

Home Performance with ENERGY STAR® Contractor Webinar

July 13th 2012

Presented by NYSERDA, EFS & CSG



Agenda

- Efficiency First Update
- Streamlining Financing
- New Credit Application
- Changes to AHP Income Documentation
- Specifying CFLs
- Updates to Cost Effectiveness Requirements
- Efficiency First Wrap Up
- Questions

Streamlining Financing - Overview

Areas Identified for Improvement:

- Reduce amount of 'back-and-forth' correspondence with customers and contractors during the approval process
- Simplify income documentation standards
- Eliminate delays resulting from last owner search processing times (OBR only)

Streamlining Financing - Overview

Outcomes:

- Revised loan and subsidy applications
- Creation of “fast lane” options for both the loan and subsidy, while maintaining access to the current processes where they are a better fit

The New Credit Application

NY Home Performance with ENERGY STAR RESIDENTIAL CREDIT APPLICATION

This is not a contract for a loan nor does it lock you into any commitment with a contractor. Completing this application will allow us to proceed with your request for a loan to finance your energy efficiency improvements(s) through the Home Performance with ENERGY STAR Program. This will include a review of your credit history. **Please complete all fields.** Incomplete applications will be returned to you for completion. Only residential work that has been approved by Conservation Services Group (CSG) is eligible for financing. Apply online at energyfinesolutions.com/nyloans.

SECTION A - APPLICATION REQUEST

Loan Type (Select one)

- 2.99% On-Bill Recovery Loan: a copy of the gas and/or electric bill is required
- 3.49% / 3.99% Unsecured Loan: an ACH Authorization Form is required to obtain the 3.49% rate
- Please first try to qualify me for the On-Bill Recovery Loan; if I am not eligible, please try to qualify me for the Unsecured Loan

Loan Term (Select one)

The program supports loan terms of 5, 10 or 15 years. Please indicate your loan term preference below:

- Qualify me for the longest loan term (which will result in a smaller monthly payment)
- Qualify me for the shortest loan term (which will result in a larger monthly payment)

Fee Information: A \$150 processing fee applies to all approved loans. This fee may be included in your loan, or paid by check. If paying by check, this fee is due before loan documents are prepared. Please check the following box if you would prefer to pay the application fee by check.

NOTE: No fee is required to apply. Processing fees are assessed only for approved loans. Checks received as payment for processing fee will not be returned or refunded.

SECTION B - APPLICANT INFORMATION

<input type="checkbox"/> Mr.	Last Name	First Name	Middle Initial	Jr/Sr/III
<input type="checkbox"/> Mrs.				
<input type="checkbox"/> Ms.				
Former / Alternate Name		Date of Birth (mm/dd/yyyy)	Social Security Number	
Daytime Phone Number	Ext.	Evening Phone Number	Ext.	Mobile Phone Number
Email Address				
<u>Mailing Address</u>	Mailing Address	City	State	ZIP Code
(If different from installation address):				
Are there any unsatisfied judgements against you?	<input type="checkbox"/> Yes	If yes, to whom owed?	Total Amount Owed	
	<input type="checkbox"/> No			
Have you declared bankruptcy, or been subject to foreclosure or repossession, in the last 7 years?	<input type="checkbox"/> Yes	If yes, what City/State?	Year?	
	<input type="checkbox"/> No			

SECTION C - JOINT APPLICANT INFORMATION

If either applicant is unable to meet the eligibility requirements, the applicants may be able to meet combined eligibility requirements.

<input type="checkbox"/> Mr.	Last Name	First Name	Middle Initial	Jr/Sr/III
<input type="checkbox"/> Mrs.				
<input type="checkbox"/> Ms.				
Former / Alternate Name		Date of Birth (mm/dd/yyyy)	Social Security Number	
Daytime Phone Number	Ext.	Evening Phone Number	Ext.	Mobile Phone Number
Email Address				
<u>Mailing Address</u>	Mailing Address	City	State	ZIP Code
(If different from installation address):				
Are there any unsatisfied judgements against you?	<input type="checkbox"/> Yes	If yes, to whom owed?	Total Amount Owed	
	<input type="checkbox"/> No			
Have you declared bankruptcy, or been subject to foreclosure or repossession, in the last 7 years?	<input type="checkbox"/> Yes	If yes, what City/State?	Year?	
	<input type="checkbox"/> No			

Page 1 of 4

The New Credit Application

SECTION A - APPLICATION REQUEST

Loan Type (Select one)

- 2.99% On-Bill Recovery Loan: a copy of the gas and/or electric bill is required
- 3.49% / 3.99% Unsecured Loan: an ACH Authorization Form is required to obtain the 3.49% rate
- Please first try to qualify me for the On-Bill Recovery Loan; if I am not eligible, please try to qualify me for the Unsecured Loan

Loan Term (Select one)

The program supports loan terms of 5, 10 or 15 years. Please indicate your loan term preference below:

- Qualify me for the longest loan term (which will result in a smaller monthly payment)
- Qualify me for the shortest loan term (which will result in a larger monthly payment)

Fee Information: A \$150 processing fee applies to all approved loans. This fee may be included in your loan, or paid by check. If paying by check, this fee is due before loan documents are prepared. Please check the following box if you would prefer to pay the application fee by check.

NOTE: No fee is required to apply. Processing fees are assessed only for approved loans. Checks received as payment for processing fee will not be returned or refunded.

- Loan Product Selection
- Loan Term Preference

The New Credit Application

SECTION B - APPLICANT INFORMATION					
<input type="checkbox"/> Mr.	Last Name	First Name	Middle Initial	Jr/Sr/III	
<input type="checkbox"/> Mrs.					
<input type="checkbox"/> Ms.					
Former / Alternate Name		Date of Birth (mm/dd/yyyy)	Social Security Number		
Daytime Phone Number	Ext.	Evening Phone Number	Ext.	Mobile Phone Number	Email Address
Mailing Address (If different from installation address):	Mailing Address	City	State	ZIP Code	County
Are there any unsatisfied judgements against you?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, to whom owed?	Total Amount Owed		
Have you declared bankruptcy, or been subject to foreclosure or repossession, in the last 7 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, what City/State?	Year?		
SECTION C - JOINT APPLICANT INFORMATION					
If either applicant is unable to meet the eligibility requirements, the applicants may be able to meet combined eligibility requirements.					
<input type="checkbox"/> Mr.	Last Name	First Name	Middle Initial	Jr/Sr/III	
<input type="checkbox"/> Mrs.					
<input type="checkbox"/> Ms.					
Former / Alternate Name		Date of Birth (mm/dd/yyyy)	Social Security Number		
Daytime Phone Number	Ext.	Evening Phone Number	Ext.	Mobile Phone Number	Email Address
Mailing Address (If different from installation address):	Mailing Address	City	State	ZIP Code	County
Are there any unsatisfied judgements against you?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, to whom owed?	Total Amount Owed		
Have you declared bankruptcy, or been subject to foreclosure or repossession, in the last 7 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, what City/State?	Year?		

- Space for Former/Alternate name
- Encourages applicant to include a co-applicant

The New Credit Application

SECTION D - PROPERTY INFORMATION					
Installation Address where the energy efficiency improvement(s) will be made:					
Street Address	Unit #	City	State	ZIP Code	County
# of Units (5+ units does not qualify):		Years at Current Address:			
BUILDING OWNER INFORMATION:					
<input type="checkbox"/> Mr.	Last Name	First Name	Middle Initial	Former / Alternate Name	
<input type="checkbox"/> Mrs.					
<input type="checkbox"/> Ms.					
List the names of any additional owners of the property:					

Property and ownership information identified separately from applicant information

The New Credit Application

The On-Bill Recovery Loan requires that each owner of the property sign an On-Bill Recovery Program Declaration, which will be recorded in the county clerk or city recording office to provide notice to any subsequent purchaser of the property of the obligations under the On-Bill Recovery Loan. There are two ways to document your ownership of the property (select one of the following options if you are applying for the On-Bill Recovery Loan):

Option 1. Provide a Copy of Your Most Recent Property Deed

This will provide the fastest processing of your loan. The Declaration will be prepared based on the information on your deed, which will be confirmed by a title company under contract to NYSERDA.

Option 2. Title Search

If you do not have a copy of your property deed available, a title company under contract to NYSERDA will provide the property information and owners to prepare the Declaration, but will delay processing. This will add 7-10 days to the loan approval process.

Fast Lane for Last Owner Searches

- Option 1 – Customer provides copy of deed. Ownership is later confirmed through a last owner search.
 - Faster Option – Loan documents may be issued before last owner search results are received.
 - Know Your Risk!
- Option 2 – Wait for Last Owner Search results.
 - Slower – Loan documents will be issued after results are received
 - No Surprises
 - Results expected in 7-14 days

The New Credit Application

SECTION E - ENERGY SUPPLIER INFORMATION

I hereby authorize the energy suppliers named below to release my energy usage, billing and payment history to NYSERDA or it's designee for the last two years.

Electric Utility Name:

Account Number:

Name on Account:

Natural Gas Utility Name (If Applicable):

Account Number:

Name on Account:

Indicate here if you purchase oil/propane from different suppliers or are a cash on delivery customer. Otherwise, provide the following:

Oil/Propane Supplier Name (If Applicable):

Account Number:

Name on Account:

- Addition of check box for customers with C.O.D. oil/propane
- Oil/Propane history requirement waived for Tier 2 if electric and mortgage histories meet requirements

The New Credit Application

SECTION F - PROJECT PARTNER INFORMATION

Home Performance Contractor Name (If Known):

Constituency-Based Organization Name (If Applicable):

Customer may indicate association with a contractor and a CBO

The New Credit Application

SECTION G - STATEMENT OF INCOME

In the table below, please state your current regular sources of income:

Name Under Which Income Is Received	Source of Income	Date Received	Annual Amount
Total Income Received During The Past 12 Months:			

Applicant and Co-Applicant list all sources of current regular income sources

The New Credit Application

SECTION H - DOCUMENTATION OF INCOME

Pre-approval of the loan may be provided based on amounts provided on this application, but final loan approval will be determined after review of supporting documentation. There are two ways the applicant(s) can meet documentation requirements.

Please select one of the following:

- Option 1.** Provide a copy or transcript of the most recent Federal Income Tax Return (Form 1040, 1040A, or 1040EZ) for the applicant and co-applicant (or joint return if applying for loan jointly). Social Security Numbers, Routing and Account Numbers, and any PINs may be blackened-out on these documents. You do not need to provide the Schedules or Forms filed with the return. If you do not have a copy of your return, you may request a transcript of your return to be mailed to you or EFS free of charge by completing IRS Form 4506-T, or by going to IRS.gov and clicking on "Order a Transcript" or by calling 1-800-908-9946.

NOTE: If the applicant or co-applicant filed a joint return, but is not applying jointly, s/he may provide W-2 and 1099 statements instead of the tax return, or use Option 2.

Option 1

- Customer provides only the tax return or transcript
- For each type of income (wage, IRA, etc.), EFS will compare stated income to income reported on the tax return
- For each type of income, the lesser of the stated amount and the amount on the return will be used in the income calculation

The New Credit Application

SECTION H - DOCUMENTATION OF INCOME

Pre-approval of the loan may be provided based on amounts provided on this application, but final loan approval will be determined after review of supporting documentation. There are two ways the applicant(s) can meet documentation requirements.

Please select one of the following:

- Option 1.** Provide a copy or transcript of the most recent Federal Income Tax Return (Form 1040, 1040A, or 1040EZ) for the applicant and co-applicant (or joint return if applying for loan jointly). Social Security Numbers, Routing and Account Numbers, and any PINs may be blackened-out on these documents. You do not need to provide the Schedules or Forms filed with the return. If you do not have a copy of your return, you may request a transcript of your return to be mailed to you or EFS free of charge by completing IRS Form 4506-T, or by going to [IRS.gov](https://www.irs.gov) and clicking on "Order a Transcript" or by calling 1-800-908-9946.

NOTE: If the applicant or co-applicant filed a joint return, but is not applying jointly, s/he may provide W-2 and 1099 statements instead of the tax return, or use Option 2.

Option 1 - Continued

- Applicants who filed a tax return jointly, but are applying for the loan individually, may provide W-2 and 1099 statements in place of the tax return
- Best suited for applicants whose incomes have not changed significantly in the past year

The New Credit Application

- Option 2.** Provide documentation of current income, particularly if your current annual income above is more than your prior year tax return, or if you have sources of income not included on your tax return. You must include the following documentation for each source listed above:

Wage Income	Copy of two most recent paystubs showing year-to-date gross earnings, or letter from employer stating gross year-to-date earnings
Self-Employment	Copy of most recent Federal Income Tax Return with Schedule C, E or F; or profit & loss statement for past 12 months prepared by independent accountant
Pension/Social Security	Copy of award letter for current year or copy of bank statement showing deposit sources and amounts
401(k)/IRA/Interest Earnings	Copy of brokerage/account statements showing regular pattern of distributions
Rental	Copy of current lease or, copies of 6 consecutive rent checks
Alimony	Copy of divorce decree or court order that established the support

Option 2

- Customer provides documentation of current income (pay stub, award letter, etc.) for each source of income
- Best suited for applicants who have had significant changes in income, especially those who have income that has increased or that is not reported on a tax return

The New Credit Application

- Option 2.** Provide documentation of current income, particularly if your current annual income above is more than your prior year tax return, or if you have sources of income not included on your tax return. You must include the following documentation for each source listed above:

Wage Income	Copy of two most recent paystubs showing year-to-date gross earnings, or letter from employer stating gross year-to-date earnings
Self-Employment	Copy of most recent Federal Income Tax Return with Schedule C, E or F; or profit & loss statement for past 12 months prepared by independent accountant
Pension/Social Security	Copy of award letter for current year or copy of bank statement showing deposit sources and amounts
401(k)/IRA/Interest Earnings	Copy of brokerage/account statements showing regular pattern of distributions
Rental	Copy of current lease or, copies of 6 consecutive rent checks
Alimony	Copy of divorce decree or court order that established the support

Option 2 – Continued

- EFS will contact applicants who are denied under Option 1, but may be qualified under Option 2
- Customers may document some income sources via Option 1 and other sources via Option 2

The New Credit Application

SECTION I - CONSENT AND SIGNATURES

By signing below, I/we certify that all information provided on this application is correct and complete to the best of my knowledge. In addition, I acknowledge that New York State Energy Research and Development Authority ("NYSERDA") has retained Energy Finance Solutions ("EFS") to process this application and underwrite my/our loan. I authorize EFS to obtain credit reports in connection with my/our loan request. If necessary, I further agree to provide additional information to EFS to underwrite my/our loan request. I understand that if I give false information on this application, I can be prosecuted to the fullest extent of the law.

I understand that NYSEDA will fund this loan and the loan will then be serviced by NYSEDA's Loan Servicer, Concord Servicing Corporation. Pursuant to Section 18 of the State Finance Law, payment not received within 90 days of the due date shall be subject to a collection fee, not to exceed 22% of the amount due. Pursuant to Section 171-f of the State Tax Law, NYSEDA is authorized to refer the account to the New York State Attorney General for collection, and also may certify a past due amount to the New York State Department of Taxation and Finance for collection by income tax refund payments due from the State. Pursuant to Section 19 of the State Finance Law, NYSEDA shall charge a \$2.00 fee for dishonored checks.

As the authorized energy supplier account holder listed above, I authorize my energy supplier, or its agent, to release to EFS, program lender for NYSEDA, my energy use, billing, and payment history information for the past 24 months for the account(s) noted above. I understand that this information is being made available to provide energy bill payment history as a potential qualifying criterion for NYSEDA's Home Performance with ENERGY STAR Financing and to establish current energy use. The information released pursuant to this authorization shall be treated as confidential to the maximum extent permitted by law.

I further acknowledge and agree that NYSEDA and EFS may share with and disclose to, orally and/or in writing, the contractor(s) identified by me above, or as subsequently identified by me to EFS, the following information regarding this application: energy use history; whether the application has been pre-approved by EFS and any additional items requested by EFS in order to complete my loan and/or subsidy approval; whether the application has been approved by EFS and the approved loan amount so that my contractor(s) can proceed with scheduling the work; and whether my application has been denied so that the contractor(s) can determine if there is other financing available and whether I intend to proceed.

In addition, if this application is approved and NYSEDA makes the loan I have requested, I also authorize NYSEDA and the utility providing me gas and/or electric service and their employees, contractors, and agents to share such information concerning: my electric and/or gas utility usage and billing information; and the charges that are payable by me under the promissory note that I will sign.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applications on the basis of sex or marital status.

Applicant's Signature _____

Date _____

Co-Applicant's Signature _____

Date _____

The New Credit Application

Consent and Disclosure

- Incorporates billing and payment history release language
- For Tier 2 qualification, EFS will request billing and payment histories from the following utilities:
 - Central Hudson
 - Con Edison
 - LIPA
 - NYSEG
 - Orange & Rockland
 - RG&E
- If a customer is served by a utility that is not on the list above, they will still need to request 24 months of billing and payment history directly from the utility

The New Credit Application

Best Practices – Promoting the ‘Fast Lane’

- Encourage customers to submit complete application packages
 - All fields completed on the application
 - Income documentation (Option 1 or Option 2)
 - Copy of deed (OBR only)
 - Copy of electric and gas bills (OBR only)
 - ACH Authorization Form (Unsecured only)
- Submit project to CSG upon receipt of initial loan pre-approval

Changes to AHP

SECTION E - INCOME DOCUMENTATION

Complete the following table listing the names of all household members over age 18 and indicate whether each member filed a Federal Income Tax Return.

Last Name	First Name	Age	REQUIRED TO FILE A FEDERAL INCOME TAX RETURN? (Check one)	
			Yes	No
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>

The applicant will be required to provide documentation of income to meet eligibility requirements for the Assisted Subsidy. There are two ways the applicant can meet documentation requirements. **Please select one of the following options:**

- Option 1.** For households where all household members listed above filed a Federal Income Tax Return, or are claimed as a dependent on the tax return of another listed household member. Attach a copy or transcript of the most recent Federal Income Tax Return (Form 1040/1040-A/1040-EZ) for each household member who files a return. This option is not available if no household members filed a return.

You do not need to provide the Schedules or Forms filed with the return. Social Security Numbers, routing and account numbers, and any PINs may be blackened-out of these documents. If you do not have a copy of your return, you may request a transcript of your return to be mailed to you free of charge by completing IRS Form 4506-T or by going to IRS.gov and clicking on "Order a Transcript" or by calling 1-800-908-9946.

- Option 2.** If no household members filed a Federal Income Tax Return, or if your current annual income is less than your prior year tax return and this reduced income qualifies you for the Assisted Subsidy, you may complete the table below.

Please list **all income received** during the last twelve months for each household member age 18 or older, who is not a full-time student, including income from wages, self-employment, rent, Social Security, pensions, IRAs, 401(k)s, disability, unemployment compensation, alimony, etc. Income received by student heads of household must be listed. If any household member did not earn income, list none. Please use additional pages, if needed. Provide a copy of the most recently filed Federal Income Tax Return, along with all W-2 and 1099 statements for each household member listed. If you do not have a copy of your return, you may request a transcript of your return to be mailed to you free of charge by completing IRS Form 4506-T or going to IRS.gov and clicking on "Order a Transcript" or by calling 1-800-908-9946.

Name of Adult Household Member	Sources of Income	Date Received	Annual Amount
Total Income Received During The Past 12 Months:			

The following is documentation you will need to submit with the application for common sources of income listed above. (Contact EFS for required documentation for other sources of income.)

Wage Income	Copy of two most recent pay stubs showing year-to-date gross earnings, or letter from employer stating gross year-to-date earnings
Self-Employment	Copy of most recent Federal Income Tax Return with Schedule C, E or F; or profit & loss statement for past 12 months prepared by independent accountant
Pension/Social Security	Copy of award letter for current year or copy of bank statement showing deposit sources and amounts
401(k)/IRA/Interest Earnings	Copy of brokerage/account statements showing year-to-date of distributions
Rental	Record of year-to-date deductible expenses AND copy of current lease, or copies of 6 consecutive rent checks
Alimony	Copy of divorce decree or court order that established the support

Streamlined statement and documentation of income

Changes to AHP

Two Options for Documenting Income

The applicant will be required to provide documentation of income to meet eligibility requirements for the Assisted Subsidy. There are two ways the applicant can meet documentation requirements. **Please select one of the following options:**

- Option 1.** For households where all household members listed above filed a Federal Income Tax Return, or are claimed as a dependent on the tax return of another listed household member. Attach a copy or transcript of the most recent Federal Income Tax Return (Form 1040/1040-A/1040-EZ) for each household member who files a return. This option is not available if no household members filed a return.

You do not need to provide the Schedules or Forms filed with the return. Social Security Numbers, routing and account numbers, and any PINs may be blackened-out of these documents. If you do not have a copy of your return, you may request a transcript of your return to be mailed to you free of charge by completing IRS Form 4506-T or by going to IRS.gov and clicking on "Order a Transcript" or by calling 1-800-908-9946.

Option 1 – Approval based solely on tax return

- Income eligibility is based on total income (line 22 of form 1040) + income that is reported on the 1040, but not included on line 22
- Need returns for all adult household members
- All household members must be listed on a return

Changes to AHP

- Option 2.** If no household members filed a Federal Income Tax Return, or if your current annual income is less than your prior year tax return and this reduced income qualifies you for the Assisted Subsidy, you may complete the table below.

Please list **all income received** during the last twelve months for each household member age 18 or older, who is not a full-time student, including income from wages, self-employment, rent, Social Security, pensions, IRAs, 401(k)s, disability, unemployment compensation, alimony, etc. Income received by student heads of household must be listed. If any household member did not earn income, list none. Please use additional pages, if needed. Provide a copy of the most recently filed Federal Income Tax Return, along with all W-2 and 1099 statements for each household member listed. If you do not have a copy of your return, you may request a transcript of your return to be mailed to you free of charge by completing IRS Form 4506-T or going to IRS.gov and clicking on "Order a Transcript" or by calling 1-800-908-9946.

Name of Adult Household Member	Sources of Income	Date Received	Annual Amount
Total Income Received During The Past 12 Months:			

Option 2 – Approval based on income received during past 12 months

- Continuation of current review process
- Requires tax return (if filed), W-2s, 1099s, and documentation of current year income
- Best suited for applicants who have had a decrease in income or who did not file a tax return

Changes to AHP

Best Practices – Promoting the ‘Fast Lane’

- Encourage customers to submit complete application packages
 - All fields completed on the application
 - Copy of Federal Tax return
 - Additional Income Documentation (only for Option 2)
 - Copy of electric and gas bills
- Advise customers regarding Option 1 vs. Option 2

Streamlining Financing

Reminders:

- EFS' Online Credit Application will be out of service during the upgrade
- Remind customers to complete ALL fields on the loan and subsidy application
- Recycle your old copies of the credit and subsidy applications. Starting 8/1, the 'old' versions of the loan and subsidy applications will no longer be accepted.

Specifying CFLs In HPwES

- It is critical that Home Performance with ENERGY STAR customers realize predicted energy savings.
- Program contractors commonly use best industry practices when specifying lighting replacements for program projects.

Specifying CFLs In HPwES

- Number of CFLs modeled must accurately represent actual socket load of the home
- CFL installation should be limited to high use areas only
- Burn times should represent actual hours of operation

Specifying CFLs In HPwES

- CFLs must be installed by the contractor not simply provided to the customer for installation by the customer at a later date
- Unique circumstances should be documented
- A guidelines document will be provided shortly

Updates to Financing Cost Effectiveness Requirements

- Consumers using natural gas heat may elect to proceed with projects with 0.8 SIR for Unsecured Loans
 - This is disclosed to the customer on the Residential Financing Product Information sheet
- SIR for AHP/Loan projects will remain at 1.0
- Fuel cost escalation to be factored into cost effectiveness calculation at a rate of 0.8% per year

Updates to Cost Effectiveness Requirements

- Interest costs will be removed from payback calculation for Unsecured Loans
- Cost of health & safety measures can be netted out of Unsecured Loan amount up to 15% of the total project cost with a cap of \$2,000
- 0.8% annual energy cost escalator will be included for both Unsecured and OBR Loans