

Changes to Residential Loan Program

To streamline the loan application process for customers, facilitate a faster loan review, and enhance consumer protection of confidential information, NYSERDA will be implementing the changes below to the Residential Financing Program. These changes will become effective **January 1, 2019** for all new applications submitted on or after that date. All new applications submitted on or after that date will require use of the 2019 ProForma Version 1.0 available on the Green Jobs – Green New York (GJGNY) Financing website or respective Program websites.

1. Underwriting and Income Documentation for Applicants **not** seeking a reduced interest rate or NYSERDA program incentives based on income eligibility

- **Eliminate Debt-to Income (DTI) ratio limit for applicants with credit scores of 780 and above.**
- **Eliminate income documentation for applicants with credit scores of 780 and above.** These applicants will state their income on the application but will no longer be required to provide proof of income unless, the applicant is seeking a reduced interest rate or incentive based on income eligibility. If the applicant is seeking a reduced interest rate or incentive then the applicant must provide proof of all stated household income, regardless of credit score or DTI ratio.
- **Loan applicants who are also qualified for the Assisted Home Performance with ENERGY STAR® (AHPwES) Program** and whose DTI ratio is 80% to 100% will be contacted by Energy Finance Solutions (EFS) and required to provide a signed affirmation from the applicant(s) that acknowledges that proposed savings are estimates, and if savings are not achieved or are less than what was estimated, the applicant’s debt may exceed their income and they will still be obligated to pay the loan payments.
- **Eliminate higher credit score requirement for self-employed applicants.** Credit score requirements will be aligned for all borrowers, regardless of income source.

Updated Underwriting Criteria:

Credit Score	540-599	600-679	680-779	780+
Debt-to-Income (DTI)*	Up to 70%**	Up to 75%**	Up to 80%**	No limit
Documentation Required	DTI calculated on stated income; proof of all applicant/co-applicant income required.			DTI calculated on stated income only for program analysis purposes; no proof of income required unless seeking reduced interest rate or incentive***

*Debt-to-income (DTI) ratio is a measure of your existing debt payment obligations (mortgage, auto loan, student loan, credit card payments, etc.) to your income.

**DTI ratio is up to 100% for applicants who qualify for the Assisted Home Performance with ENERGY STAR 50% discount and up to 80% for applicants who qualify for Affordable Solar Incentives or LMI Pellet Stove Incentives.

***Any applicant seeking reduced interest rate or incentive based on income eligibility must provide proof of all stated household income, regardless of credit score or DTI ratio.

2. Fuel Price Updates

NYSERDA now requires the use of 3-year average fuel rates for calculation of loan cost effectiveness. Only the 2019 Pro-Forma Version 1.0 will be accepted after January 1, 2019, as this version has incorporated the revised 3-year average fuel rates. The new ProFormas can be downloaded from the GJGNY Financing website or the respective Program websites.

3. Data Security Changes Reminder

EFS will no longer accept loan or incentive-only applications or any income documentation submitted via email per the NYSERDA [Data Classification and Security Controls](#) policy. The policy states that information such as social security numbers and bank account numbers must be encrypted when stored or transmitted in an electronic format, and maintained in a locked repository when in paper form. Customers are strongly encouraged to use EFS' on-line application at <http://www.energyfinancesolutions.com/forhomeowners-apply-now>, which provides instant pre-approval to qualified customers, and provides a secure platform for transmitting sensitive financial and personal information. Once the customer's account is established at EFS, the customer or associated Community Energy Advisor ("CEA") or contractor can upload all required documents through the on-line application system to the customer's account. Customers will also be able to e-sign loan documents (except for the On-Bill Recovery declaration, which will still need to be notarized).

Applications received via email will be rejected and must be resubmitted either through the on-line application system, via U.S. Mail or secured fax transmittal.

Further streamlining and enhancements to the on-line application system are expected to be launched by the end of the first quarter in 2019.

4. Webinar

EFS will be holding a webinar on the on-line application system and e-signature on December 11, 2019 at 2:00 pm. Please see below:

NYSERDA Webinar

Tue, Dec 11, 2018 2:00 PM - 3:00 PM EST

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