

Residential Loan Fund
Existing 1- to 4- Family Homes Application

Effective November 10, 2009 to June 30, 2011

Application Kit

ATTACHMENT E

The following forms are included within this Application Kit:

1. Application Instructions
2. Residential Loan Fund Application for Existing 1- to 4- Family Homes
3. Terms and Conditions
4. Eligible Measures List for Home Performance with ENERGY STAR®
5. Residential Loan Fund Policy and Procedures Manual

New York State Energy Research and Development Authority
17 Columbia Circle - Albany, NY 12203-6399
(518) 862-1090 / 1-866-NYSERDA
Fax: (518) 862-1091

Residential Loan Fund

Existing 1- to 4- Family Homes Application

Effective November 10, 2009 to June 30, 2011

Application Instructions

The Residential Loan Fund provides Eligible Borrowers with an Interest Rate Reduction up to 4.0% or 400 basis points less than a Participating Lender's normal market interest rate on Loans up to \$20,000, except up to \$30,000 for customers in the Consolidated Edison service territory, for a term up to ten (10) years. Eligible Borrowers must use funds for the installation of qualified energy efficiency improvements to Existing 1- to 4- Family Homes that are assessed the System Benefits Charge (SBC) by one of the following investor-owned gas or electric utilities: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., National Grid, New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., or Rochester Gas and Electric Corporation. Any loan amounts in excess of the maximum limit are not eligible for an Interest Rate Reduction. To find a Participating Lender servicing your county, please visit www.nyserda.org/resloanfund.asp.

Access to the Loan Fund is contingent upon prior approval the the Home Performance with ENERGY STAR® Program. Eligible Borrowers must contract the work to be completed by a Participating Home Performance with ENERGY STAR Contractor, and financing must be provided by a Participating Residential Loan Fund Lender. Loans may be obtained on a secured or unsecured basis, at the option of the Participating Lender and the Borrower. Measures to be financed through the Residential Loan Fund must be included on the Eligible Measures List contained in this document. For additional program information, and to obtain a listing of Participating Home Performance Contractors servicing your county, please visit www.GetEnergySmart.org or call 1-877-NY-SMART.

Please remember to sign all documents prior to submitting this Application to NYSERDA

The following steps will guide you through the process of applying to the Residential Loan Fund:

1. Obtain a Comprehensive Home Assessment (CHA) from a Participating Home Performance with ENERGY STAR Contractor to determine the scope of work.
2. Apply for financing through a Participating Residential Loan Fund Lender.
3. The Lender and Borrower each complete their respective sections of the Residential Loan Fund Application and the Lender submits to NYSERDA for review via mail, e-mail or fax. NYSERDA notifies the Lender if additional information will be required to process an application, or upon Loan Fund Approval.
4. Upon Loan Fund Approval, the Lender schedules a Loan closing with the Eligible Borrower and then submits a copy of the executed closing documents, and Rider document if necessary, to NYSERDA. Upon receipt of the executed closing documents, NYSERDA issues the Lump Sum Interest Rate Reduction Payment to the Lender on behalf of the Eligible Borrower with thirty (30) days.
5. The Eligible Borrower's Participating Home Performance with ENERGY STAR Contractor must submit the Certificate of Completion, certifying to NYSERDA that the Approved scope of work was installed as set forth in the Application, within ninety (90) days following the Proposed Completion Date (as identified in the Application).

If you have any questions regarding the Residential Loan Fund:

Please visit our web site at www.nyserda.org/resloanfund.asp

Contact us by phone 1-866-NYSERDA

or

e-mail us at resloanfund@nyserda.org

Residential Loan Fund

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PART 1: Lender Section - Lender Must Complete All Fields

Section 1: Participating Lender	Lender					
	Address					
	City		State		ZIP Code	
	Contact			Title		
	Phone		Fax		E-mail	

Section 2: Loan Information	Borrower Name				
	Loan Amount Approved by Lender		Amount Eligible for Interest Rate Reduction		
	Loan Terms (months)		Base Interest Rate		Program Interest Rate

Section 3: Lender's Certification:	<p>The undersigned certifies that:</p> <ol style="list-style-type: none"> 1. The undersigned is authorized by the Lender to execute this document on its behalf. 2. The Lender is in full compliance with the Residential Loan Fund Lender Participation Agreement. 3. The Application complies with the Terms and Conditions of this Application and the Residential Loan Fund Policy and Procedures Manual, including all additions and revisions as of the date of this Application, for which the Lender is responsible. 				
	Authorized Signature: _____			Date: _____	

Submit Application via mail, e-mail or fax to:
NYS Energy Research and Development Authority
Attn: Residential Loan Fund Manager
17 Columbia Circle
Albany, NY 12203

e-mail: resloanfund@nyserda.org

fax: 518-862-1091

NYSERDA USE ONLY:

NYSERDA Approval: The subject Loan is approved and ready to be executed. All terms of the Loan will be verified when NYSERDA processes the Lump Sum Interest Rate Reduction Payment.

Loan Number		Account Code		Department Code	
Fund Code		Project Code		Activity Code	

Initial Loan Fund Project Approval:	Loan Fund Approval at Loan Closing:
Loan Amount Approved:	
Initial Lump Sum Approval:	
Project Manager Approval:	
Project Manager Approval at Loan Closing:	

Residential Loan Fund

Existing 1- to 4- Family Homes Application

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PART 2: Borrower Section - Borrower Must Complete All Fields

Section 4: Borrower Information	Name <input style="width: 70%; height: 20px;" type="text"/> Project Address <input style="width: 95%; height: 20px;" type="text"/> City <input style="width: 25%; height: 20px;" type="text"/> State <input style="width: 10%; height: 20px;" type="text"/> ZIP Code <input style="width: 20%; height: 20px;" type="text"/> Phone <input style="width: 15%; height: 20px;" type="text"/> Fax <input style="width: 15%; height: 20px;" type="text"/> E-mail <input style="width: 30%; height: 20px;" type="text"/> Number of Units <input style="width: 10%; height: 20px;" type="text"/> Approximate Size (sq ft) <input style="width: 20%; height: 20px;" type="text"/>											
Section 5: Utility Information	<p>Electric Utility Provider: You must pay into the System Benefits Charge to be eligible for incentives through this Program.</p> <input type="checkbox"/> Central Hudson Gas & Electric Corporation <input type="checkbox"/> New York State Electric & Gas Corporation (NYSEG) <input type="checkbox"/> Consolidated Edison Company of New York, Inc. <input type="checkbox"/> Orange & Rockland Utilities, Inc. <input type="checkbox"/> National Grid <input type="checkbox"/> Rochester Gas & Electric Corporation											
Section 6: Contractor Information	<p style="text-align: center;">Provide the contact information below for any contractor(s) who will install energy efficiency improvements</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">Company <input style="width: 95%; height: 20px;" type="text"/></td> <td style="width: 50%; border: none;">Company <input style="width: 95%; height: 20px;" type="text"/></td> </tr> <tr> <td style="border: none;">Contact <input style="width: 95%; height: 20px;" type="text"/></td> <td style="border: none;">Contact <input style="width: 95%; height: 20px;" type="text"/></td> </tr> <tr> <td style="border: none;">Address <input style="width: 95%; height: 20px;" type="text"/></td> <td style="border: none;">Address <input style="width: 95%; height: 20px;" type="text"/></td> </tr> <tr> <td style="border: none;">e-mail <input style="width: 95%; height: 20px;" type="text"/></td> <td style="border: none;">e-mail <input style="width: 95%; height: 20px;" type="text"/></td> </tr> <tr> <td style="border: none;">Phone <input style="width: 15%; height: 20px;" type="text"/> Fax <input style="width: 15%; height: 20px;" type="text"/></td> <td style="border: none;">Phone <input style="width: 15%; height: 20px;" type="text"/> Fax <input style="width: 15%; height: 20px;" type="text"/></td> </tr> </table>		Company <input style="width: 95%; height: 20px;" type="text"/>	Company <input style="width: 95%; height: 20px;" type="text"/>	Contact <input style="width: 95%; height: 20px;" type="text"/>	Contact <input style="width: 95%; height: 20px;" type="text"/>	Address <input style="width: 95%; height: 20px;" type="text"/>	Address <input style="width: 95%; height: 20px;" type="text"/>	e-mail <input style="width: 95%; height: 20px;" type="text"/>	e-mail <input style="width: 95%; height: 20px;" type="text"/>	Phone <input style="width: 15%; height: 20px;" type="text"/> Fax <input style="width: 15%; height: 20px;" type="text"/>	Phone <input style="width: 15%; height: 20px;" type="text"/> Fax <input style="width: 15%; height: 20px;" type="text"/>
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Section 7: Cost of Improvements	a) Total Cost of Qualified Energy Efficiency Measures <input style="width: 150px; height: 20px;" type="text"/> b) Assisted Home Performance Subsidy (if applicable) <input style="width: 150px; height: 20px;" type="text"/> c) Balance (a-b) <input style="width: 150px; height: 20px;" type="text"/>	Section 8: Proposed Completion Date <p style="text-align: center;">Please state the proposed date by which the energy efficiency improvements will be installed:</p> <input style="width: 100%; height: 40px;" type="text"/>										
Section 9: Borrower's Certification	<p>The undersigned certifies that I am the Eligible Borrower, as defined in the Application Instructions, and that:</p> <ol style="list-style-type: none"> 1) All information on this Application, including all Worksheets and attached documentation, is true and complete to the best of my knowledge and belief. 2) The improvements will be installed in an Existing 1- to 4- Family Home that is assessed the System Benefits Charge (SBC) by one of the investor-owned utility providers identified in Section 5 above. 3) I understand that obtaining an Interest Rate Reduction on a Loan requires that the improvements be purchased and installed as set forth in this Application, including all Worksheets and documentation. 4) I understand and agree to the Terms and Conditions set forth in this Residential Loan Fund Application. <p>Borrower Signature: _____ Date: _____</p> <p>Co-Borrower Signature: _____ Date: _____</p>											

Residential Loan Fund

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Terms and Conditions

1. Interest Rate Reduction

Subject to these Terms and Conditions and approval by the New York State Energy Research and Development Authority (NYSERDA), NYSEDA will provide an Interest Rate Reduction through a Participating Residential Loan Fund Lender to Eligible Borrowers. Submission of a Residential Loan Fund Application does not entitle the Borrower to gain approval through the Residential Loan Fund. The Approved Loan Amount must be used to purchase and install Eligible Measures and Accessories in an Existing 1- to 4- Family Home as set forth in this Application, including all Worksheets and documentation.

2. Eligibility

NYSERDA reserves complete discretion to approve or deny any Application. Interest Rate Reductions are available to Borrowers whose Existing 1- to 4- Family Homes are assessed the System Benefits Charge (SBC) by one of the following investor-owned gas or electric utilities: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., National Grid, New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., or Rochester Gas & Electric Corporation. Eligible improvements for Existing 1- to 4- Family Homes are Measures as set forth in this Application only.

3. Pre-Application Purchases and Comprehensive Home Assessments

An Interest Rate Reduction is not available for any purchases made prior to the Date of Application, except for the purchase of a furnace or boiler needed for emergency space heating and/or domestic hot water, and installed by a Participating Home Performance with ENERGY STAR Contractor fourteen (14) days or less prior to the Date of Application. NYSEDA will permit inclusion in the Loan for the cost of a Comprehensive Home Assessment completed by a Participating Home Performance with ENERGY STAR Contractor conducted not earlier than six (6) months prior to the Date of Application.

4. Follow-up Visits

NYSERDA reserves the right to make a reasonable number of post-installation follow-up visits to the project during the twenty-four (24) months following project completion. Such visit(s) will be at a time convenient to the Borrower and will be made with at least one week's advance notice to the Borrower. The purpose of the follow-up visit(s) is to provide NYSEDA with an opportunity to ensure the Eligible Measures are installed consistent with the Application, Loan Fund eligibility requirements, and Home Performance with ENERGY STAR standards.

5. Limited Scope of Review

The scope of review by NYSEDA of the Eligible Measures and Accessories is limited solely to determining whether criteria set forth in the Application have been met and it does not include any kind of safety or other review.

6. Changes to and Termination of the Residential Loan Fund

The Residential Loan Fund and these Terms and Conditions may be changed by NYSEDA at any time without notice. However, Applications will be approved under the Terms and Conditions in effect as of the Date of Application. NYSEDA will accept Applications on a first-come, first-served basis. If there are insufficient funds available in the Residential Loan Fund to process additional Applications, NYSEDA will notify the Participating Lenders that new Applications will be placed on a waiting list until more funds become available, or that the Residential Loan Fund has ended and no further Applications should be submitted.

7. Indemnification

The Borrower shall protect, indemnify, and hold harmless NYSEDA and the State of New York from and against all liabilities, losses, claims, damages, judgments, penalties, causes of action, costs, and expenses (including, without limitation, attorney's fees and expenses) imposed upon or incurred by or asserted against NYSEDA, its agents, or the State of New York resulting from, arising out of or relating to the performance of this Agreement. The obligations of the Borrower under this section shall survive any expiration or termination of this Agreement.

8. No Warranties

NYSERDA does not endorse, guarantee, or warrant any particular manufacturer or product, and NYSEDA provides no warranties, expressed or implied, for any product or services. The Borrower's reliance on warranties is limited to any warranties that may arise from, or be provided by, contractors, vendors, manufacturers, etc. The Borrower acknowledges that neither NYSEDA nor any of its agents are responsible for ensuring that the design, engineering, construction, or installation of the Eligible Measures and Accessories is proper or complies with any particular laws (including patent laws), codes, or industry standards. NYSEDA does not make any representations of any kind regarding the results to be achieved by the Eligible Measures and Accessories or the adequacy or safety of such measures.

9. Title to Equipment

Title to equipment purchased under this Application shall not vest with NYSEDA.

10. Vendor Selection

To qualify for financing through the Residential Loan Fund, the Eligible Borrower must contract the installation of Eligible Measures and Accessories to be completed by a Participating Home Performance with ENERGY STAR Contractor. NYSEDA expects the Borrower to competitively procure products and services related to this Application. Notwithstanding the foregoing, the Borrower acknowledges that NYSEDA has the right to exclude a vendor or contractor from participation in the Residential Loan Fund.

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Terms and Conditions

11. Removal of Equipment

The Borrower agrees, as a condition of participation in the Residential Loan Fund, to remove and recycle or dispose of the equipment being replaced by the Eligible Measures and Accessories in accordance with all laws, rules, and regulations.

12. Entire Agreement

This Application and these Terms and Conditions are the entire agreement between the Borrower and NYSERDA and supersedes all other communications and representations.

13. Events of Default by the Eligible Borrower and Remedy

An Event of Default shall be deemed to exist if any one or more of the following events occurs:

- a) Failure to comply with the approved Residential Loan Fund Application, including the Terms and Conditions;
- b) Omission or misrepresentation of material facts attested to in the Application regarding the eligibility of the facility, the Borrower, or the improvements;
- c) Failure of the Borrower to install the Eligible Measures and Accessories as set forth in the Application or in a manner consistent with the purpose of achieving energy savings, and Home Performance with ENERGY STAR standards;
- d) Failure of the Borrower to provide NYSERDA or its agents reasonable access to the Eligible Facility for the purpose of monitoring, inspecting, or otherwise investigating the installation of the Eligible Measures and Accessories; or
- e) Failure of the Borrower to submit, if required, the Certificate of Project Completion within ninety (90) days following the Proposed Completion Date (As identified on the Application).

In the Event of Default, NYSERDA reserves the right to require additional work by the Borrower to achieve compliance with the Application or to reduce the Approved Loan Amount eligible for an Interest Rate Reduction.

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Home Performance with ENERGY STAR® Eligible Measures and Accessories

The Home Performance with ENERGY STAR® (HPwES) Program is designed to transform the delivery of energy efficiency services to Existing 1- to 4- Family Homes. To qualify for low interest financing options offered through the Program, the energy efficiency improvements must be installed by a Participating HPwES Contractor, must meet the minimum energy efficiency requirements listed below, and one measure must be a major ENERGY STAR Qualified measure (boiler, furnace, etc.).

		Minimum Efficiency Requirements
Primary Heating System ^{1,2}	Furnace – Natural Gas or LP ³	AFUE 90% (as long as not prohibited by local codes)
	Furnace – Fuel Oil ³	AFUE 84% (below 85% AFUE, and not ENERGY STAR Qualified, requires that another major measure have the ENERGY STAR label)
	Boiler – Hot Water	AFUE 85%
	Boiler – Steam	AFUE 81% (size must be matched to cumulative capacity of connected radiators, per Institute of Boilers & Radiator Mfrs (IBR) standards)
	Air Source Heat Pump (electric split systems) ³	14 SEER / 11.5 EER / 8.5 HSPF
	Air Source Heat Pump (gas-fired) ³	1.2 COP (h) / 1.25 COP (c)
	Ground Source Heat Pump ³	ENERGY STAR Qualified (closed-loop, open-loop, or direct expansion)
	Wood or Solid Fuel Pellet Stove	EPA Phase 2 (Solid fuel pellet stoves are exempt from EPA Phase 2)
	Distribution Replacement or Improvements	Installed in accordance with all applicable state and local codes
	Duct Sealing	UL 181B Mastic or other permanent sealant; use of duct tape is disallowed
Cooling Equipment	Central Air Conditioner (split system) ⁴	14.5 SEER // 12 EER
	Room Air Conditioner	ENERGY STAR Qualified
Water Heater	Natural Gas, Propane or Oil	<51 gallon EF .63 / >51 gallon EF .53 Instantaneous: EF .82 Instantaneous: EF .78
	Electric	EF .93
	Indirect-Fired Tank	UL Approved
	Solar	OG-300 certification from SRCC. SF 0.5. Warranty: 10 years- collector, 6 years- storage tank, 2 years- controls, 1 year- piping and parts
	Wood Pre-Heat	Installed to National Plumbing Code
Building Shell	Insulation (attic, wall, floor, band joist, basement, crawl space)	NYS Energy Conservation Code compliant, or to the Program Technical Specifications, or limits of construction
	Air Sealing	Conducted by professional; blower door guided strongly recommended
	Replacement Windows or Glazing	ENERGY STAR (NFRC rated U-value of .35 or less) for climate/region
	Replacement Skylights	ENERGY STAR (NFRC rated U-value of .60 or less) for climate/region
	Storm Windows and Storm Doors	No minimum efficiency requirement
	Movable Window Insulation	R-3
	Exterior Doors	R-4.4
Renewable Electricity Producing Systems	Photovoltaic Solar Electric Systems ⁴	Refer to www.powernaturally.org/programs/solar/installerpv_all.asp for eligible PV installers
	Wind Turbines	Refer to www.powernaturally.org/programs/solar/installerpv_all.asp for eligible PV installers

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		Minimum Efficiency Requirements
Appliances and Lighting	Refrigerator, Freezer, Dishwasher, Clothes Washer, Dehumidifier (must be combined with at least 1 major measure installed by the contractor, such as air sealing, insulation, a heating system, or water heater). ^{5,6}	ENERGY STAR Qualified
	Heat/Energy Recovery Ventilator	No minimum efficiency requirement
	Light Fixtures	ENERGY STAR Qualified for compact fluorescent, or electronic ballast for fluorescent tubes
	Thermostats	ENERGY STAR Qualified
Health and Safety Measures	Smoke Detectors, Radon Detectors, and Carbon Monoxide Detectors	These measures can be either hard wired or battery operated
	Ventilation Fans (Whole house fans or similar attic exhaust fans are not eligible)	ENERGY STAR Qualified (must vent to exterior of building shell)
	Repairs/upgrades to venting systems and power venting kits	Per code and/or manufacturer specifications, as appropriate
	Measures to provide sufficient combustion air and prevent Combustion Appliance Zone (CAZ) depressurization, spillage or inadequate draft	Allowed when BPI-required combustion safety tests indicate problem(s) with CAZ depressurization, draft or spillage, per BPI standards
	Gas Oven Replacements ⁷	UL Listed Gas Ovens

¹ Defined as the “primary heating system for the space being conditioned”.

² Addition/replacement of secondary heating systems are not eligible for Assisted Home Performance.

³ Duct systems for warm air furnaces, heat pumps and central air conditioners should be tested and sealed to reduce leakage. This will help ensure that the total system will operate efficiently.

⁴ Non-eligible measure under Assisted Home Performance.

⁵ Maximum Assisted Subsidy for each appliance is: \$300 for refrigerators & freezers; \$200 for clothes washers; \$250 for dishwashers; and \$75 for dehumidifiers

⁶ Only the base price of the appliance plus applicable tax is eligible—delivery, set-up, warranties or appliance accessories, and any associated taxes on these items are not eligible for incentives.

⁷ Assisted incentive available: 50% of the cost.- maximum \$300 and only if replacement is required to meet BPI standards.

Note: NYSERDA reserves the right to modify the MER for any measure during the term of the Home Performance with ENERGY STAR Partnership Agreement.

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FINANCING OPTIONS

The Residential Loan Fund and Home Performance with ENERGY STAR Financing are each designed to support the Home Performance with ENERGY STAR Program. Both options offer low interest financing, but specific features and requirements vary. For more information, call 1-877-NY-SMART.

ADDITIONAL SUPPORT

Assisted Home Performance with ENERGY STAR offers a 50% work scope incentive of up to \$5,000 for a Single Family Home and up to \$10,000 for a 2- to 4- Family Home. The balance of the cost can be financed through either the Residential Loan Fund or ENERGY STAR Financing. Assisted Home Performance follows the same minimum efficiency requirements and measure eligibility except as noted in the list above. The Assisted Home Performance work scope must be cost-effective with a Savings to Investment Ratio (SIR) not less than 1.1 for the recommended package of improvements in the Comprehensive Home Assessment (CHA).

QUALIFIED ACCESSORIES

- The costs associated with the installation of qualified accessories for Eligible Measures are eligible for incorporation into a reduced interest rate loan offered through the Program. These costs can also be included in the portion of the work scope being subsidized through the Assisted Home Performance work scope subsidy. Qualified Eligible Measure accessories include: grills, diffusers, chimney liners, air cleaners, furnace humidifiers, thermostats, moisture barriers and attic venting. Service contracts and extended warranties are **not eligible for Assisted work scope subsidies**, but are eligible for incorporation into a reduced interest rate loan offered through the Program.
- Accessory items included in work scopes that involve fuel switching (for example, electric baseboard heating to natural gas furnace) are eligible for incorporation into a reduced interest rate loan offered through the Program, provided the new heating system is installed through the HPwES Program, is an Eligible Measure and, if installed under Assisted HPwES, meets the cost-effectiveness requirement. Examples of these fuel-switching accessories are: gas main extensions, new oil tanks, service laterals, and piping.
- Services associated with the eligible improvements (Home Energy Rating, blower door test, Comprehensive Home Assessment or construction management) are eligible for incorporation into a reduced interest rate loan offered through the Program and the Assisted work scope subsidy incentives. A Participating Home Performance with ENERGY STAR Contractor must perform these services.

The first \$2,000 of costs associated with any combination of the following measures is eligible for incorporation into a reduced interest rate loan offered through the Program. However, these measures are **not eligible for Assisted Home Performance work scope subsidies**:

- Asbestos abatement or electrical service upgrade necessary when installing a new heating /cooling unit.
- Upgrade of knob and tube wiring in order to install insulation.
- Radon and lead abatement work.
- The cost of removing an oil tank when done in connection with a heating system replacement.
- Repairs to the home due to water damage, molds and mildew, ice dams or other symptoms of poor building performance, as long as the cause(s) of building performance-related damage are addressed.
- Measures/Repairs that exceeding the \$2,000 cap, including cosmetic shingle and siding replacements, are eligible for non-subsidized financing through Fannie Mae, in accordance with the guidelines for Additional Measures, below.

ADDITIONAL MEASURES

The measures below are eligible for financing through Fannie Mae at their current interest rate and are not eligible for the Interest Rate Reduction or work scope incentive through NYSERDA. To qualify for the Loan, 50% of the total improvements to be financed must be qualified energy efficient measures. The remaining 50% of the improvements may not include energy consuming products or equipment, but may include the following:

- Sunrooms with a southern exposure
- Kitchen and bathroom remodeling
- Siding, roofing and other repairs not covered by a subsidy under **Qualified Accessories**, above.

For more information please contact:

Home Performance with ENERGY STAR®
c/o Conservation Services Group (CSG)
477 New Karner Road
Albany, New York 12205
Tel: 518-207-4500
Fax: 518-207-4550

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RESIDENTIAL LOAN FUND

POLICY AND PROCEDURES MANUAL

EFFECTIVE DATE: NOVEMBER 10, 2009

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1. PROGRAM OVERVIEW

The Residential Loan Fund Program is designed to promote energy efficiency by encouraging Eligible Borrowers, as defined herein and including Lessees¹, to take advantage of available products, technologies and other measures that reduce energy consumption in Existing 1- to 4- Family Homes. NYSEERDA will provide an Interest Rate Reduction for the Approved Loan Amount, as defined herein, to the extent that:

- The proposed improvements the Eligible Borrower intends to install are Eligible Measures and Accessories or Eligible Improvements;
- The facility which the Eligible Borrower wishes to improve is an Eligible Facility;
- The Lender is a Participating Residential Loan Fund Lender.

The terms and requirements for Existing 1- to 4- Family Homes are provided in later sections of this manual.

2. DEFINITIONS

1- to 4- Family Home

A building containing between one and four residential units.

Application

The Residential Loan Fund Application completed by the Eligible Borrower and Participating Lender and submitted by the Participating Lender to NYSEERDA that provides NYSEERDA with the information necessary to evaluate the eligibility of the facility, the Borrower and the proposed improvements under the Residential Loan Fund.

Approved Loan Amount

Approved Loan Amount is the eligible portion of a Loan that finances the installation of Eligible Measures and Accessories or Eligible Improvements.

Base Interest Rate

The Base Interest Rate is the Participating Lender's normal and customary interest rate for similar Loans in the absence of the Residential Loan Fund. The Base Interest Rate may be either fixed or variable, although the Lump Sum Interest Rate Reduction Payment will be calculated using the Base Interest Rate at Loan closing.

Borrower

An individual or business entity seeking an Interest Rate Reduction through the Residential Loan Fund. For the purpose of determining the aggregate limits of an Approved Loan Amount, the Borrower shall include all entities of which the Borrower has a 10% or more interest in ownership or control.

Certificate of Completion

Certification submitted by an Eligible Borrower to NYSEERDA and the Lender stating that the purchase and installation of the Eligible Improvements is complete. The Certificate of Completion includes evidence necessary to demonstrate completion of the Eligible Improvements in accordance with representations made in the Application.

¹ For purposes of the Residential Loan Fund, references to Loans shall include Leases.

Complete Application

The Application and all appropriate forms, worksheets, contractor proposals, technical cut sheets, and other documentation as required by NYSERDA.

Comprehensive Home Assessment (CHA)

The Comprehensive Home Assessment of an Existing 1- to 4- Family Home is generated from Program-Qualified software and includes a detailed work scope proposal that identifies measures and pricing for improving the energy efficiency, comfort and safety of a home, which is prepared by a Participating Home Performance with ENERGY STAR Contractor.

Date of Application

The date that the Residential Loan Fund Application is received by NYSERDA.

Early Retirement

Early Retirement is defined as: any prepayment of the outstanding principal of the Approved Loan Amount; an Event of Default, as defined further in Section 3.11, on the Approved Loan Amount; an early termination of the Loan; or a charge-off of the Approved Loan Amount.

Eligible Borrower

An owner, tenant or building operator legally authorized to make improvements to an Eligible Facility. Eligible Borrowers may be an individual, corporation, partnership, association, joint venture, or governmental agency.

Eligible Facility

An Eligible Facility is an Existing 1- to 4- Family Home that is assessed the System Benefits Charge (SBC) or Renewable Portfolio Standard (RPS) by one of the following investor-owned gas or electric utilities: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., National Grid, New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., or Rochester Gas and Electric Corporation.

Eligible Improvements

Eligible Improvements are Photovoltaic (PV) or Wind electric generation systems for Existing 1- to 4- Family Homes that have been previously approved by the PV or Wind Incentive Programs.

Eligible Measures and Accessories

Qualified energy efficiency measures and other equipment included on the Eligible Measures and Accessories List in the Existing 1-4 Family Home Application that have been determined by NYSERDA to meet the minimum criteria for the Home Performance with ENERGY STAR Program.

Eligible Residential Loan Fund Lender

An Eligible Residential Loan Fund Lender is either: (1) a credit union insured by the New York State Credit Union League, Inc., a Community Development Financial Institution, or any commercial bank, trust company, savings bank, savings and loan association, foreign bank credit union, or other financial institution authorized by Federal or State law to operate in New York State that completes the Lender Participation Agreement, attached herein, with NYSERDA; or (2) a leasing subsidiary of a bank holding company or a leasing company owned by a bank.

Approval of an Eligible Residential Loan Fund Lender shall be at the sole discretion of NYSERDA.

Events of Default

An Event of Default shall be deemed to exist if any one or more of the following events occurs:

- a) Failure to comply with the approved Residential Loan Fund Application, including the Terms and Conditions;
- b) Omission or misrepresentation of material facts attested to in the Application regarding the eligibility of the facility, the Borrower, or the improvements;
- c) Failure of the Borrower to install the Eligible Measures and Accessories or Eligible Improvements as set forth in the Application or in a manner consistent with the purpose of achieving energy savings, or consistent with generally accepted engineering practices;
- d) Failure of the Borrower to provide NYSERDA or its agents reasonable access to the Eligible Facility for the purpose of monitoring, inspecting, or otherwise investigating the installation of the Eligible Measures and Accessories or Eligible Improvements;
- e) Failure of the Borrower to submit, if required, the Certificate of Completion within ninety (90) days following the Proposed Completion Date (as identified in the Application).

In the Event of Default, NYSERDA reserves the right to require additional work by the Borrower to achieve compliance with the Application or to reduce the Approved Loan Amount eligible for an Interest Rate Reduction.

Interest Rate Reduction (IRR)

The Interest Rate Reduction for an Eligible Facility is up to 4.0% or 400 basis points less than a Participating Lender's normal market interest rate. The Interest Rate Reduction may be capped by NYSERDA so the interest rate charged to the Borrower is not lower than 3.0%.

Lease

A Lease is a capital lease that a Participating Lender enters into with an Eligible Borrower under which all or a portion of the proceeds will be used to finance Eligible Measures and Accessories or Eligible Improvements. For purposes of the Loan Fund, references to Loans shall include Leases. The Lease is classified as a capital lease provided that at least one of the following conditions is met [Financial Accounting Standards Board (FASB) Statement No. 13, Accounting for Leases]:

1. The Lease transfers ownership of the property to the Eligible Borrower by the end of the Lease term;
2. The Lease gives the Eligible Borrower the option to purchase the property at a price sufficiently below the expected fair value of the property such that the exercise of the option is highly probable;
3. The Lease term is equal to 75% or more of the estimated economic life of the property;
4. The present value of the minimum Lease payments exceeds 90% of the fair value of the property at the inception of the Lease. The discount factor to be used in calculating the present value is the implicit rate used by the Participating Lender or the Eligible Borrower's incremental borrowing rate, whichever is lower.

Lender Participation Agreement

The Residential Loan Fund Lender Participation Agreement is the appropriate agreement form executed by the Eligible Lender, as defined herein. The Lender Participation Agreement must be executed by the Eligible Residential Loan Fund Lender and NYSERDA prior to the submission of any Application under this Program.

Loan

A Loan that a Participating Lender makes to an Eligible Borrower under which all or a portion of the funds will be used to finance Eligible Measures and Accessories or Eligible Improvements. For purposes of the Residential Loan Fund, references to Loans shall include Leases.

Lump Sum Interest Rate Reduction Payment

The Lump Sum Interest Rate Reduction Payment is the payment made to the Participating Lender after receipt by NYSERDA of the executed closing documents reflecting that the Program Interest Rate was provided to the Eligible Borrower.

New Construction

New Construction projects are not eligible for participation in the Residential Loan Fund. For the purposes of this Program, New Construction is ground-up new construction whose original certificate of occupancy has been issued for less than thirty-one (31) calendar days. New Construction includes: (1) a new building or a new portion within an existing building; or (2) a substantial renovation in which there is: (a) a change of use and reconstruction of an existing building or space within; (b) construction work of a nature requiring a building or space within to be out of service for at least thirty (30) consecutive days; or (c) reconstruction of a vacant space within.

Participating Home Performance with ENERGY STAR Contractor

A home improvement contractor that has received a building shell and/or heating, ventilating and air conditioning accreditation from Building Performance Institute (BPI) and has been approved to participate in the Home Performance with ENERGY STAR Program.

Participating Residential Loan Fund Lender

A Participating Residential Loan Fund Lender is either: (1) a credit union insured by the New York State Credit Union League, Inc., a Community Development Financial Institution, or any commercial bank, trust company, savings bank, savings and loan association, foreign bank credit union, or other financial institution authorized by Federal or State law to operate in New York State that completes the Lender Participation Agreement, attached herein, with NYSERDA; or (2) a leasing subsidiary of a bank holding company or a leasing company owned by a bank that completes a Lender Participation Agreement, attached herein, with NYSERDA. **Approval of an Eligible Residential Loan Fund Lender shall be at the sole discretion of NYSERDA.**

Program Interest Rate

The Program Interest Rate is equal to the Base Interest Rate less the Interest Rate Reduction. The Interest Rate Reduction may be capped by NYSERDA so the interest rate charged to the Borrower is not lower than 3.0%.

Renewable Portfolio Standard (RPS)

The Renewable Portfolio Standard (RPS) is a policy that seeks to increase the proportion of renewable electricity used by retail customers. New York State's goal is to reach 25% by 2013. The RPS supports a

portfolio of renewable energy consumer benefit programs administered by NYSERDA. For more information about these programs, please visit NYSERDA's Web site at www.nyserda.org.

Return Payment

A remittance of a portion of the Lump Sum Interest Rate Reduction Payment paid by the Participating Lender to NYSERDA as a result of one or more Events of Default.

System Benefits Charge (SBC)

The System Benefits Charge was created by the Public Service Commission in 1998 and has been renewed twice. It is currently authorized through June 2011. The SBC is funded by a mandatory wire's charge on consumers of electricity sold in areas served by investor-owned gas or electric utilities within New York State. The SBC supports a portfolio of energy efficiency and renewable energy consumer benefit programs administered by NYSERDA. For more information about these programs, please visit NYSERDA's Web site at www.nyserda.org.

SBC and RPS-Participating Utilities

The investor-owned gas or electric utility companies in New York State that assess the System Benefits Charge (SBC) and Renewable Portfolio Standard (RPS) to their electric distribution customers, which include: Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., National Grid, New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation.

3. PROGRAM INFORMATION FOR LENDERS

The following information applies to all Loan Fund Applications for Existing 1- to 4- Family Homes.

The Residential Loan Fund is designed to give Participating Lenders maximum flexibility to make the types of Loans they believe are appropriate, given the nature of the project and the creditworthiness of the Eligible Borrower.

3.1 GENERAL INFORMATION FOR LENDERS

Origination Period. NYSERDA will accept Complete Applications to provide Interest Rate Reductions through the Residential Loan Fund from November 10, 2009 until June 30, 2011, or until such time the Residential Loan Fund is fully committed.

Allocation of Funds. NYSERDA will accept Complete Applications on a first-come, first-served basis. If there are insufficient NYSERDA funds available in the Residential Loan Fund to process additional Complete Applications, NYSERDA will notify Participating Lenders that new Applications will be placed on a waiting list until additional NYSERDA funds become available or that the Residential Loan Fund has ended and no further Applications should be submitted.

When NYSERDA notifies a Participating Lender that a Complete Application has been approved, funds will be allocated for the Lump Sum Interest Rate Reduction Payment. This allocation of funds will remain in place until the earlier of ninety (90) days or the closing of the Loan, unless an extended time period has been discussed with, and approved by, the NYSERDA Residential Loan Fund Project Manager.

Loan Underwriting. The Participating Lender conducts a credit analysis for the Loan in accordance with its normal standards and practices. Loans may be obtained on a secured or unsecured basis, at the option of the Lender and the Borrower. NYSERDA does not participate in any credit-making decision.

Approved Loan Amount. NYSERDA does not set minimum limits on the amounts of Loans, but the maximum amounts for which the Interest Rate Reduction will be applied are as stated in Section 4.2 (Loan Limits). Participating Lenders, at their discretion, may set minimum dollar amounts for Loans eligible to receive an Interest Rate Reduction.

Limits and Terms for Loans and Leases. NYSERDA will provide an Interest Rate Reduction on Approved Loan Amounts for the installation of qualified energy efficiency improvements and/or renewable technologies. Loans may fund both Eligible and non-Eligible Measures and Accessories or Improvements, however only the portion of the Loan, up to the Approved Loan Amount, as defined herein, is eligible for an Interest Rate Reduction. An Interest Rate Reduction up to 4.0% or 400 basis points is available for Eligible Facilities in the SBC- and RPS- Participating Utility territories. The Interest Rate Reduction may be capped by NYSERDA so the interest rate charged to the Borrower is not lower than 3.0%. NYSERDA will periodically review the lending environment and may adjust the amount by which the interest rates on new Loans are reduced.

Interest Rate Reductions are available for the lesser of ten (10) years or the term of the Loan. While the Participating Lender and Eligible Borrower will determine the provisions and term of the Loan as part of the Loan application process, the maximum period for which an Eligible Borrower will be eligible for an Interest Rate Reduction under the Loan Fund is ten (10) years.

The aggregate limits for Approved Loan Amounts differ depending upon the utility provider of the Eligible Facility and are listed in Section 4.2.

Amortization. For Loans that are amortized for ten (10) years or less, the Program Interest Rate will be in effect for the entire term of the Loan. If Loans are amortized for more than ten (10) years, the Lump Sum Interest Rate Reduction Payment will provide an Interest Rate Reduction for the first ten (10) years, after which the Loan will revert to the Lender's Base Interest Rate, or the Loan may reflect a blended interest rate for the full term.

Allowable Fees. NYSERDA will charge no fees to the Participating Lender or Eligible Borrower. The Participating Lender will charge no fees to NYSERDA. The Participating Lender may charge the Eligible Borrower only those fees and charges, e.g., origination fees, service charges, prepayment charges, and other charges on the Loan for which an Interest Rate Reduction is sought that would be normal and customary for a similar Loan in the absence of the Residential Loan Fund. The Participating Lender must certify on the Application that any fees or charges are not greater than those normal and customary for Loans of this type.

Limitations on Loans. Refinancing of existing Loans held by a Borrower is not eligible for participation in the Residential Loan Fund.

Transfer of Funds. Wire transfer or another mutually acceptable method shall be used for all transfers of funds between NYSERDA and the Participating Lender.

Assignments and Sales of Loans. While it is not necessary to obtain NYSERDA's approval prior to an assignment or sale, the following conditions must exist: 1) the terms of the original note cannot be changed; and 2) the Participating Lender remains responsible for any and all obligations under the Residential Loan Fund (e.g., reporting the Early Retirement of a Loan and remittance of any Return Payment).

3.2

PARTICIPATING RESIDENTIAL LOAN FUND LENDERS

A current list of Participating Residential Loan Fund Lenders can be found on NYSERDA's Web site at www.nyserda.org/resloanfund.asp.

To apply to become a Participating Residential Loan Fund Lender, an authorized representative of a financial institution must submit two (2) completed Residential Loan Fund Lender Participation Agreements (Attachment C), each with an original signature, a W-9 Form, the Proposal Checklist (Attachment A), and Disclosure of Prior Findings of Non-Responsibility Form (Attachment B) to NYSERDA. Community Development Financing Institutions must also provide current proof of their designation by the U.S. Department of the Treasury. Leasing companies must also submit a Corporate Certificate, or other such documentation, demonstrating that the leasing company is a subsidiary of a bank holding company, or is owned by a bank.

These Agreements can be downloaded from NYSERDA's Web site at www.nyserda.org/resloanfund.asp.

Residential Loan Fund Lender Participation Agreements executed prior to November 10, 2009 will not be honored under the terms herein. The completion of new Lender Participation Agreements is required under PON 1606.

3.3 PRE- AND POST-LOAN APPROVAL PROCEDURES

A Loan cannot be closed prior to NYSERDA's review and approval of the Complete Application.

It is the responsibility of the Eligible Borrower to obtain and submit information and supporting documentation that will establish the eligibility of the facility, the Borrower and the proposed improvements.

Upon completion of the Participating Lender's internal Loan underwriting procedures, and agreement by the Participating Lender to make the Loan subject to NYSERDA's approval of the proposed improvements, the Eligible Borrower and Participating Lender complete the Residential Loan Fund Application. Participating Lenders must inform Eligible Borrowers that the Interest Rate Reduction from NYSERDA will be forfeited if the Eligible Measures and Accessories or Eligible Improvements that are the basis of the Loan are not installed as set forth in the Application.

An Eligible Borrower and a Participating Lender complete and sign their respective sections of the Residential Loan Fund Application. The Participating Lender submits to NYSERDA by mail, e-mail or fax the Complete Application and a copy of the Commitment Letter from the Participating Lender to the Eligible Borrower. A commitment letter is not required unless it is the Participating Lender's normal practice to issue one.

Residential Loan Fund Applications must be sent by mail, e-mail or fax to:

<p>NYS Energy Research and Development Authority Attn: Residential Loan Fund Manager 17 Columbia Circle Albany, NY 12203</p>	<p>Fax: (518) 862-1091</p>
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resloanfund@nyserda.org

3.4 NYSERDA'S REVIEW OF THE APPLICATION

NYSERDA reviews the Application and supporting documentation to determine if the Participating Lender, the Borrower, the facility, the improvements, and the Loans' terms and conditions are eligible under the Residential Loan Fund Program guidelines. NYSERDA reserves complete discretion to approve or deny any Application.

3.5 NOTIFICATION OF THE PARTICIPATING LENDER

If a project is determined eligible to receive an Interest Rate Reduction through the Residential Loan Fund, NYSERDA will sign and return by fax or e-mail the first page of the Application to the Participating Lender. In exchange for the Lump Sum Interest Rate Reduction Payment from NYSERDA, the Participating Lender agrees to charge the Eligible Borrower the Program Interest Rate on the Approved Loan Amount.

If NYSERDA denies a project, the Participating Lender will be notified by fax or e-mail.

3.6 CALCULATION OF THE LUMP SUM INTEREST RATE REDUCTION PAYMENT

Lump Sum Interest Rate Reduction Payment. The Lump Sum Interest Rate Reduction Payment to the Participating Lender is determined by calculating the net present value, discounted at the Base Interest

Rate, of the difference between the monthly payment of the Approved Loan Amount at the Base Interest Rate and the monthly payment at the Program Interest Rate over the term of the Loan, not to exceed to exceed ten (10) years.

Example:	
Loan Amount:	\$20,000
Base Interest Rate:	7.5%
Program Interest Rate:	3.5%
Loan Term:	7 years or 84 months
Loan Type:	Normal Amortization
Compound period:	Simple Interest
Date Count:	Actual/360 Fixed
Calculation:	
Monthly Payment @ 7.5%:	\$307.81
Monthly Payment @ 3.5%:	\$269.25
Payment Difference:	\$38.56
<u>Lump Sum Payment</u> : Present Value of \$38.56 at 7.5% for 84 payments: <u>\$2,505.49</u>	

Lump Sum Interest Rate Reduction Payment for Terms Greater Than Ten (10) Years. The Lump Sum Interest Rate Reduction Payment for Loans whose terms are greater than ten (10) years will be calculated by taking the net present value, discounted at the Base Interest Rate, of the difference between the monthly payment at the Base Interest Rate and the monthly payment at the Program Interest Rate **for the first ten (10) years of the term of the Loan**. For such Loans, the Participating Lender either reduces the interest rate for the first ten (10) years and then re-amortizes the remaining principal balance at the Base Interest Rate, or calculates a blended interest rate for the full term.

3.7

LOAN CLOSING

Once the Participating Lender has been notified by NYSERDA of the Approved Loan Amount, the Participating Lender may close on the Loan. The Participating Lender **must** either 1) identify the Base Interest Rate and the Program Interest Rate within the body of the Loan Note, or 2) use the Rider document included in the Lender Kit [see the NYSERDA Web site (www.nyserda.org/resloanfund.asp)]. The Program Interest Rate will be in effect for the term of the Approved Loan or ten (10) years, whichever is less. Upon closing the Loan, the Participating Lender will transmit to NYSERDA by mail, e-mail, or fax a copy of the executed Loan Note or other applicable agreement, and the Rider document, if necessary.

3.8

REMITTANCE OF LUMP SUM INTEREST REDUCTION PAYMENT

Within thirty (30) days of receipt of all required forms properly executed including the Loan Note or other applicable agreements, NYSERDA will provide the Participating Lender with the Lump Sum Interest Rate Reduction Payment. All Loan terms will be verified when NYSERDA processes the Lump Sum Interest Rate Reduction Payment, based upon the terms identified in the executed closing documents. The Participating Lender is not allowed to pay the Lump Sum Interest Rate Reduction Payment directly to the Eligible Borrower.

3.9 CERTIFICATE OF COMPLETION

Upon completion of the project, the Eligible Borrower must certify to NYSERDA that the Eligible Improvements were installed as set forth in the Application

Failure of the Eligible Borrower to submit, if required, the Certificate of Completion within ninety (90) days following the Proposed Completion Date (as identified in the Application) will be considered an Eligible Borrower's Event of Default and the Interest Rate Reduction from NYSERDA will be forfeited.

3.10 SERVICING DUTIES

The Participating Lender shall be responsible for all Loan servicing duties in accordance with the Participating Lender's customers and practices.

3.11 EVENTS OF DEFAULT AND REMEDIES

Events of Default by Borrower. Events of Default by the Borrower are as stated in the Terms and Conditions of the Application and include failure to provide a Certificate of Completion, if required, within ninety (90) days following the Proposed Completion Date (as identified in the Application).

Events of Default by Participating Lender. Events of Default by Participating Lender shall mean non-compliance with any provision contained in the Residential Loan Fund Lender Participation Agreement.

Notice and Cure. In the case of any Event of Default by the Eligible Borrower or Participating Lender, NYSERDA will notify the Eligible Borrower or Participating Lender of such Event of Default in writing ("Default Notice"). The Eligible Borrower or Participating Lender must cure its default to the satisfaction of NYSERDA within thirty (30) days following issuance of the Default Notice.

Remedies. Remedies shall include remittance of the Return Payment or any other just and reasonable relief as determined by NYSERDA at its sole discretion.

3.12 AMENDMENTS

NYSERDA reserves the right to modify any or all of the Terms and Conditions or Policies and Procedures of the Residential Loan Fund Program at any time without prior notice. Approved Loans and Applications, however, will be processed through completion under the Terms and Conditions in effect as of the Date of Application.

4. PROGRAM INFORMATION FOR EXISTING 1-4 FAMILY HOMES

4.1 GENERAL INFORMATION

As the Residential Loan Fund relates to Existing 1- to 4- Family Homes, all improvements (excluding the installation of grid-connected Photovoltaic (PV) or Wind electric generation systems) must be installed by Participating Home Performance with ENERGY STAR Contractors.

It is the responsibility of the Eligible Borrower to obtain and submit information and supporting documentation that will establish the eligibility of the Borrower, the Existing 1- to 4- Family Home, and the proposed improvements.

Loans may be obtained on a secured or unsecured basis, at the option of the Participating Lender and the Borrower.

4.2 LOAN LIMITS

The aggregate limits for Approved Loan Amounts and Interest Rate Reductions for Existing 1- to 4- Family Homes are as follows:

- a) For a primary 1- to 4- Family Home, a maximum of \$20,000 per Eligible Borrower, except \$30,000 per Eligible Borrower in the Consolidated Edison service territory.
- b) The maximum loan amount for an owner of multiple buildings is up to \$100,000, capped at \$5,000 per unit after the initial \$20,000 or \$30,000 per building limit.
- c) Previous Borrowers may access the Residential Loan Fund for additional Eligible Measures and Accessories at the same property or another eligible 1- to 4- Family Home owned by the Borrower. The total outstanding Loan amount must not exceed \$20,000 per Eligible Borrower or \$30,000 per Eligible Borrower in the Consolidated Edison service territory, and up to \$100,000 for an owner of multiple buildings. The Borrower is responsible for proving the retirement of any previous Loan in part or in full.

4.3 ELIGIBLE IMPROVEMENTS

Eligible Improvements for Existing 1- to 4- Family Homes include the purchase and installation by a NYSERDA-eligible installer of grid-connected PV or Wind electric generation systems.

NYSERDA reserves complete discretion to approve or deny any Application.

4.4 ELIGIBLE MEASURES AND ACCESSORIES

Borrowers with an eligible Existing 1- to 4- Family Home may apply for incentives on measures included on the Eligible Measures and Accessories List for Home Performance with ENERGY STAR, which is attached to the Residential Loan Fund Application for Existing 1- to 4- Family Homes. At least one of the measures financed must be a major ENERGY STAR qualified measure described on the Eligible Measures and Accessories List.

An Interest Rate Reduction is not available for any purchases or installations made prior to the Date of Application, except for the purchase of a furnace or boiler needed for emergency space heating or domestic hot water, contingent upon installation by a Participating Home Performance with ENERGY STAR Contractor within fourteen (14) days or less prior to the Date of Application. NYSERDA will permit inclusion in the Loan for the cost of a Comprehensive Home Assessment (CHA) completed by a Participating Home Performance with ENERGY STAR Contractor conducted not earlier than six (6)

months prior to the Date of Application.

NYSERDA may modify the list of Eligible Measures and Accessories during the course of the Residential Loan Fund Program. An Interest Rate Reduction will not be provided for measures if the application is received subsequent to the date the measures were removed from the list. If changes are made to the list of Eligible Measures and Accessories, notification will be published on NYSERDA's Web site at www.nyserda.org/resloanfund.asp.

NOTE: The purchase of equipment prior to NYSERDA's approval of the Application shall be at the Eligible Borrower's risk and does not obligate NYSERDA to subsidize a loan. NYSERDA reserves complete discretion to approve or deny any Application.

4.5 CERTIFICATE OF COMPLETION

Upon completion of the project, Eligible Borrowers must certify to NYSERDA that the Eligible Improvements were installed as set forth in the Complete Application. Failure to submit the Certificate of Completion within ninety (90) days following the Proposed Completion Date (as identified in the Application) will be considered an Eligible Borrower's Event of Default and the Interest Rate Reduction from NYSERDA will be forfeited.

For Existing 1- to 4- Family Homes, the following requirements apply:

- a) Where Eligible Measures and Accessories were installed by a Participating Home Performance with ENERGY STAR Contractor, a Certificate of Completion provided by the Contractor and signed by both the Borrower and the Contractor must be provided to the implementation contractor according to the Home Performance with ENERGY STAR Program Guidelines.
- b) For the installation of PV and Wind systems, the Eligible Borrower must certify to NYSERDA that the Eligible Improvements were installed as set forth in the Application using the Certificate of Completion included with the Application.

4.6 EVENTS OF DEFAULT BY BORROWER

Events of Default by the Borrower are as stated in the Terms and Conditions of the Residential Loan Fund Application and include failure to provide a Certificate of Completion, if required, within ninety (90) days following the Proposed Completion Date as identified in the Application.