

Regional Clean Energy Hubs

Green Jobs – Green New York (GJGNY) Financing Information Sheet



NYSERDA offers a suite of loans to help New York State residents finance energy efficiency improvements and clean energy equipment.

Prior to accessing a NYSERDA loan, homeowners must complete a no-cost energy assessment that provides an overview of a home's energy use and identifies energy-saving opportunities and services for consideration. Homeowners may use loans to cover the costs of a variety of energy upgrades through the following programs:

- **EmPower+**
- **Comfort Home Program**
- **Home Comfort – PSE&G Long Island**
- **NY-Sun**
- **NYS Clean Heat**
- **PSE&G Home Performance Program**

Financing Options

Homeowners could be eligible for up to \$25,000 in loans for energy efficiency improvements or clean energy equipment at one- to four-family residential properties. Interest rates, repayment terms, and cost effectiveness requirements vary between each type of loan. Loans are not incentives or rebates and must be paid back. Loans over \$13,000 are required by the GJGNY legislation to have a payback period of 15 years or less.

Homeowners can work with a participating contractor to help select the loan that works best for their home energy project.

Loans Products

- Smart Energy Loan (SEL) — traditional loan.
 - Paid monthly by either check or auto deduct.
- On-Bill Recovery Loan (OBR).
 - Paid monthly through the borrower's utility bill.

Loan Terms and Similarities

- SEL and OBR:
 - Minimum loan amount: \$1,500
 - Maximum loan amount: \$25,000
 - Payments can be made over a 5, 10, or 15, year period
 - Loans are unsecured, meaning there is no collateral take.
 - No mortgage
 - No lien against the home or car
 - Loans can be prepaid (additional payments made) with no penalty.
 - An energy assessment is required — each technology has its own audit requirements.
 - Contractors are required to provide a Proforma — a web-based tool that identifies measures being installed and net costs (cost after incentives) and project savings (needed for reporting). The Proforma will let the loan originator know if the project qualifies for either/or a SEL or OBR loan.



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Loan Differences

■ SELs

- Loan must meet certain cost effectiveness criteria — they must be comprised of 85% or more of prequalified measures OR meet a Savings-to-Investment ratio of .8 or higher. If the loan is more than \$13,000 then it must have a 15-year payback, meaning the measures pay for themselves in not more than 15 years.
- Must be paid off if borrower sells the home.
- If loan is delinquent longer than 180 days, the borrower can be referred to the Attorney General's ("AG") office for collection.
- The AG's office adds 22% to the amount collected as a fee, which increases the cost to the borrower.

■ OBR Loans

- The monthly project savings must be more than the monthly loan payment. If the loan is more than \$13,000 then it must have a 15-year payback, meaning the measures pay for themselves in not more than 15 years.
- The borrower must be current on their electric utility account to get an OBR loan.
- The OBR loan must be in the name of the utility account holder.
- The loan is attached to the meter not the borrower.
- Borrowers sign an On-Bill Recovery Program Declaration ("Declaration") which is filed in the county where improvements are made.
- Declarations are not a lien against the home.
- Declarations inform buyers that that a loan is attached to the meter.
- Loan can be transferred to the new buyer, but the buyers must be made aware of the loan in writing prior to the sale of the residence.
- Even if the buyer isn't told about the loan, the loan is transferred to the new owner.
 - An attorney will need to be involved.
- How the OBR Loan is transferred:
 - Seller calls utility to close the account.
 - Utility notifies Concord, the loan servicer.
 - Concord removes the borrower's name and informs the utility.
 - The utility removes the loan charge from the borrower's account.
 - The buyer calls the utility to open the account.
 - Utility notifies Concord that a new account is opened and provides the account number and name.
 - Concord set-up loan as a "successor" and notifies the utility of the loan opening.
 - The utility adds the loan charge to the buyer's account.
 - > It can take up to 3 utility billing cycles to add and remove the loan charge.
- OBR loan delinquencies
 - Utilities can shut off power if the loan is delinquent.
 - Borrower can be placed on a Deferred Payment Plan ("DPA") — monthly payment + a portion of the amount past due is paid until the loan is current.
 - > If borrower enters into a DPA, the entire payment (what's owed the utility and NYSERDA) gets applied first to the amount owed to the utility. Once current, the DPA payment is applied to the amount past due on the loan.

Interest Rates

Income Compared to AMI	Loan Type		
	OBR	SEL (Auto Pay)	SEL (Pay by Mail)
Less than or Equal to 120%	3.49%	3.49%	3.99%
Greater than 120%	6.99%	6.99%	7.49%

■ Interest Rate Locator ([Interest Rate Locator Map](#))

- Uses HUD income and address data.
- By looking up an address you can see if a homeowner qualifies for the lower interest rate (< or = to 120% AMI).
- Approximately 72% of the state's population.
- Homeowner can still qualify for the lower rates but needs to provide the loan originator with household income documentation, i.e., W-2, tax return, pay stub, etc.

What can loans be used for?

- Energy efficiency — electric furnaces and boilers, insulation, air and duct sealing, energy efficient appliances, hot water tanks, health and safety measures (these cannot exceed 50% of the entire project) (EmPower+, Comfort Homes).
 - Often, borrowers go through EmPower+ for free services then use GJGNY loans to finance the rest of the project cost.
- Photovoltaic (Solar) installations (NY-Sun).
- Air source and ground source heat pumps (NYS Clean Heat).

Loan Pros and Cons

■ SEL

- Pros: Familiarity — the type of loan most people are used to.
- Cons: If delinquent, borrowers can be referred to the AG's office for collection which increases their cost.

■ OBR

- Pros: Only 1 bill — since the loan is paid through the utility bill, borrowers receive only one bill. Loan transfer, if buyer agrees to take over the loan payment- the loan can be transferred to a buyer.
- Con: Because of cost effectiveness requirement, not all projects qualify for OBR.

Loan delinquency — may be subject to power shut off if delinquency notices are ignored or borrower doesn't cooperate with utility.

Loan transfer, if buyer isn't aware of the loan charge — loan may go back into the sellers name; loan then becomes a SEL and seller is then responsible for the loan payment; potential for AG collections referral if delinquent.

Examples of Homeowners Using GJGNY Financing

Contractor: Buffalo Energy

Program: EmPower+

Project: Air source heat pump

Total Cost: \$22,759

Incentives (NYSERDA and Others): \$13,840

Loan: \$8,660 (SEL) @ 3.49% (because monthly payment is auto deducted. Otherwise the rate would be 3.99%)

Loan Term: 180 months (15 years)

Monthly Payment: \$61.87

Project Completion: 11.08.23

Contractor: Ridgeline Heating and Cooling

Program: NYS Clean Heat

Project: Air source heat pump

Total Cost: \$16,449

Incentives (NYSERDA and Others): \$4,000

Loan: \$12,599 (SEL) @ 3.99%

Loan Term: 180 months (15 years)

Monthly Payment: \$93.13

Project Completion: 7.06.21

Contractor: Collis Home Energy Performance

Program: EmPower+

Project: Insulation and furnace

Total Cost: \$13,303

Incentives (NYSERDA): \$5,553

Loan: \$7,900 (SEL) @ 3.49%

Loan Term: 180 months (15 years)

Monthly Payment: \$70.97

Project Completion: 1.08.24

Contractor: SuNation Solar Systems

Program: NY-Sun

Project: PV

Total Cost: \$32,449

Incentives (NYSERDA and Others): \$4,212

Loan: \$25,000 (SEL) @ 6.99%
(Market rate borrower, auto deduct)

Loan Term: 180 months (15 years)

Monthly Payment: \$224.57

Project Completion: 1.12.24

Why Use GJGNY Financing?

One stop shopping: Most EmPower+ contractors participate in the financing programs and can offer SELs and OBR loans to cover the difference between total cost and EmPower+ incentives.

No dealer fees: Many PV and heat pump contractors have alternative financing options for homeowners which allows homeowners to receive a favorable rate. However, the lower rate adds thousands of dollars (known as dealer fees) to the cost of the project which makes it more expensive. GJGNY financing doesn't charge dealer fees.

Note: Dealer fees are charged by some financing companies as a way to lower the homeowner's interest rate, from say 8.99% to 3.99%, and can literally add a few thousand dollars to the project cost. The State doesn't require such fees to be disclosed and contractors aren't permitted by the dealer to disclose and the homeowner has no idea the cost is being added. Dealer fees are prevalent in the PV and heat pump industries. Not so much/if at all for EE improvements but possible for EE improvements coupled with other home improvements, ie. Kitchen, roof, swimming pool. Dealer fees are simply a way for finance companies to make money.

Interest rates cannot be beat. Interest rates as low as 3.99% / 3.49% for up to 15 years, without paying dealer fees and no collateral, is the lowest in the market!

Approval can be in seconds. For applicants that apply online.

You can monitor the loan process. By signing an agreement with EFS you can track the progress of each of your loan referrals. You'll know if your referral or contractor needs to provide anything to EFS, and when loan docs are sent and received. Certain information, such as SSN and utility account numbers, won't be visible for security reasons.

GJGNY Who's Who

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Loan Originator

- **Slipstream, Inc aka EFS**, ny.energyfinancesolutions.com, 800-361-5663

Loan Servicer

- **Concord**, concordservicing.com, Phone (Customer Service): ???

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