

Small Business/Not-for-Profit Energy Efficiency Financing Program Frequently Asked Questions for Lenders

What is the Green Jobs Green NY Small Business/ Not-for-Profit Energy Efficiency Financing Program?

The Green Jobs Green NY Small Business/ Not-for-Profit Energy Efficiency Financing Program works with lenders statewide to provide eligible small businesses and not-for-profits with access to low-interest energy efficiency project financing.

How does the program work?

Under the Green Jobs Green NY Small Business/ Not-for-Profit Energy Efficiency Financing Program, NYSERDA enters into participation agreements with lenders in which NYSERDA agrees to provide 50% of the loan principal, up to \$50,000, at 0% interest and the lender agrees to provide the remainder of the loan principal at market rate toward a loan expected to be made between the lender and the borrower.

How will loans be structured?

Loans can be structured as either:

1. Single loan note with a blended interest rate
2. A 'Series A' note (principal and interest) coupled with a 'Series B' note (principal only) tied to a master loan agreement

Does NYSERDA require that loans issued under the program be secured loans?

No. NYSERDA does not require that loans issued under the program be secured.

Does NYSERDA have any right to collateral that may be used to secure a loan issued under the program?

Through the participation agreement, NYSERDA and the lender each agree to own a percentage of the approved loan issued under the program, including a percentage of collateral security (if any).

Are there limits on what interest rate lenders can charge borrowers?

No. However, NYSERDA expects the lender to charge borrowers normal and customary interest rates based on the lender's standard underwriting criteria.

Does every area of New York State qualify for the program?

Yes. The Green Jobs Green NY Small Business/ Not-for-Profit Energy Efficiency Financing Program is available to all New York State electric and gas utility customers that meet program eligibility requirements.

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What types of small businesses and not-for-profits are eligible for the program?

Small businesses and not-for-profits that meet the following definitions are eligible to participate in the program:

- **Small Business:** a business that is a resident in New York State, independently owned and operated, not dominant in its field, and has 100 or less employees.
- **Not-for-Profit:** a corporation resident in New York State formed exclusively for a purpose or purposes, not for profit or financial gain, and where no part of the assets, income or profit is distributable to or benefits its members, director, or officers, except as allowed by statute.

Does my lending institution have to screen applicants for Green Jobs Green NY program eligibility?

No. NYSERDA will determine if a small business or not-for-profit is eligible for Green Jobs Green NY financing before the borrower approaches the lender to secure financing under the program.

Can an applicant receive a reduced interest rate loan through the program and apply for other incentives as well?

Yes. It is in the best interest for applicants to apply for any available incentives. The amount eligible for financing under the program will be the total project cost less estimates of available NYSERDA or utility incentives.

If the loan has already been processed by the lender, can the borrower still apply for the program?

No. The lender must certify that the NYSERDA portion of the approved loan is a new loan.

Does the bank have any responsibility to NYSERDA to track whether or not the loan proceeds are being used for energy efficiency improvements?

No. The lender is not responsible for tracking whether the loan proceeds are being used for the approved energy efficiency improvements.

What lending institutions are eligible to participate in the program?

The following institutions are eligible to participate in the program, as long as they are regulated by Federal or State law to operate in New York State:

- Community Development Financial Institutions
- Credit unions insured by the National Credit Union Association
- Commercial banks
- Trust companies
- Savings banks
- Savings and loan associations
- Mortgage Lenders

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Is there a list of participating lenders?

A list of participating lenders will be available on NYSERDA's Green Jobs Green NY Small Business/Not-for-Profit Energy Efficiency Financing Program webpage: nyserdera.ny.gov/gjgny-small-business-nonprofit-financing

How do I list my lending institution as a participating lender?

Lenders can submit completed lender statement of interest forms (found at: nyserdera.ny.gov/gjgny-small-business-nonprofit-financing) if they wish to be listed on the NYSERDA website as a participating lender.

Do lenders have to be on NYSERDA's list of participating lenders to participate in the program?

Lenders are not required to be pre-approved to participate, however statements of interest are desirable to allow NYSERDA to establish a list of lenders willing to provide GJGNY loans.

How do lenders issue loans through the program?

Applicants seeking financing through the program will provide the lender with a copy of their NYSERDA-approved request for financing package and a copy of the GJGNY participation agreement. To issue a loan through the program the lender will:

1. Conduct a credit analysis of the applicant according to the lender's standard underwriting criteria.
2. Establish a loan term that does not exceed 10 years.
3. Complete the GJGNY participation agreement and attach it to the NYSERDA-approved request for financing package.
4. Send the signed GJGNY participation agreement and attached NYSERDA-approved request for financing package to NYSERDA for execution.
5. Close on the loan and disburse funds.

Lenders can send documents to NYSERDA by mail, email or fax:

By mail:	By email:	By fax:
GJGNY SB/NFP PON 2293 NYSERDA 17 Columbia Circle Albany, NY12203-6399	gjgnybnfp@nyserdera.org	518-862-1091

What is the transaction process after my lending institution closes on a loan?

Upon loan closing and disbursement of loan proceeds, the lender sends loan information to a master loan servicer that will review information for each loan to ensure completeness and compliance with the participation agreement.

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What information does my lending institution need to provide to the master loan servicer?

The lender will electronically transmit to NYSERDA's master loan servicer, currently Concord Servicing Corporation, a data file with information on the loan, and any other loans closed by the lender in which NYSERDA is also participating, in the format prescribed by the master loan servicer, and on a scheduled day of each week, as prescribed by the master loan servicer. The lender will also send to the master loan servicer via overnight delivery a copy of the signed participation agreement, and a copy of the lender's executed loan agreement with the borrower. The lender should also send a copy of the signed participation agreement and the executed loan agreement with the borrower to NYSERDA.

How does my lending institution transmit information to the master loan servicer?

Instructions for reporting loans to the Concord Servicing Corporation and a template for transferring loan information to the Concord Servicing Corporation can be found here: nyserdera.ny.gov/gjgny-small-business-nonprofit-financing.

Will NYSERDA or the master loan servicer notify my lending institution if there is a problem with the loan information provided?

The master loan servicer or NYSERDA will notify the lender promptly if any data is missing or needed in order to release NYSERDA's share of the loan to the lender or if the loan participation is rejected for failure to comply with the terms and conditions of the participation agreement.

How long does the loan review process take?

The master loan servicer will complete its review within 48 hours of receipt from the lender.

When is NYSERDA's portion of the loan advanced to the lender?

Upon approval and acceptance by the master loan servicer, NYSERDA's share of the loan will be transferred from NYSERDA to the lender, based upon the payment instructions provided by the lender, within seven days of acceptance by NYSERDA's master loan servicer.

When does the lender remit payments to NYSERDA?

The lender will remit payments to NYSERDA, through its master loan servicer, and payments will be due no later than 15 days after the date due from the borrower. The master loan servicer will mail a statement to the lender in advance of each scheduled payment due date and provide instructions for such payment.

What portion of the loan payment does the lender remit to NYSERDA?

The lender will repay NYSERDA's pro rata share of the loan principal, in consecutive equal monthly installments, of the amount determined in the participation agreement in each month during which the borrower has made a scheduled payment under the loan.

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Will the lender be obligated to send NYSERDA its scheduled payment if the borrower does not make a scheduled loan payment?

No. The lender will not be obligated to make payment to NYSERDA if no payment is received from the borrower.

What happens if the borrower prepays a portion of the loan?

In the event that borrower prepays any amount due under the loan agreement, the prepayment amount will be applied, on a pro rata basis determined by the percentage ownership in the approved loan, to the outstanding balances of both the NYSERDA and lender shares of the loan.

What happens if the borrower makes a payment that is less than the amount due?

Notwithstanding any other provisions of the participation agreement, if the borrower makes a scheduled payment that is less than the amount due, the payment amount will be applied, on a pro rata basis determined by the percentage ownership in the approved loan, to the outstanding balances of both the NYSERDA and lender shares of the loan.

When is a loan considered in default?

The loan is considered in default if any scheduled payment is past due 90 days or more.

What happens if a borrower defaults on a loan?

- In the event a default occurs, the lender and NYSERDA will consult as to a mutually agreed upon course of action to pursue in order to collect the amounts owed under the loan.
- Any recovery on the loan will go first to repay the lender its collection costs and accrued interest due, with the balance applied proportionately between the principal balances owed to the lender and NYSERDA.

Who bears the cost of collection on a defaulted loan?

All costs of collection will be borne by lender.

Is there an anticipated sunset date on the program?

Yes. Applications will be accepted through June 30, 2013 by 5:00 PM Eastern Time or until funds are fully committed.



Opportunity's knocking.

Participate in NYSERDA's Energy Audit Program for small businesses and not-for-profit organizations and take advantage of low-cost financing for energy upgrades through the Green Jobs – Green NY Small Business and Not-for-Profit Energy Efficiency Financing Program. Green Jobs – Green NY is a statewide effort to strengthen our communities through energy efficiency. It enables New Yorkers to make a significant difference in our homes, businesses and neighborhoods—making them more comfortable, more sustainable, and more economically sound. Green Jobs – Green NY is administered by NYSERDA and made available by the Green Jobs – Green New York Act of 2009.