



NYSERDA



## Home Performance with ENERGY STAR®

August 31, 2016

Dear Participating Contractor, Constituency Based Organization, and Stakeholders,

NYSERDA greatly values your participation in our programs and appreciates your partnership in building the market for clean energy. The Green Jobs-Green New York (GJGNY) residential revolving loan fund has filled a gap in the market for residential energy efficiency and PV loans for several years. Since the inception of NYSERDA's loan program, more than 16,250 On-Bill Recovery and Smart Energy loans totaling more than \$193 million have been issued across all of the residential programs! This is a great accomplishment - thank you for making these options available to your customers.

The availability of the expanded loan underwriting criteria ("Tier 2" criteria) offered through GJGNY has enabled households who cannot qualify for traditional lending to participate in energy efficiency and renewable energy projects. The availability of On-Bill Recovery (OBR) loans provides an alternative repayment method attractive to consumers. Overall, the demand for loans has increased dramatically over the past two years. However, the current interest rates do not fully cover the costs of providing the loans, and as a result, the residential loan fund is not sustainable as currently designed.



As previously announced on May 23, 2016, to ensure its long-term sustainability, the GJGNY residential loan program will adjust the interest rates effective September 1, 2016.

### **Interest Rates**

Financing applications must be submitted to NYSERDA's loan originator, Energy Finance Solutions (EFS), by midnight on August 31, 2016 to be considered for the current rates. All financing applications submitted on or after September 1, 2016 will receive the interest rates described below.

By adjusting the interest rates, NYSERDA can continue to offer financing, including OBR loans, to all income sectors, while focusing attention on households that otherwise lack access in the private lending marketplace. In consultation with the GJGNY Advisory Council, NYSERDA has established the following new interest rates for loan applications submitted on or after September 1, 2016:

- 3.49% for households with incomes up to 80% of the area median income (AMI),

which is the same as the current interest rate

- 4.99% for households with incomes above 80% AMI up to 120% AMI
- 5.99% for households with incomes above 120% AMI who are only eligible through Tier 2 criteria
- 6.99% for energy efficiency only projects for households with incomes above 120% AMI who qualify through Tier 1 criteria
- 7.99% for PV projects or projects including renewable energy systems for households with incomes above 120% AMI who qualify through Tier 1 criteria.

Please note that these interest rates apply to On-Bill Recovery Loans and Smart Energy loans, which include automatic payment deduction from a checking account. Interest rates for Smart Energy loans that include standard billing by mail from the Loan Servicer are 0.5% higher than the rate shown here.

Additional details regarding loan fund sustainability can be found in the presentations provided at the recent GJGNY Advisory Council meetings at <http://www.nyserda.ny.gov/About/Green-Jobs-Green-New-York/Advisory-Council/Meetings>.

#### **Online Interest Rate Estimator**

NYSERDA has created an interest rate estimator tool to assist stakeholders in explaining the differences between the interest rates and allow customers to self-determine which interest rate may be available to them. Please feel free to recommend your customers use the interest rate estimator tool located on NYSERDA's website at: [nyserda.ny.gov/interest-rate-estimator](http://nyserda.ny.gov/interest-rate-estimator). This tool will become available on September 1, 2016.

Please note, the interest rate estimator is an *estimator tool* that will provide an interest rate based upon the customer's selected criteria. **A credit application must be submitted and meet all of NYSERDA's qualifying criteria to determine the final interest rate which will be calculated by a loan professional.**

#### **Residential Financing and Incentive Applications**

A new combined Residential Financing and Incentive Application will be available on September 1, 2016 at [nyserda.ny.gov/residential-financing](http://nyserda.ny.gov/residential-financing). Please note that at this time, the on-line application will only be available to applicants for projects in single-family owner-occupied homes, which represent the vast majority of applicants. In addition, a downloadable application will be available through this webpage for one-to-four family rental properties.

As you and your customers begin using these new applications please feel free to provide NYSERDA feedback to ensure the applications are as clear and easy to use as possible. Application comments and recommendations may be submitted to [residential.financing@nyserda.ny.gov](mailto:residential.financing@nyserda.ny.gov).

#### **Residential Financing Webinar**

NYSERDA will be hosting a webinar to review and answer questions on the interest rate changes as well as the combined Residential Financing and Incentive Applications. The webinar will be held on Thursday, September 8<sup>th</sup> from 10:00am through 11:30am. Please

feel free to join the webinar using the link below.

Residential Financing Webinar  
Thursday, September 8<sup>th</sup> 10:00am

<https://nyserda-events.webex.com/nyserda-events/onstage/g.php?MTID=e39d9fa8b69d114bd164ae7a131b8f1d8>

If you have any questions on the information in this letter, please feel free to contact me at [karen.hamilton@nyserda.ny.gov](mailto:karen.hamilton@nyserda.ny.gov).

Sincerely,

Karen Hamilton  
Director

**About NYSERDA**

NYSERDA, a public benefit corporation, offers objective information and analysis, innovative programs, technical expertise, and funding to help New Yorkers increase energy efficiency, save money, use renewable energy, and reduce reliance on fossil fuels. NYSERDA professionals work to protect the environment and create clean-energy jobs. NYSERDA has been developing partnerships to advance innovative energy solutions in New York State since 1975. To learn more about NYSERDA's programs and funding opportunities, visit [nyserda.ny.gov](http://nyserda.ny.gov) or follow us on [Twitter](#), [Facebook](#), [YouTube](#), or [Instagram](#)

