

Green Jobs - Green New York

Residential Financing Implementation Manual

For Participating Contractors

January 2021



NEW YORK
STATE OF
OPPORTUNITY

NYSERDA

This manual is intended to provide Participating Contractors with information on the Green Jobs - Green New York (GJGNY) Loan Fund and the process for offering a GJGNY loan to customers. This manual does not cover the NYSun or Renewable Heat NY programs.

Definitions

Comfort Home Assessment: For the Comfort Home Program, the audit is completed by a participating Comfort Home contractor who assesses the opportunity for implementation of standard measure packages (air sealing, attic and wall insulation, ENERGY STAR windows) to make the home more energy efficient. The estimated savings for these improvements are calculated using Energy Plus modeling software and the reduction in the heating and cooling load on the home's heating and cooling systems and the annual fuel and electric savings are reported.

Heat Pump Financing Certificate of Completion: The GJGNY Loan Fund Heat Pump Financing Certificate of Completion is executed by a Customer attesting that all work has been completed pursuant to the contract.

Heat Pump Energy Audit: For purposes of the Statewide Heat Pump Program, this is accomplished by the completion of an Air Conditioning Contractors of America (ACCA) Manual J: Residential Load Calculation. This heat load calculation represents a building's heating, cooling, and dehumidification capacity needed for a heating and/or cooling unit under design conditions.

Participation Agreement: The GJGNY Loan Fund Residential Financing Contractor Participation Agreement establishes the terms and conditions under which Participating Contractors may offer a GJGNY loan to qualified customers in New York State.

Participating Contractor: Participating contractors are independent contractors approved to offer GJGNY financing and participate in the New York Residential Existing Homes Program, NYSERDA Comfort Home Program, or is a participating contractor with PSEG-Long Island Home Comfort Program or the Statewide Utility Heat Pump Program

Participating Auditor: Participating auditors are companies or organizations that meet the participation criteria as detailed in the Residential Energy Audit Program Participation Agreement, the Program Manual and any Program announcements and have been approved by NYSERDA to offer Residential Energy Audits.

Proforma: Proforma is a tool that determines if the selected measures meet GJGNY and Companion loan cost effectiveness requirements and notifies NYSERDA's loan originator if a customer wants a Companion Loan

Residential Financing Certificate of Completion: The GJGNY Loan Fund Residential Financing Certificate of Completion is executed by a Customer attesting that all work has been completed pursuant to the contract.

Residential Energy Audit: An energy audit conducted by a Participating Auditor in accordance with the policies and procedures detailed in this Residential Energy Audit Participation Agreement, the Residential Energy Audit Program Manual, and any Residential Energy Audit Program announcements.

1 Overview of Loan Products

1.1 Background of Green - Jobs Green NY Financing

The New York State Energy Research and Development Authority (NYSERDA) administers the Green Jobs - Green New York (GJGNY) Loan Fund for Residential Financing (the GJGNY Loan Fund), which was authorized by Title 9-A of Article 8 of the Public Authorities Law of the State of New York, as amended (known as the Green Jobs - Green New York Act) to finance energy audits and energy efficiency retrofits or improvements, including solar energy and other renewable installations, for the owners of residential one- to four-family buildings (GJGNY loan).

To pursue financing through the GJGNY Loan Fund, a customer must have either a Heat Pump Energy Audit, a Comfort Home Assessment, or a Residential Energy Audit or an energy assessment that identifies energy services to be undertaken. The Heat Pump Energy Audit must be performed in accordance with ACCA Manual J. The Comfort Home Assessment must be performed through the Comfort Home Program. The Residential Energy Audit must be performed through the Residential Energy Audit Program or the energy assessment must be performed under the Residential Existing Homes Program.

The total cost of the project may include the removal of equipment or systems, the purchase and installation of new systems or equipment, and any required ancillary equipment and related services, including necessary health and safety improvements.

NYSERDA also administers Companion Loans which are funded by the New York Green Bank, a division of NYSERDA. The Companion Loan will be available to customers that fully utilized the GJGNY Loan for their energy efficiency or renewable energy project and need additional loan funding to pay for remaining project costs.

GJGNY offers three types of unsecured loans for one- to four-family residential energy improvements. The Smart Energy Loan requires the consumer to make monthly loan payments directly to NYSERDA's loan servicer, Concord Servicing Corporation (Concord). The On-Bill Recovery (OBR) Loan allows consumers to repay through an installment charge on a bill from one of the involved electric or gas utilities (Central Hudson, Con Edison, Long Island Power Authority, National Grid - Upstate, New York State Electric and Gas Corporation, Rochester Gas and Electric Corporation, or Orange and Rockland Utilities). The utilities then remit repayments to Concord, who coordinates data communications with each utility. The Renewable Energy Tax Credit Bridge Loan is a short-term loan product which enables customers to finance federal and state tax credits and New York City (NYC) Real Property Tax Abatement for eligible renewable energy system costs. Customers will make a balloon payment of principal and interest at loan maturity via statement billing/check or automatic (ACH) payment.

Companion Loans will be an unsecured loan modeled after the Smart Energy Loan (repaid by statement billing/check or ACH payment). The Companion Loan is not eligible for On-Bill Recovery (paid through utility). Separate loan documents and notes will be issued for the GJGNY Loan and the Companion Loan. NYSERDA's loan originator, Slipstream, will originate both loans simultaneously.

1.2 Loan Information

1.2.1 Loan Amount

GJGNY Loan amounts range from \$1,500 to \$25,000. For loans more than \$13,000, the simple payback must be less than 15 years, calculated as:

$$(\text{Net Consumer Cost Investment}^{**})/(\text{Future Value}^* \text{ of the Annual Savings}/\text{Loan Term})$$

*Future value is calculated by using the annual Fuel Escalation Rate of 1.2%

** Net Consumer Cost Investment equals total project costs less incentives less tax credits less replacement costs

Homeowners can have multiple GJGNY Loans provided that the aggregate outstanding loan amount doesn't exceed \$25,000. However, homeowners may only have one outstanding OBR Loan at any given time.

Companion Loan amounts range from \$1,500 to \$25,000 and can only be accessed when the customer has fully utilized the \$25,000 GJGNY Loan. Companion Loans are not subject to simple payback calculation.

1.2.2 Loan Term

Loans terms are 2 (GJGNY Bridge Loan only), 5, 10, or 15 years. The loan term may not exceed the expected useful life of the home energy improvements. GJGNY and Companion Loans do not have to have the same loan term.

1.2.3 Loan Origination Fees

The customer will be charged a \$150 loan origination fee. The fee can be included in the GJGNY Loan amount(s), provided the total of the GJGNY loan amounts do not exceed \$25,000.

1.3 Smart Energy Loan

The Smart Energy Loan is a traditional unsecured loan that is repaid monthly via check or automatic payment. The applicant (or co-applicant) must own the home, or lease or manage the residential building and be an authorized representative of the owner.

1.3.1 Interest Rates

Current interest rates are 3.99% or 7.49%. A 0.5% interest rate discount is applied to these rates if the customer selects automatic payments prior to loan closing. Interest rates are subject to change.

Using the Housing and Urban Development (HUD) Income Block Data, NYSERDA identified Census Block Groups where census data reports that 50% or more of the population of the Census Block Group have a household income less than or equal to 120% (Designated Areas).

NYSERDA developed a web-based Geo-Eligibility tool that allows an applicant or contractor to enter the address and immediately be advised if the applicant is eligible for the lower interest rate. If not, the applicant is re-directed to an interest rate estimator to determine which interest rate may be available based on the area median income (AMI) and number of household members. The Geo-Eligibility tool for applicants can be found on NYSERDA's website at nyserdera.ny.gov/lower-rates. A separate tool is available to contractors that provides a map of the State and the Designated Areas and can be found on NYSERDA's website at nyserdera.ny.gov/eligible-residents.

If an applicant's address is located within a Designated Area, he/she will be deemed eligible for the 3.49%/3.99% interest rate and will not have to provide documentation of household income. The applicant/co-applicant will still have to provide income documentation for debt-to-income calculation, if applicable, in accordance with NYSERDA's underwriting guidelines.

If the applicant's address is outside of a Designated Area, he/she will have to opportunity to apply for the lower rate by documenting household income is less than or equal to 120% of the AMI.

1.3.2 Repayment Terms

Payments are made directly to NYSERDA's loan servicer, Concord, via monthly statement billing or automatic bank withdrawal (ACH).

If the home is sold or transferred, the borrower is responsible for the outstanding balance of the loan and the loan cannot be assigned to the new owner.

Non-payment of the loan obligation may result in a lawsuit against the borrower, wherein the State of New York will seek the entry of a judgement with interest, costs and collection fees as provided by the State Finance Law.

1.3.3 Loan Servicing Fees

- Late payment fee is the lesser of 5% or \$5
- \$20 fee for returned payments
- Collection fee of 22% of the total amount due (principal, accrued interest and late fees) if not received within 275 days of due date, as authorized by State Finance Law

1.3.4 Cost Effectiveness Requirements

The project is considered cost effective if at least 85% of the total loan amount is comprised of pre-qualified eligible measures or the estimated energy cost savings over the anticipated life of all eligible energy efficiency or renewable improvements amounts to at least 80% of the total GJGNY Loan and Companion Loan (if applicable) principal and interest (see section 1.6.2).

1.3.5 Documentation

Following loan approval, Slipstream will send the applicant(s) a Loan Agreement, Disclosure and Security Agreement (Note), Smart Energy Notice to Borrower, and a Notice of Right to Cancel, all of which must be signed and returned to Slipstream. When the loan proceeds are disbursed, the loan is transferred to Concord for servicing.

1.4 On-Bill Recovery Loan

With the OBR Loan, loan payments are built into the customer's energy utility bill. The applicant (or co-applicant) must own the home, be named on the utility account of a participating utility: Central Hudson, Con Edison, PSEG-Long Island, National Grid (upstate customers only), New York State Electric and Gas Corporation, Orange and Rockland Utilities, or Rochester Gas and Electric and not be on any type of deferred payment plan with the utility. A declaration must be filed with the county clerk in the county in which the installation property is located. A title company under contract with NYSEDA will search public records to verify ownership of the property.

1.4.1 Interest Rates

Current interest rates are 6.99% or 3.49%. Interest rates are subject to change.

Using the Housing and Urban Development (HUD) Income Block Data, NYSEDA has identified Census Block Groups where census data reports that 50% or more of the population of the Census Block Group have a household income less than or equal to 120% (Designated Areas).

NYSEDA developed a web-based Geo-Eligibility tool that allows an applicant or contractor to enter the address and immediately be advised if the applicant is eligible for the lower interest rate. If not, the applicant is redirected to an interest rate estimator to determine which interest rate may be available based on the area median income (AMI) and number of household members. The Geo-Eligibility tool for applicants can be found on NYSEDA's website at nyserda.ny.gov/lower-rates. A separate tool is available to contractors that provides a map of the State and the Designated Areas and can be found on NYSEDA's website at nyserda.ny.gov/eligible-residents.

If an applicant's address is located within a Designated Area, he/she will be deemed eligible for the 3.49%/3.99% interest rate and will not have to provide documentation of household income. The applicant/co-applicant will still have to provide income documentation for debt-to-income calculation, if applicable, in accordance with NYSEDA's underwriting guidelines.

If the applicant's address is outside of a Designated Area, he/she will have the opportunity to apply for the lower rate by documenting household income is less than or equal to 120% of the AMI.

1.4.2 Repayment Terms

Payments are added to the borrower's utility bill as a NYSEDA Loan Installment charge. If utility service is terminated or suspended, the borrower will be billed directly by Concord.

1.4.3 Documentation

Following loan approval, Slipstream will send the applicant(s) a loan agreement (Note), Notice of Right to Cancel, and a Declaration. The documents must be signed, and the Declaration must be notarized and returned to Slipstream. When the loan proceeds are disbursed, the loan is transferred to Concord.

1.4.4 Loan Transfer

The OBR loan is transferrable upon the sale of the home and requires that the seller provide written notice to prospective buyers in accordance with the terms of the Note. If the loan is not transferred to the new homeowner, then it must be paid-off at the time of property transfer. If the loan is transferred to the new homeowner, the utility, and Concord will work together to have the monthly loan assessment placed on the utility bill. The seller is responsible for amounts billed by the utility up to the date of transfer.

1.4.5 Non-Payment

Non-payment of utility charges or the OBR loan obligation may result in termination of utility service; non-payment of the loan obligation may result in collection efforts including the entry of a judgment with interest, costs and collection fees as provided by the State Finance Law.

1.4.6 Fees

- If Concord directly bills the borrower(s) the following may apply:
 - Late payment fee is the lesser of 5% or \$5
 - \$20 fee for returned payments
- Returned payment fee may be charged by the utility as authorized by the Public Service Commission
- Past due balance on utility account may be subject to a collection fee by the utility as authorized by the Public Service Commission
- If utility service is terminated, borrower may be subject to a reconnection fee from the utility

1.4.7 Cost Effectiveness Requirements

The monthly payment may not exceed 1/12th of the estimated average annual energy cost savings from the improvements over the loan term. In other words, the monthly payments may not exceed the estimated average monthly energy cost savings.

1.4.8 Details

Only one OBR Loan per utility meter account is allowed at any one time. The utility account must be in the name of the borrower.

All individuals or legal entity representatives named on the property deed must sign and have notarized an On-Bill Recovery Program Declaration, which will be filed by NYSERDA with the county clerk in the county in which the installation property is located. This provides notice to any subsequent purchaser of the property. The declaration is not a lien on the property but is recorded to provide notice to others of the loan obligation.

1.5 Renewable Energy Tax Credit Bridge Loan

The Bridge Loan is a short-term unsecured loan available to GJGNY financing customers that want to borrow a portion of the renewable energy system cost that may be eligible for a federal or state income tax credit or NYC Real Property Tax Abatement. The applicant (or co-applicant) must own the home, or lease or manage the residential building and be an authorized representative of the owner.

Bridge Loans are funded through the GJGNY Loan fund and can be paired with a traditional GJGNY Term Loan (combined loan amounts cannot exceed \$25,000) and a Companion Loan.

1.5.1 Loan Amount

The Bridge Loan amount may not exceed the maximum of:

- Federal income tax credit of 22% for systems installed in calendar year 2021
- the New York State income tax credit for solar projects equal to the lesser of \$5,000 or 25% of the net project cost
- the NYC Real Property Tax Abatement of 5% of the net project cost (offered for a four-year period, but only one year can be included in the Loan)

1.5.2 Interest Rates

Current interest rates are 3.99% or 7.49%. A 0.5% interest rate discount is applied to these rates if the customer selects automatic payments prior to loan closing. Interest rates are subject to change.

Using the Housing and Urban Development (HUD) Income Block Data, NYSERDA identified Census Block Groups where census data reports that 50% or more of the population of the Census Block Group have a household income less than or equal to 120% (Designated Areas).

NYSERDA developed a web-based Geo-Eligibility tool that allows an applicant or contractor to enter the address and immediately be advised if the applicant is eligible for the lower interest rate. If not, the applicant is re-directed to an interest rate estimator to determine which interest rate may be available based on the area median income (AMI) and number of household members. The Geo-Eligibility tool for applicants can be found on NYSERDA's website at nyserdera.ny.gov/lower-rates. A separate tool is

available to contractors that provides a map of the State and the Designated Areas and can be found on NYSERDA's website at nyserdera.ny.gov/eligible-residents.

If an applicant's address is located within a Designated Area, he/she will be deemed eligible for the 3.49%/3.99% interest rate and will not have to provide documentation of household income. The applicant/co-applicant will still have to provide income documentation for debt-to-income calculation, if applicable, in accordance with NYSERDA's underwriting guidelines.

If the applicant's address is outside of a Designated Area, he/she will have the opportunity to apply for the lower rate by documenting household income is less than or equal to 120% of the AMI.

1.5.3 Repayment Terms

The Bridge Loan will have a balloon payment of principal and interest due at maturity (two years from loan origination). There will be no penalty for pre-payments.

Payments are made directly to NYSERDA's loan servicer, Concord, via statement billing or automatic bank withdrawal (ACH).

If the home is sold or transferred, the borrower is responsible for the outstanding balance of the loan and the loan cannot be assigned to the new owner.

Non-payment of the loan obligation may result in a lawsuit against the borrower, wherein the State of New York will seek the entry of a judgement with interest, costs and collection fees as provided by the State Finance Law.

1.5.4 Loan Servicing Fees

- Late payment fee is \$25.00 per month
- \$20 fee for returned payments
- Collection fee of 22% of the total amount due (principal, accrued interest and late fees) if not received within 275 days of due date, as authorized by State Finance Law

1.5.5 Customer Notice Requirements

Contractors will be required to provide customers with the **NYSERDA Residential Renewable Energy Tax Credit Bridge Loan notice** when offering the customer the Bridge Loan. The notice is posted on NYSERDA's website.

1.5.6 Cost Effectiveness Requirements

The project is considered cost effective if at least 85% of the total loan amount is comprised of pre-qualified eligible measures or the estimated energy cost savings over the anticipated life of all eligible energy efficiency or renewable improvements amounts to at least 80% of the total GJGNY Loan and Companion Loan (if applicable) principal and interest (see section 1.6.2).

1.5.7 Documentation

Following loan approval, Slipstream will send the applicant(s) a Loan Agreement, Disclosure and Security Agreement (Note), Smart Energy Notice to Borrower, and a Notice of Right to Cancel, all of which must be signed and returned to Slipstream. When the loan proceeds are disbursed, the loan is transferred to Concord for servicing.

1.6 Companion Loan

The Companion Loan is a traditional unsecured loan that is repaid monthly via check or automatic payment. The applicant must full utilize the GJGNY \$25,000 loan to be eligible for the Companion Loan.

1.6.1 Interest Rates

The current interest rate is 6.99%. A 0.5% interest rate discount is applied to that rate if the customer selects automatic payments prior to loan closing. Interest rates are subject to change.

1.6.2 Repayment Terms

Payments are made directly to NYSERDA's loan servicer, Concord, via monthly statement billing or automatic bank withdrawal (ACH).

If the home is sold or transferred, the borrower is responsible for the outstanding balance of the loan and the loan cannot be assigned to the new owner.

Non-payment of the loan obligation may result in a lawsuit against the borrower, wherein the State of New York will seek the entry of a judgement with interest, costs and collection fees as provided by the State Finance Law.

1.6.3 Loan Servicing Fees

- Late payment fee is the lesser of 5% or \$5
- \$20 fee for returned payments
- Collection fee of 22% of the total amount due (principal, accrued interest and late fees) if not received within 275 days of due date, as authorized by State Finance Law

1.6.4 Cost Effectiveness Requirements

The project is considered cost effective if at least 85% of the total loan amount is comprised of pre-qualified eligible measures or the estimated energy cost savings over the anticipated life of all eligible energy efficiency or renewable improvements amounts to at least 80% of the total GJGNY Loan and Companion Loan principal and interest (see section 1.6.2).

1.6.5 Documentation

Following loan approval, Slipstream will send the applicant(s) a Loan Agreement, Disclosure and Security Agreement (Note), Notice to Borrower, and a Notice of Right to Cancel, all of which must be signed and returned to Slipstream. When the loan proceeds are disbursed, the loan is transferred to Concord for servicing.

1.7 Customer Eligibility

1.7.1 Loan Approval Criteria

The following table summarizes loan approval criteria, but it is not a comprehensive list of loan underwriting guidelines. These standards are subject to change at NYSERDA's discretion.

Credit Score	540-599	600-679	680-779	780+
Debt-to-Income (DTI)*	Up to 70%	Up to 75%	Up to 80%	No limit
Mortgage Payment History	Mortgage has been paid on-time for the past 12 months. No mortgage payments more than 60 days late during the past 12 months.			
Bankruptcy, Foreclosure, Repossession History	None in the past 24 months			
Outstanding Collections, Judgments, Liens and Charge-offs	May not exceed \$2,500			

*Debt-to-Income (DTI) is a measure of your existing debt payment obligations (mortgage, auto loan, student loan, credit card payments, etc.) to your income.

1.8 Project Eligibility for Energy Efficiency Improvements

1.8.1 Audit Requirements

Projects seeking financing must be based on recommendations contained in an energy audit performed under the Residential Energy Audit Program or in an energy assessment performed under the Existing Homes Program. Reference the Residential Energy Audit program manual for energy audit requirements.

1.8.2 Eligible Measures

The energy efficiency measures that can be included in a loan are included in the Proforma tool. Improvements may include health and ancillary measures not to exceed 50% of the total amount of the loans. Smart Energy and Companion Loans are subject to cost effectiveness criteria if less than 85% of aggregate loan amount is for pre-qualified measures.

1.8.3 Coordination with Utility Rebates

The GJGNY loan may be used in coordination with the rebates provided by utilities. The customer may take a loan out for the full cost of work.

1.8.4 AHPwES and EmPower Programs

NYSERDA incentives are available to customers who have a household income of less than or equal to 80% of the Area Median Income (AMI). If, during the GJGNY loan application process, Slipstream determines that a customer will be eligible for the AHPwES or EmPower programs the customer will be notified. The customer will have to opt out of these programs in order to proceed without incentives.

1.9 Project Eligibility for Heat Pumps

1.9.1 Heat Pump Energy Audit Requirements

Heat Pump Technologies eligible under the Statewide Heat Pump Program and seeking financing must meet Manual J heat load criteria identified in the Statewide Heat Pump Program Manual.

1.9.2 Eligible Measures

Projects seeking financing for heat pump technologies eligible under the Statewide Heat Pump Program must meet corresponding Manual J heat load criteria identified in the Statewide Heat Pump Program Manual. Reference the Statewide Heat Pump Program Manual for complete details.

1.10 Project Eligibility for Comfort Home Projects

1.10.1 Comfort Home Assessment Requirements

The Comfort Home Assessment (audit) must be completed by a participating Comfort Home contractor who will assess the opportunity for implementation of standard measure packages (air sealing, attic and wall insulation, ENERGY STAR® windows) to make the home more energy efficient. The estimated savings for these improvements are calculated using Energy Plus modeling software and the reduction in the heating and cooling load on the home's heating and cooling systems and the annual fuel and electric savings are reported.

1.10.2 Eligible Measures

Standard measure packages eligible under the Comfort Home Program as recommended by the participating Comfort Home contractor and approved by NYSERDA. Eligible measure packages are defined in the Comfort Home Pilot Manual.

Improvements may include health and ancillary measures not to exceed 50% of the total amount of the loans. Smart Energy and Companion Loans are subject to cost effectiveness criteria if less than 85% of aggregate loan amount is for pre-qualified measures.

2 Implementation Partners Roles and Responsibilities and Contacts

2.1 New York State Energy Research and Development Authority

NYSERDA offers objective information and analysis, innovative programs, technical expertise, and support to help New Yorkers increase energy efficiency, save money, use renewable energy, and reduce reliance on fossil fuels.

NYSERDA administers the GreenJobs - Green NY Program. General questions regarding the GreenJobs - Green NY Residential Financing Program can be directed to:

Heather J. Clark,
Senior Project Manager
518-862-1090 ext. 3253
Heather.Clark@nyserda.ny.gov

2.1.1 Slipstream

The residential loans are originated statewide through Slipstream, a not-for-profit energy efficiency lending organization competitively selected by NYSERDA to provide residential financing services. Slipstream reviews applications and originates on NYSERDA's behalf loans pursuant to underwriting criteria established by NYSERDA. Slipstream closes on the loan, disburses proceeds to the Participating Contractor from a cash advance pool provided by NYSERDA to Slipstream, and then submits the loan to NYSERDA's loan servicer.

Questions related to applications and loan underwriting can be directed to:

Slipstream
1-800-361-5663
efs@energyfinancesolutions.com

2.1.2 Concord Servicing Corporation

Concord is a loan servicing organization competitively selected by NYSERDA as its loan servicer for GJGNY and Companion Loans. Concord is responsible for borrower billing, collections, and inquiries on the loan portfolio and monitors the origination processes to ensure conformance to underwriting standards.

Consumer questions related to loan payments can be directed to:

Concord Services Corporation
1-866-856-4403
cs@concordservicing.com

2.1.3 Contractors

If the contractor is an approved Participating Contractor in the Residential Existing Homes Program, NYSERDA Comfort Home Program, PSEG-Long Island Home Comfort Program or the Statewide Utility Heat Pump Program, then a separate GJGNY Financing Participation Agreement is not required, but an agreement must be signed with Slipstream. The Slipstream participation agreement can be found on Slipstream's website at <http://energyfinancesolutions.com>.

If an energy efficiency contractor is not a Participating Contractor in the NY Residential Existing Homes Program or the PSEG -Long Island Home Comfort Program the contractor must sign a Participation Agreement with NYSERDA and an agreement with Slipstream in order to offer GJGNY and Companion loans.

2.1.4 Verification Technicians

Verification that the energy efficiency measures contracted for and financed by a GJGNY and Companion loan have been installed and completed will be performed by Honeywell, an independent third party. See Section 8 for further information.

3 Loan Application Process

3.1 How to Apply

Customers may apply online (preferred) or submit a paper application. The online application is located at:

<https://app.energyfinancesolutions.com/consumerportal/Default.aspx>

Paper applications may be found on NYSERDA's website. Paper applications can only be submitted via mail or fax. *Applications and related documentation submitted via email will not be accepted.*

<https://www.nyserra.ny.gov/All%20Programs/Programs/Residential-Financing-Options>

Note: To apply for a Bridge Loan and/or Companion Loan, the contractor must indicate on the proforma the amount of the Bridge Loan and/or Companion Loan and payment method (to determine interest rate). Except for Assisted Home Performance with ENERGY STAR® program (AHPwES) projects, submittal of the proformas and required program documentation will remain the same. For AHPwES projects, which include a GJGNY Term Loan, a Bridge Loan and/or a Companion Loan, contractors are to take the following steps:

1. Enter project information in NY HP Portal as normal (i.e. project costs, savings)
2. Do not enter any loan information in the NY HP Portal, rather enter loan amounts as a customer contribution

Submit a standalone Excel-based pro forma directly to Slipstream at

Workscope@EnergyFinanceSolutions.com (include in the Subject line the customer's last name, loan number, and indicate "Bridge/Companion Loan"). Contractors should include only one proforma in each email per NYSEDA's data governance policy

3.2 Loan Origination System Information

Slipstream's on-line loan origination system (LOS) is a fast, effective and secure method of applying for a GJGNY Loan. The LOS requires the customer to create an account using an email address. Once the account is created, the customer can complete the on-line application and directly upload any required documentation (i.e., income documentation). Participating Contractors are able to monitor their customers' loan application status and can also upload documentation for the customer. Customers and Participating Contractors are notified by email of status changes or direct comments from Slipstream staff, and of any required documentation. Customers applying online also have the ability to message Slipstream directly, print copies of any letters or documents, and electronically sign documents.

3.3 Steps in the Process / Checklist / Expectations of Timeline

Step 1: Apply for the loan

Upon receipt of a loan application, Slipstream will obtain the applicant(s) credit report. Depending on the credit score, pre-approval notification will occur either in a matter of seconds or within 24 hours.

If notification is not received in seconds, it means the credit report will be manually reviewed for late payments, bankruptcies, foreclosures, judgements, repossessions, collections, liens, and charge-offs.

Step 2: Receive Loan Status Notification

Applicants submitting a completed application package will be notified by Slipstream of their loan status either via email notification or by mail. The Participating Contractor, if known, will be notified of the loan status (note: if a customer is denied a loan the Participating Contractor will not be notified).

Once the application is complete and the applicant(s) has been determined to be credit qualified, the application status will be set to pre-approved pending the submission of income documentation, if required, and information regarding the project.

Should the applicant(s) apply on-line, they have the option of uploading income documentation at time of application.

Step 3: Submit Supporting Documentation

The Participating Contractor must submit a copy of a signed contract and any executed change orders detailing the work being financed and a copy of the Proforma, demonstrating loan eligibility. The Proforma will also need to indicate if the customer is requesting a Companion Loan.

Note: This step may be completed concurrently with Step 1 or 2 for a single submission to Slipstream containing all required loan documentation.

Step 4: Return the Signed Loan Documents

Once all required documentation has been received and reviewed, and it is determined the applicant(s) has been approved for a GJGNY and Companion Loan (if applicable), Slipstream will send loan documents to the applicant(s). If the applicant(s) applied online, the loan documents will be available through the online Loan Origination System for electronic signature (note: for OBR loans the Declaration cannot be electronically signed and must be notarized).

Step 5: Complete the Energy Efficiency/Heat Pump Work

After the approved energy improvements are installed, the customer and Participating Contractor will sign and return a Certificate of Completion to certify the project is complete.

Upon receipt of the Certificate of Completion by EFS, loan proceeds are paid directly to the Participating Contractor.

The Certificate of Completion must be submitted to Slipstream within 30 calendar days following project completion. If a Certificate of Completion is received after the 30-day deadline, the project may be denied financing, and the Participating Contractor will assume all financial liabilities for the project.

4 Loan Approval Process

4.1 Steps in the Process

Between the receipt of a loan application through loan approval, Slipstream's average time to process is approximately 3.5 hours. However, the actual amount of time to process an application is dependent upon the amount of time taken for the applicant(s) to submit required documentation.

4.1.1 Loan Pre-Approvals

Loans are pre-approved when a customer has been determined to be credit qualified. Typically, pre-approval occurs either immediately after on-line application submittal or within 24 hours of on-line application submittal depending upon the credit score of the applicant.

4.1.2 Loan Approvals

Once all required documentation has been received and reviewed by Slipstream, and it has been determined that the applicant qualifies for a GJGNY and Companion Loan (if applicable), the loans are placed in approved status. The applicant(s) then have 360 days to close the loans (see section 5.1). If the loans don't close within this timeframe and the applicant(s) later decide to access financing, they will be required to reapply for the loans.

4.2 Required Documentation in Addition to Loan Application

4.2.1 Signed Contract and Change Orders

A copy of the contract and any change orders (if applicable) between the customer and the Participating Contractor must be submitted.

4.2.2 Proforma

The Participating Contractor must fully and accurately complete the Proforma and ensure the project is determined to be loan eligible prior to submission, as indicated on the Proforma.

4.2.3 Certificate of Completion

A copy of the applicable Certificate of Completion, signed by both the Customer and the Participating Contractor, must be completed at the end of the project attesting that work has been completed.

5 Loan Closing and Repayment Process

5.1 Participating Contractor Payment/Loan Closing

Generally, within 24 hours following the receipt of the documentation identified in section 4.2, Slipstream will pay the Participating Contractor the amount of the loan(s). Once payment has been made the loan(s) is considered closed.

5.2 Loan Set-Up/Loan Servicing

Concord is responsible for servicing the loan(s) and tracking payments, delinquencies, and customer contacts (inquiries, pay-off requests, etc.). Concord will also contact borrowers concerning late payments, and after 90 days of non-payment, will refer the account to a collection agency.

5.2.1 Smart Energy Loans and Companion Loans

Borrowers have the option of being directly billed or pay with automatic withdrawal. If direct billed, Concord will invoice borrowers monthly. Borrowers electing to pay via automatic withdrawal are able to monitor their loan balance and change their ACH payments through an on-line portal called MyAccountInfo, found at <https://www.myaccountinfo.com/Portal/Account/LogOn>.

5.2.2 OBR Loans

Concord will instruct the borrower's utility provider to attach the monthly loan payment to the electric meter. It may take as long as three billing cycles before the loan payment is seen on the utility bill. The utility will collect the payment and remit to Concord on a monthly basis. Concord will continue to coordinate with the utility for the life of the loan.

6 Customer Disputes

All customers disputes are handled directly between the customer and the Participating Contractor. NYSERDA and its Implementation Partners are not responsible for settling customer and Participating Contractor disputes. If a Participating Contractor becomes involved in a dispute with a customer, the Participating Contractor shall work to settle the dispute amicably using the Participating Contractor's customer dispute resolution policy.

7 Verification Process

Applicable only for the purchase and installation of energy efficiency measures, which are not completed as part of the Residential Existing Homes Program (i.e., AHPwES or EmPower projects), the PSEG - Long Island Home Comfort Program, the Statewide Utility Heat Pump Program, or the Comfort Home Program).

The goal of the verification process is to confirm that the GJGNY loan funded energy efficiency measures have been installed and completed.

7.1 Verification Rate by Status

7.1.1 Provisional Status

New Participating Contractors are designated as provisional status and shall have the first three GJGNY loan funded projects verified to confirm that the energy efficiency measures have been installed and completed. Quality Assurance inspections for any other NYSERDA program shall not be used to fulfill this requirement.

7.1.2 Full Status

Full Participating Contractors shall have up to three percent or at least once a quarter of all GJGNY loan funded projects verified to confirm that the energy efficiency measures have been installed and completed. Quality assurance inspections for any other NYSERDA program shall not be used to fulfill this requirement.

7.1.3 Probationary Status

Up to 100% of projects completed while on probationary status may be subject to verifications, at the sole discretion of NYSERDA. Verification findings will be used by NYSERDA as one of many factors in determining a Participating Contractor's future participation status.

7.1.4 Suspended Status

Up to 100% of projects completed while on probationary status may be subject to verifications, at the sole discretion of NYSERDA. Verification findings will be used by NYSERDA as one of many factors in determining a Participating Contractor's future participation status.

7.2 Scheduling Field Verifications

7.2.1 Setting Up the Customer Call List

Honeywell is responsible for scheduling verifications of completed projects within the assigned region(s). Honeywell shall strive to conduct verifications within 30 days of project completion and to meet the specified average verification rates as stipulated in Section 8.1. Honeywell shall not regularly schedule verifications later than 90 days from project completion unless in response to special circumstances.

7.2.2 Obtain Project Data Prior to Conducting Verifications

Once sites are selected and verifications are scheduled, the verification technician shall obtain the complete list of energy efficiency measures financed by the GJGNY loan from EFS.

7.2.3 Contractor Invitation to Verification

Customers contacted by Honeywell to schedule a verification will have the option of allowing the Participating Contractor to be present at the time of inspection.

Customers are encouraged to allow the Participating Contractor to attend so that any questions can be answered, and minor fixes may be made on site. If the customer agrees, the Participating Contractor shall be notified of the upcoming inspection via email (inspections@nyserda.ny.gov) and shall RSVP via email. Verifications shall be scheduled at least two weeks in advance and no less than five business days.

Customers have the right to request that the Participating Contractor not attend the verification. In these situations, the Participating Contractor will not be notified of the scheduled verification but will receive the result of the inspection within five business days after verification.

7.2.4 Evaluation of Quality Assurance Verification

Pass – all the energy efficiency measures contracted for and financed by a GJGNY loan have been installed.

Fail – some or none of the energy efficiency measures contracted for and financed by a GJGNY loan have not been installed.

7.2.5 Handling Non-Conformance and Corrective Action

- All non-conformances are expected to be addressed and corrected. Acknowledgement and plans for preventing future problems may be requested by NYSERDA.

- When corrective action is required by NYSERDA, it will be indicated as such on the verification report issued via email from NYSERDA to the Participating Contractor. Failed verification reports must be remediated within 30 days or disputed within 15 days of the issue date. This report will be made available to the system owner upon submission of a request directly to NYSERDA.
- Acceptable corrective action is to install or complete work for the energy efficiency measures that were contracted for and financed by a GJGNY loan.
- Sufficient evidence of the corrective action must be provided to NYSERDA within 30 calendar days of receipt of the verification report. NYSERDA may, at its option, conduct a verification of the corrective action.
- If corrective action is not completed within 30 calendar days of receipt of the verification report, the Participating Contractor will be required to remit to Concord the amount equal to the cost of the uninstalled or incomplete energy efficiency measure that was contracted for and financed by a GJGNY loan. Concord will use the remittance to reduce the amount of GJGNY loan principal due by the customer.
- NYSERDA retains the right to provide a copy of the verification report or specific information from the verification directly to the customer, all authorities having local jurisdiction or other stakeholder based upon compliance concerns. In an emergency, NYSERDA or its representatives may shut down the system. NYSERDA will notify the participant whenever it takes such action as soon as is practicable.
- NYSERDA may, at its discretion, communicate by voice and/or written format with any customer with respect to any matter relevant to a proposed or installed project. Such communications may be in reply to an inquiry from a customer or at NYSERDA's initiation.

8 Loan Fund Advance Payment

As part of NYSERDA's role as administrator of the GJGNY Loan Fund, NYSERDA will provide eligible Participating Contractors with an advance payment (Advance) when a project is financed, in whole or in part, with a GJGNY and Companion Loan (if applicable) in accordance with the following conditions. This benefit is not available to heat pump projects under which a Statewide Heat Pump Program Project Application is not submitted until after an installation has occurred and the Participating Contractor is simply seeking incentive.

8.1 Eligible Contractors

The contractor must be an approved contractor participating in an eligible NYSERDA or utility program (Program) and must be in good standing in each Program it participates in. Good standing is defined as never having been suspended from a Program and not having been on probation in any eligible Program in the 12 months prior to the execution of this agreement. Any exceptions to this requirement are at NYSERDA's sole discretion.

Contractor must execute a GJGNY Loan Fund Advance Payment Participation Agreement

Participating Contractors must abide by all New York State laws, rules and regulations including but not limited to those governing the establishment and maintenance of an escrow account. NYSERDA reserves the right to request proof of escrow account at any time.

8.2 GJGNY Loan Advances

- Advances shall only be made on projects that are financed, in whole or in part, with a reduced interest rate GJGNY loan borrowed by a qualified customer (see Section 2).
- Advances shall be 50% of the GJGNY and Companion Loan (if applicable) amount.
- Advances shall be disbursed to the Participating Contractor by Slipstream after the five-business day Right to Cancel period has ended.
- The balance of the GJGNY and Companion Loan (if applicable) shall be disbursed to the Participating Contractor upon submittal of the final construction completion certificate.
- Participating Contractors have 180 days from disbursement of the Advance to complete the project.
- Participating Contractors may submit a written request to NYSERDA for an extension of the 180-day construction completion requirement. The written request must be received by NYSERDA no later than 160 days from disbursement of the Advance. NYSERDA reserves the right to grant or deny exceptions on a case-by-case basis.
- If a project is not completed within the 180 days from initial disbursement of the Advance, NYSERDA will issue the Participating Contractor a demand letter. The Participating Contractor

- must either complete construction or return the Advance to NYSERDA within 30 days of issuance of the demand letter.
- If Advances are not returned to NYSERDA within the 30 days of issuance of the demand letter, NYSERDA reserves the right to:
 1. Use any future incentive payments due to the Participating Contractor from any NYSERDA program that the Contractor participates in to offset the balance of the Advance due;
 2. Suspend the Participating Contractor from participation in the Advance Payment Program;
 3. Suspend the Participating Contractor from the NYSERDA programs it participates in;
 4. Impose interest on the Advance from the date the funds were released at a rate equal to the rate on the customer's loan note;
 5. Disbar the Participating Contractor from all NYSERDA programs and/or other NYS contracts; and,
 6. Refer Participating Contractor to the NYS Attorney General for collection proceedings.
- The maximum balance of outstanding Advances shall not exceed \$100,000 dollars. NYSERDA reserves the right to grant exceptions on a case-by-case basis.

9 NYSERDA Logo Attribution Guidelines

Participating Contractors are authorized to use the NYSERDA Participating Contractor Attribution Logo subject to the restrictions in these guidelines. The guidelines serve to maintain the integrity of the NYSERDA brand, while providing Participating Contractors the opportunity to leverage their relationship with NYSERDA to engage customers.

Participating Contractors are not NYSERDA employees, partners, or representatives. Participating Contractors and their employees must identify themselves as representatives of the Participating Contractor's company, not as representatives of NYSERDA or as NYSERDA employees. Participating Contractors may use the Attribution Logo only under the following terms:

- Only approved Participating Contractors who have a current, executed Participation Agreement with NYSERDA are authorized to use the Attribution Logo.
- Participating Contractors **can only** identify themselves with the NYSERDA Participating Contractor Attribution Logo on marketing and promotional materials related to GJGNY Loan Fund, such as agendas, newsletters, and event-related materials.



- The Attribution logo may not be manipulated, stretched, or skewed in any manner.
- The Attribution logo may be used on the Participating Contractor's website **only** on pages that speak to the GJGNY Loan Fund but **cannot** be used in the Participating Contractor's overarching website shell.
- Participating Contractors **cannot** use the Attribution logo on business cards, self-identifying items (e.g., shirts, pins) or for TV.

How to Request the Participating Contractor Logo

For initial creation of the Participating Contractor logo treatment

For initial creation of the Participating Contractor Attribution logo, fill out the online logo request. You must submit a high-resolution vector eps of your logo to nysenda.ny.gov/About/Resources/Logo-Requests.aspx

For uses thereafter

NYSERDA must review and approve any material containing the NYSERDA logo prior to publication or distribution, including print, web, or other media. To obtain approval, submit a low-resolution PDF to NYSERDA's Marketing Department. Normal turnaround time is 3-5 days.

nysenda.ny.gov/About/Resources/Logo-Requests.aspx

NYSERDA Marketing contact is Diane Welch at (518) 862-1090, ext. 3276.



NYSERDA

**New York State
Energy Research and
Development Authority**

17 Columbia Circle
Albany, NY 12203-6399

toll free: 866-NYSERDA
local: 518-862-1090
fax: 518-862-1091

info@nyserda.ny.gov
nyserda.ny.gov