

Residential Financing Program

Changes Effective June 1, 2020



New York State Energy Research and Development Authority

NYSERDA is appreciative of the significant stakeholder feedback received on the potential solutions we can advance to help re-start the clean energy economy upon the COVID-19 pandemic subsiding. Our commitment to New York's climate goals and clean energy workforce remains stronger than ever and we recognize the actions we take now will lay the foundation for a successful restart of our economy as soon as possible.

We heard from participants a strong interest in providing reduced interest rate financing to help build back customer interest once on-premise work is allowed to resume.

To address this pressing need, NYSERDA will move forward with a temporary change to Green Jobs Green New York (GJGNY) financing which will go into effect on June 1, 2020. However, it should be noted that NYSERDA Contractors may **not** perform on-premise activities in residential dwellings until they are approved to commence such activities by regional authorities, and pursuant to State, local, and NYSERDA safe practice guidelines, as set forth on [NYSERDA's website](#). Contractors violating such requirements may face debarment from participation in NYSERDA or utility incentive programs and risk having violating behavior reported to the appropriate enforcement entities. With respect to the GJGNY Program, such non-compliance may be considered as grounds for terminating a Participating Contractor pursuant to the terms of the applicable NYSERDA Participation Agreement.

NYSERDA will offer the GJGNY 0% financing for 1-4 family residential, small commercial (100 employees or less) and not-for-profit applicants to finance eligible energy efficiency improvements and renewable energy systems for terms of 5, 10 or 15 years. The 0% financing will be offered to loan applicants for a promotional period of up to 12-months, or until available funds are exhausted. Following this promotional period, the program will return to the geographic eligible 3.49%/6.99% interest rate for residential borrowers and Prime Rate + 2% for small commercial/not-for-profit borrowers.

Customers that have previously applied for, but not closed on, a GJGNY loan will be able to re-apply for the 0% financing.

Smart Energy Loans offered in GJGNY during this period will include a grace period of three

months before the first payment begins.

This notice is considered a superseding modification pursuant to your Participation Agreement. NYSERDA will be updating all program ProFormas (used for loan/project eligibility) to include the GJGNY 0% financing rate. The ProFormas will be posted on NYSERDA's [website](#).

Details on these changes can be found in the accompanying Frequently Asked Questions (FAQ) below.

Your resolve and determination during these difficult days has been truly inspiring and remarkable. While this situation is still evolving, our teams are here to assist you in navigating our programs and any related changes along with providing information about available state and federal resources. To view the latest information including resources and program changes, we encourage you to visit nyserdera.ny.gov/ny/COVID-19-Response. Our best wishes for your continued safety and health.

If you have any questions please contact the Residential Financing Team at residentialfinancing@nyserdera.ny.gov.

Thank you,

NYSERDA's Residential Financing Team

Frequently Asked Questions (FAQs):

1. Is the GJGNY 0% financing available to everyone no matter income level or geographic location?

Yes, the 0% financing will be available to everyone. There are no income or geographic location limits. The financing will be available for all technologies that are financed through the GJGNY loan fund (i.e. energy efficiency, solar, air source heat pump, ground source heat pump, Renewable Heat NY).

2. Is the 0% financing rate only good for the promotional period or for the entire term of the loan?

The 0% rate will be for the entire term of the loan (i.e. 5, 10 or 15 years).

3. How long will the 0% financing be offered?

The 0% rate will be offered for a promotional period of 12 months or when the available funds are exhausted.

4. What does “until available funds are exhausted” mean? Is that in reference to the incentives or will there be a limit set on the available funds for the GJGNY 0% financing offer?

There will be a limit set on the amount of GJGNY loan funds that will be available for 0% financing. For Residential Financing we estimate approximately \$20 million to be available to support 0% loans. For Small Commercial/Not-for-Profit we estimate approximately \$530,000 will be available to support 0% loans. NYSERDA will provide communication to contractors when funding is exhausted.

5. Is there a payment deferral?

Smart Energy Loans offered through GJGNY during this period will include a grace period of three months before the first payment begins.

6. Why aren't On-Bill Recovery (OBR) loans receiving a grace period before first payment begins?

The first payment for OBR loans does not occur until one or two billing cycles after the loan is originated which allows for a natural grace period.

7. Will there be any changes to the loan approval criteria for residential customers for the GJGNY 0% financing?

No, the loan approval criteria remains the same and can be found on [NYSERDA's website](#).

8. Where can I find information on the Small Commercial/Not-for-Profit Financing Program and it works?

Information on the Small Commercial/Not-for-Profit Financing Program can be found on [NYSERDA's website](#).

9. How long will the approval on the GJGNY 0% financing rate be good until?

The pre-approval on the 0% rate will be valid for 90 days from the date that pre-approval was issued. Executed loan documents must be returned to the loan originator EFS within that 90-day period or the loan pre-approval will expire. If loan documents are not executed and returned by the 60-day mark, the contractor and customer will be sent a reminder advising them of the expiration date and advising them in order to get the 0% financing they must submit any outstanding items and return the executed loan documents OR request an extension within 15

days of the letter.

Customers who reside in regions which are, or were, under an extended PAUSE order will be granted extensions commensurate to the dates applicable to the region. All extension requests will be reviewed by EFS and NYSERDA.

No extensions will be granted beyond 180 days from initial application, customers will be asked to re-apply if that is the case.

10. Does the project have to be completed within the 90 days?

No, the loan documents must be executed and returned within 90 days of the issuance of the pre-approval (see question 9 above). Construction must be completed within one year of pre-approval issuance except in the case of participation in the [Contractor Advance Payment program](#). If the loan is part of the Contractor Advance Payment program then construction must be complete within 180 days of the advance or a written request for an extension must be received by NYSERDA for consideration of approval (please see the Contractor Advance Payment Program participation agreement for details).

11. What if my customer's loan approval for the 0% financing rate expires but they want to continue with the project?

The customer can re-apply for the loan but to the extent that the funding cap has been exhausted or the 12-month period is over the customer will not receive 0% but the traditional rates of 3.49%/6.99% depending geographical location or documented household income.

12. If my customer already has applied for and/or has been pre-approved for a GJGNY Loan that has not closed yet, will they automatically get the 0% rate?

No. Due to system limitations and for purposes of tracking 0% loan dollars, a customer who has already applied and/or has been pre-approved for a GJGNY loan that has not closed yet must re-apply for the 0% loan. Re-approval will be subject to NYSERDA's underwriting/credit criteria.

13. Can my customer refinance an existing interest-bearing loan with GJGNY 0% financing?

No, this rate is available only for new projects. Prior completed projects may not receive a GJGNY 0% financing loan. Active loans are not eligible for refinancing.

14. When can a customer start applying for the GJGNY 0% financing?

Customers can start applying for the 0% GJGNY loan on June 1, 2020.

15. What will the residential customer have to provide for documentation when applying?

Documentation requirements vary based on the customer credit criteria and the type of loan (Smart Energy or OBR) being applied for. If documentation is required, the customer will be notified as part of the pre-approval process.

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