and email. Executed documents are to be held in escrow until such time as proposed work has been completed and payment to the Contractor has been authorized;
- d. Discuss your process to verify total household size and income against NYSERDA's income-eligibility guidelines for applicants;
- e. Explain how OBR loan Declarations will be monitored to ensure timely receipt by the Proposer;
- f. Explain how the Proposer will coordinate and communicate effectively with NYSERDA, loan and incentive applicant(s), Contractors, CBOs, and the Implementation Contractor(s) including robust and responsive customer service from application receipt through project completion and funding;
- g. Explain how the Proposer will provide strong and accurate data collection, data quality and data verification; and
- h. Provide a copy of the Proposer's electronic signature policy and any technology currently used for electronic signatures for credit applications or loan agreements.

Program changes will periodically be required and necessitate implementation modifications, such as a change in interest rates, tiered interest rate structure, income eligibility guidelines, program documentation, etc. Such changes may require system(s) modification(s) and coordination with other parties, i.e. Implementation Contractors. Clearly state your ability to respond to such changes in a timely and efficient manner.

5. **Reporting.**

Indicate your ability to provide the required reporting as described in Section V. State your ability to provide additional information (ad hoc reports), within a reasonable timeframe, that may from time-to-time be required. Describe your procedure to ensure reporting/data accuracy. Describe your ongoing data quality assurance protocols.

6. **Pricing.**

Using the pricing sheet found as Attachment F, the Proposer is to provide pricing for the following services. Said pricing can be either a flat fee or performance based, and must be cost effective.

- a) Loan origination, processing, underwriting, document generation, closing and shipment of credit files to the loan servicer;
- b) Processing of income verification requests;
- c) Any discount pricing based on either loan or income verification volume;

- d) Anticipated pricing increases. Such increases are to be stated as a percent of the initial pricing; and
- e) If proposing performance based pricing, clearly indicate any base pricing, if applicable, the pricing range, and how performance is to be measured. Performance is to be easily quantifiable.

Indicate whether System customization costs are included in pricing above or charged separately. If separate, provide detailed cost basis and estimates for System customization work. Identify any risks or unknowns related to those costs. NYSERDA reserves the right to annually seek repricing if it is determined that the Proposer's pricing is too high compared to industry research and standards.

7. Alternative Methods.

At the Proposer's option, provide an alternative(s) to NYSERDA's Tasks. Such alternatives may include faster or more reliable loan intake and/or processing, income verification documentation and processing, etc. Describe in detail

- a) any alternatives to the to the Tasks as outlined in Section V;
- b) tasks and business processes involved in the alternative method;
- c) which, if any Tasks above would be modified or replaced;
- d) benefits you believe such a system will provide NYSERDA's ability to serve New Yorkers, i.e., a reduction in processing time, paper handling, etc.; and
- e) any impacts on pricing.

IV. PROPOSAL EVALUATION AND SELECTION PROCESS

Proposals that meet the solicitation requirements will be reviewed by a Scoring Committee using the Evaluation Criteria below. At NYSERDA's discretion, proposers may be requested to interview with all or part of the Scoring Committee to address any potential questions or clarifications outlined in the proposals. Proposers will be notified if they are requested to attend an interview. NYSERDA retains the right to request any additional information pertaining to the Proposer's ability, qualifications, and procedures used to accomplish all work under the contract as it deems necessary to ensure safe and satisfactory work. Failure to provide required information may result in a proposal being deemed nonresponsive, in which case it may not be evaluated further.

1. Tasks

- a) Does the Proposer show an understanding of NYSERDA's needs as outlined in this solicitation?
- b) Does the Proposer's approach to each task and subtask described in Section V demonstrate the ability to effectively accomplish the tasks? If an alternative approach is provided, does it meet the needs of the solicitation and provide other benefits such as improved turnaround times, improved customer service, or lower cost?
- c) Does the Proposer demonstrate that it can meet NYSERDA's programmatic and technical needs, including the ability to provide data exchanges, accurate loan underwriting and the coordination of loan closings, and file transfer to the Loan Servicer?
- d) Does the Proposer have an adequate methodology to determine household size and income for determining loan interest rates and incentive eligibility?
- e) Does the Proposer adequately address the monitoring of OBR Declarations?
- f) Does the Proposer demonstrate it can and will effectively communicate with NYSERDA, applicants, Contractors and CBOs, and provide effective customer service?
- g) Does the Proposer demonstrate its ability to provide accurate data collection, data quality and data verification?
- h) Does the Proposer demonstrate that it can adequately accommodate increases/decreases in the volume of applications?
- i) Does the Proposer demonstrate it has the ability to adequately respond to program changes?

2. Loan Origination System

- a) Is the Proposer's System flexible and customizable enough to accommodate program needs?
- b) Can the Proposer have their System fully operational within the required three months?
- c) Does the proposed collaboration and interaction plan provide for adequate oversight by NYSERDA, and an ability for NYSERDA staff to have confidence in the ability of the Proposer to meet the required timeline for System launch?
- d) Are preapproval and approval timeframes consistent with industry standards and good customer service?

3. Proposer's Qualifications

- a) How extensive is the Proposer's experience in originating unsecured loans/third party loans?
- b) Does the Proposer demonstrate adequate and effective experience with similar programs?
- c) How experienced is the Proposer in creating, customizing and maintaining an on-line intake system?
- d) How extensive is the Project Lead and staff's experience?
- e) Will the Proposer adequately staff the program?
- f) Were resumes for key personnel, including the Project Lead(s), provided and is relevant experience cited?
- g) Are references provided, and are references positive?
- h) Has the participant's performance been satisfactory under previous NYSERDA contracts, if applicable?

4. Reporting

- a) Is the Proposer able to provide the required and accurate reporting metrics in a timely manner?
- b) Does the Proposer indicate its ability to provide ad-hoc data requests in a timely manner?
- c) What data quality assurance protocols or procedures are in-place to ensure reporting accuracy, and how robust are they?

5. Pricing

- a) Is the pricing proposed and any price increases reasonable, justified and cost effective?

V. TASKS

The Originator is expected to complete each of the tasks set forth below, many of which may be performed concurrently. These Tasks will be the basis for the Statement of Work, which will be a part of the contract with the selected Originator. Based on input from the selected Proposer and possible alternative approaches, the Tasks may be changed during contract negotiation to ensure the most successful and cost-effective approach is used to meet the program needs. All applicable New York State and federal banking regulations apply.

Task 1: Kick-Off Meeting

The Originator shall attend a kick-off meeting at NYSERDA's Albany office. The purpose of the meeting is to

- Review all processes, procedures, responsibilities and reporting requirements; and
- Allow time for the Proposer to present its program implementation plan, identifying proposed milestone dates for any required customization of the Originator's Loan Origination System, including testing for application receipt, processing, approval/denial, loan document generation, loan closing and file transmittal to the Loan Servicer.

Representing the Originator shall be the project lead and other staff who will have frequent interactions with NYSERDA.

Deliverable: Within seven business days following the Kick-Off Meeting Originator shall provide draft meeting notes to NYSERDA for review. NYSERDA shall provide Originator with comments within five business days. Originator shall have five business days to review and provide final meeting notes to NYSERDA and other meeting attendees.

Task 2: Income Verification for LMI Programs

The Originator shall be required to verify total household income for applicants who request to be considered for an income-eligible incentive. Interested homeowners shall complete an application and submit it to the Originator for review. Should the Originator determine that a household may qualify for an incentive or no-cost services, Originator is to send the applicant(s) a preapproval letter, informing the applicant(s) of the potential eligibility, and either request from the applicant or a third party as identified by the applicant such information as needed to qualify for incentive.

For each incentive application received, the Originator shall verify household size and income level against income guidelines provided annually by NYSERDA. The current guidelines, by county, are found at <http://www.nyserdanyny.gov/All-Programs/Programs/Assisted-Home-Performance-with-ENERGY-STAR/Income-Guidelines>. If the applicant is approved or denied for an income-eligible incentive, the Originator shall notify applicant(s), Contractor, CBO if applicable, and the appropriate NYSERDA staff of incentive eligibility. Notification is to be made in writing and provided via mail and email (if applicable). Approvals shall be valid for 180 days and notification shall include either the amount of the approved incentive, or the maximum percent or dollar award of the incentive. If denied, a separate notification shall be provided to the applicant(s) that shall include the denial reason. If denied, the notification to the Contractor, CBO and appropriate NYSERDA staff shall not include the denial reason.

Households meeting various income thresholds may be eligible to receive an incentive for a portion of the work, or certain work at no cost. The homeowner may also be eligible for GJGNY financing for the balance of the cost of qualifying measures.

If the Originator determines applicant may qualify for no-cost low income services, Originator shall send the applicant a letter informing the applicant that certain work may be obtained free of charge, with options for obtaining the services. The Originator and NYSERDA shall work together to develop appropriate letter formats to meet various program needs.

Invoicing: The Originator shall invoice NYSERDA for funded incentives. The invoice shall include incentives paid for the prior month categorized by program. Each invoice shall be accompanied by a report specifying cumulative incentives for the month being invoiced and incentives invoiced year-to-date, including supporting documentation.

The Originator shall invoice NYSERDA, not more frequently than once a month, for income verification fees. The invoice shall include fees, as approved by NYSERDA, for performing income verification services categorized by program. Each invoice is to be accompanied by a report specifying cumulative incentives for the month being invoiced and incentives invoiced year-to-date, with supporting documentation.

Deliverables:

1. NYSERDA shall provide Originator with any changes to the incentive income eligibility guidelines;
2. NYSERDA and the Originator shall work together to develop standard template incentive letters to inform applicants of their eligibility status, the letters of which are subject to final approval by NYSERDA; and
3. Originator shall also provide incentive eligibility status to applicants, contractor and CBO, if applicable.

Task 3: Last Owner Searches

NYSERDA presently has three title companies under contract to conduct last owner searches, and to file OBR Declarations, as discussed under Task 6.

For each OBR loan application, the Originator shall contact one of the title companies to request a search. The search shall be conducted as early in the process as is reasonably possible due to the length of time it takes to obtain results. Once received from the county where the project property resides, the title company shall provide the Originator with the search results. Should there be discrepancies between the search result and loan

application, the Originator shall work directly with the title company and/or applicant to rectify. The Originator shall proactively communicate with NYSERDA regarding issues with title companies that are impacting origination efficiency. The title company shall invoice NYSERDA for each search. If the Originator does not contact the title companies to request a search in a timely manner, the Originator shall be responsible for resolving, to NYSERDA's satisfaction, all related borrower issues.

Deliverables:

1. NYSERDA shall communicate contact information and any change(s) in title companies to the Originator;
2. The Originator shall request a last owner search from a title company, on a rotating basis, within one business day of the homeowner(s) loan preapproval. The Originator shall provide information as required by the title company. Once ordered, the Originator shall track each search requested to ensure a response;
3. When the last owner search is returned to the Originator, the Originator shall verify the information provided by the applicant matches that from the search;
4. The Originator shall follow up with a title company on the 10th business day if the search response is not received; and
5. At NYSERDA's request, Originator shall provide NYSERDA with a list of outstanding searches, including the property address, date sent to the title company, and title company selected.

Task 4: Loan Processing, Underwriting and Income Verification for Interest Rate

The Originator shall process and underwrite loan applications based on underwriting guidelines provided by NYSERDA. GJGNY Financing underwriting guidelines are found as Attachment D, and are subject to change. The Originator shall either approve, deny or withdraw all applications received using NYSERDA's underwriting guidelines. The Originator shall be responsible for assuring that each SEL and OBR loan complies with all of the terms and conditions and loan underwriting standards at the time the applicable loan is underwritten; otherwise, the Originator shall be responsible for the total loan amount funded.

The Originator shall be required to verify total household income for each applicant to determine the appropriate income-based interest rate, unless the applicant opts-out of such income screening. Income screening for interest rate determination should be accomplished as part of household income verification for income-eligible incentives, as described in Task 2, whenever applicable.

The Originator shall provide preapproval of loan applications based on underwriting criteria. Preapproval shall be valid for up to 180 days, and subject to terms needed for loan approval, including approval of the project by the relevant program. The Originator shall receive project approval notification through the web-based program management portal or secure FTP data transfer, depending on the program. The Originator shall either approve or deny the loan application upon receipt of any pending documentation provided by the applicant(s), and project approval documentation provided by the applicable program.

Once approved for a loan, Originator shall provide the applicant(s) with a completed note for execution and all program documents requiring applicant(s) signature. The Originator shall allow the loan approval notification to be valid for 240 days.

Applicant(s) may request extensions for loan preapprovals or approvals, subject to NYSERDA approval. If no extension request is received, the Originator shall notify the applicant, Contractor and CBO, if applicable, of the pending withdrawal or cancellation, and give the applicant 30 days to request an extension before withdrawing or canceling the loan application. Applicants shall be subject to re-qualification if a project is undertaken at a later date.

Invoicing: The Originator shall invoice NYSERDA, not more frequently than once a month, for income verification fees not already invoiced through Task 2. The invoice shall include fees, as approved by NYSERDA, for performing income verification services for interest rate determination. Each invoice is to be accompanied by a

report specifying cumulative fees for the month being invoiced and fees invoiced year-to-date, with supporting documentation.

Deliverables:

1. NYSERDA shall provide Originator with current underwriting guidelines, OBR note, and any future updates to these documents and/or interest rate changes;
2. Originator shall either provide NYSERDA with its consumer loan note to be used for SELs, or work with NYSERDA to create a note;
3. NYSERDA and the Originator shall work together to develop standard template loan preapproval, approval and loan withdrawal/cancellation letters, which are subject to final approval by NYSERDA; and
4. No less than quarterly, the Originator shall update the queue of applications whose preapproval or approval has expired by notifying the applicant, Contractor and CBO, if applicable, of pending loan withdrawal or cancellation, and providing 30 days for the applicant to request an extension before withdrawing or canceling the loan.

Task 5: Loan Closing

Upon completion of work, the Originator shall receive electronic notification, along with final project documentation and change order(s) from the Implementation Contractor or NYSERDA staff through the web-based program management portal or secure FTP data transfer, as applicable.

If a change order is presented that increases the requested loan amount, the applicant shall be required by the Originator to be re-qualified for the new loan amount.

If a change order is presented that decreases the requested loan amount up to \$200 less than the amount on the signed loan documents the following must be added to the Certificate of Completion:

- 1) The customer shall add a note with their signature requesting the Contractor be paid the full approved loan amount; and
- 2) The Contractor shall add a note with their signature agreeing to refund the customer the difference between the project cost and loan amount as stated on the note.

If a change order is presented that reduces the approved loan amount on the signed loan documents by more than \$200, the Originator shall ensure revised approval notification is provided and perform a second review of the loan information for the revised loan amount. The Implementation Contractor or appropriate NYSERDA staff shall provide the Originator with a revised workscope approval notification and any applicable program documentation, i.e., revised workscope and cost estimate.

The Originator shall close the loan and provide the loan proceeds to the Contractor within two business days by either check or electronic funds transfer.

Invoicing: The Originator shall invoice NYSERDA not more than weekly for loans and associated origination fees funded the prior week.

Deliverable:

1. Upon receipt of project completion notification from the Implementation Contractor or applicable NYSERDA program staff, and any actions required as a result of change orders, the Originator will pay the amount of the loan to the Contractor within two business days.

Task 6: On-Bill Recovery Loan Declarations

For those applicants that execute an OBR financing note, within one business day of receipt of executed loan documents, Originator shall instruct one of the title companies to file an On-Bill Recovery Loan Declaration (“Declaration”) in the county of the home’s location. Documentation is to include the applicant’s/co-applicant’s

name, property address and loan amount. The County Clerk shall return the filed Declaration to the title company, who shall in turn forward the recorded Declaration to the Loan Servicer. A signed and notarized unrecorded copy of the Declaration shall be placed in the borrower's loan file. NYSERDA is responsible for paying the title company for this service.

Should the Originator delay the submission of the OBR Declaration to a title company it shall be at NYSERDA's discretion if the Originator shall be liable for payment of any OBR loan funds not fully repaid as a result of the property being sold to a new owner who was not informed of the obligation against the utility meter.

Originator shall coordinate with all title companies and track submission dates by title company to the county. Originator shall follow up with title company bi-monthly for updates on submission dates by title company. Originator shall prioritize Declarations that are rejected.

Deliverable:

1. The Originator shall develop a tracking system that adequately monitors Declarations from issuance through confirmation of filing with respective county; and
2. The Originator shall follow-up with the title company if the Declaration is rejected, and work with the title company and/or the borrower and/or applicant to return a recordable Declaration to the title company.

Task 7: Credit Files and Data Transfer to Loan Servicer

The Originator shall create and maintain a physical or secure electronic credit file for each applicant, from pre-approval through loan closing. Each credit file shall contain the original executed note, along with all correspondences and documentation required while underwriting the loan and conducting its due diligence. If electronic files are used, the Originator shall conform to requirements of the New York State Office of Cyber Security Policy P03-002, found at https://www.its.ny.gov/sites/default/files/documents/enterprise_information_security_policy_v5.1_0.pdf, and any amendments thereto, to maintain the security of and to prevent unauthorized access to Information that is maintained in electronic form on your systems. NYSERDA shall provide the Originator with any such amendments.

On a weekly basis, Originator shall either mail physical files or electronically submit credit files for the loans closed the prior week to the Loan Servicer, along with a dataset provided in the Loan Server's preferred format. Loan Servicer shall randomly select a set percentage of the files received and perform a validation review of loan underwriting accuracy. On a weekly basis Loan Servicer shall provide Originator, with a copy to NYSERDA, of its findings.

Task 8: Reporting.

The Originator shall compile concise, accurate reports throughout the term of the contract to document the status of loans and incentives. The Originator must have data quality assurance protocols or procedures in place to ensure data and reporting accuracy.

Deliverables:

Weekly: A weekly report shall be submitted to NYSERDA no later than the 12:00 PM Eastern Standard Time every Monday for the prior week detailing loan and incentive activity of the prior week, and contract to-date activity.

Said report shall include, but not be limited to:

- The number of applications and or maximum loan amount received during the reporting period and contract to date, summarized by purpose (EE/PV/other) and income level (less than 80% of LMI/80% to 120% of LMI/over 120% of LMI);

- The number and total dollar amount of loan applications preapproved during the reporting period and contract to date, summarized by purpose (energy efficiency (EE)/PV/other), income level (less than 80% of LMI/80% to 120% of LMI/over 120% of LMI), and underwriting criteria (Standard Criteria/Extended Criteria);
- A summary of the percentage of loan applications approved or denied during the reporting period and contract to date, and the percentage of denied applications summarized by reason for denial;
- The number and total dollar amount of loan applications approved during the reporting period and contract to date, summarized by purpose (EE/PV/other), income level less than 80% of LMI/80% to 120% of LMI/over 120% of LMI), and underwriting criteria (Standard Criteria/Extended Criteria);
- The number and total dollar amount of loan applications withdrawn/cancelled during the reporting period and contract to date, summarized by purpose (EE/PV/other), income level less than 80% of LMI/80% to 120% of LMI/over 120% of LMI), and underwriting criteria (Standard Criteria/Extended Criteria);
- The number and total dollar amount of loans closed during the reporting period and contract to date, summarized by purpose (EE/PV/other), income level less than 80% of LMI/80% to 120% of LMI/over 120% of LMI), and underwriting criteria (Standard Criteria/Extended Criteria);
- The number and total dollar amount of loans issued during the reporting period and contract to date, summarized by purpose (EE/PV/other), income level (less than 80% of LMI/80% to 120% of LMI/over 120% of LMI), and underwriting criteria (Standard Criteria/Extended Criteria), and interest rate;
- Average time to process applications (from receipt to preapproval; and from receipt to approval) during the reporting period and life to date; and
- The number and dollar amount of incentives approved and paid during the reporting period, summarized by purpose (EE/PV/other).

Monthly: By the 10th of the following month, Originator shall provide NYSERDA with a report:

1. Copying the Loan Servicer, that details the outstanding Declarations. The report shall include the borrower's name and address, the county of dwelling's location, the date the signed Declaration was received from the applicant(s), the date the signed Declaration was submitted to the title company and the name of the title company conducting the filing; and
2. Detailing the number of applicants referred to a low-income program; the number of applicants requesting incentives; and the number and dollar amount of incentives approved, paid and denied during the reporting period and contract to date, summarized by purpose (EE/PV/other).

Miscellaneous:

1. On a quarterly basis, provide performance metrics including processing timeframes and recommendations for improving processing timeframes where needed.
2. Ad-hoc reports as requested by NYSERDA. These reports may pertain to a specific subset of data, a specific time period, or a specific type of analysis NYSERDA requires to understand the performance of the loan program; and
3. At NYSERDA's request, Originator is to provide metrics showing average days from time of submission to receipt of executed search, by title company.

VI. 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 except 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 <http://www.nyserda.ny.gov/About/-/media/Files/About/Contact/NYSERDA-Regulations.ashx>. 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
625 Broadway
Albany, NY 12207

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

Empire State Development
Minority and Women's Business Development Division
625 Broadway
Albany, NY 12207

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.ny.gov/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 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.ny.gov/pdf/current_forms/st/st220td_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 prospective contractor prior to contacting and filed with NYSERDA. *See*, ST-220-CA (available at http://www.tax.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf). The Department has developed guidance for contractors which is available at <http://www.tax.ny.gov/pdf/publications/sales/pub223.pdf>.

Contract Award - NYSERDA anticipates making one award under this solicitation. It may award a contract based on initial applications without discussion, or following limited discussion or negotiations pertaining to the Statement of Work. 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 reserves the right to limit any negotiations to exceptions to standard terms and conditions in the Sample Agreement to those specifically identified in the submitted proposal (see Proposal Checklist). Proposers should keep in mind that acceptance of all standard terms and conditions will generally result in a more expedited

contracting process. NYSERDA expects to notify proposers in approximately eight weeks from the proposal due date whether your proposal has been selected to receive an award. NYSERDA may decline to contract with awardees that are delinquent with respect to any obligation under any previous or active NYSERDA agreement.

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. NYSERDA reserves the right to reject proposals based on the nature and number of any exceptions taken to the standard terms and conditions of the Sample Agreement.

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.

VII. Attachments:

- Attachment A – Proposal Checklist
- Attachment B – Disclosure of Prior Findings of Non-Responsibility
- Attachment C – Electronic Proposal Submittal Instructions
- Attachment D – Underwriting Guidelines
- Attachment E – Loan Volume
- Attachment F - Pricing Sheet
- Attachment G – Sample Agreement