



## LENDER INFORMATION PACKET

Thank you for participating in the Mass Solar Loan Program. This information packet includes:

- Financing Program Agreement Cover Sheet
- Lender Quick Start Guide with step-by-step instructions for participating in the program
- Mass Solar Loan Online Portal Guide
- Mass Solar Loan Program Frequently Asked Questions
- Instructions for Submitting a W-9
- Steps for Interested Residents and Homeowners
- Program Loan Requirements Overview
- Marketing Collateral (attached)

# MASS Solar Loan

## FINANCING PROGRAM AGREEMENT COVER SHEET

Please fill out this form and return it with your signed Financing Program Agreement. Once this form is received, the Mass Solar Loan Team will provide you with a login and password for the Mass Solar Loan Web Portal.

Bank or Credit Union Name	
Bank or Credit Union Master Email	
Bank or Credit Union contact Phone Number	
Main Office Street Address	
Main Office City	
Main Office State	
Main Office ZIP Code	
Website Address	
Massachusetts Areas Served (Regions, Counties, Cities, Towns, etc.)	
Primary Contact Name	
Primary Contact Email	
Loan Type(s)	
Closing Costs	
Maximum Loan Amount	

# MASS Solar Loan

## LENDER QUICK START GUIDE

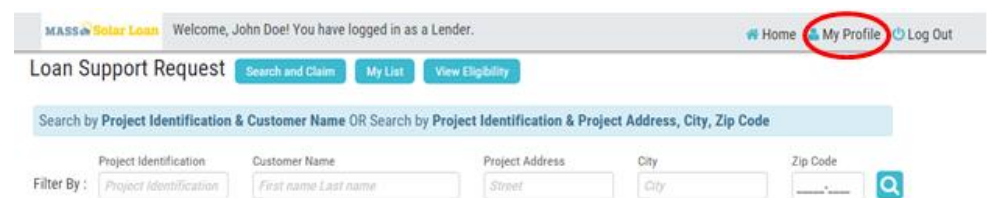
1. Review and sign the attached Financing Program Agreement and return it to [solarloan@masscec.com](mailto:solarloan@masscec.com) along with a complete Financing Program Agreement Cover Sheet.
2. MassCEC will provide you with a login and password for the Mass Solar Loan Portal. The Mass Solar Loan Portal will be the central location where lenders can reserve program loan support.
3. Prepare internal processes to receive loan applications. This can include:
  - Developing a dedicated webpage,
  - Creating customized marketing materials,
  - Providing internal staff trainings on the solar loan product, and;
  - Setting up systems to track and report on solar loans.
4. When you are prepared to start making loans, contact [solarloan@masscec.com](mailto:solarloan@masscec.com) and we will add you to the list of qualified lenders.
5. Residents and installers will sign turnkey solar installation contracts. Once proposed solar system designs have been reviewed and approved by Mass CEC, residents will receive a Technical Confirmation document that they must provide to participating lenders. Only residents presenting MassCEC's Technical Confirmation are eligible to participate in the Solar Loan Program.
6. Use the Mass Solar Loan – [Loan Support Calculator](#) to determine the amounts of support a particular loan will receive. Once a lender and a resident have agreed to terms and are ready to close a loan, the lender will log in to the Mass Solar Loan Portal and claim the customer's approved project to reserve loan support funds (the loan must close within one business day of submitting the loan support application in the portal). Review the Lender Portal Step-by-Step Instructions below for more information about using the portal.
7. Disburse 35% of the loan through a two-party check to the resident and the solar installer.
8. List the loan on your next monthly report to Mass CEC to receive disbursement of interest rate buy down for the loan's interest-only period.
9. Once the project has been completed, MassCEC will notify you via email that the final 65% of the loan may be disbursed. This email will also alert you if any changes have been made to the project that may reduce loan support amounts.
10. List the final disbursement on your next monthly report to MassCEC and receive the remaining interest rate buy down and any applicable income based loan support.

## LENDER PORTAL STEP-BY-STEP INSTRUCTIONS

When lenders are ready to close a loan, they should login to the Mass Solar Loan Portal (\*\*URL to Come\*\*) and reserve the loan and any available incentive amounts. This guide provides step-by-step instructions for accessing the portal and reserving program funds.

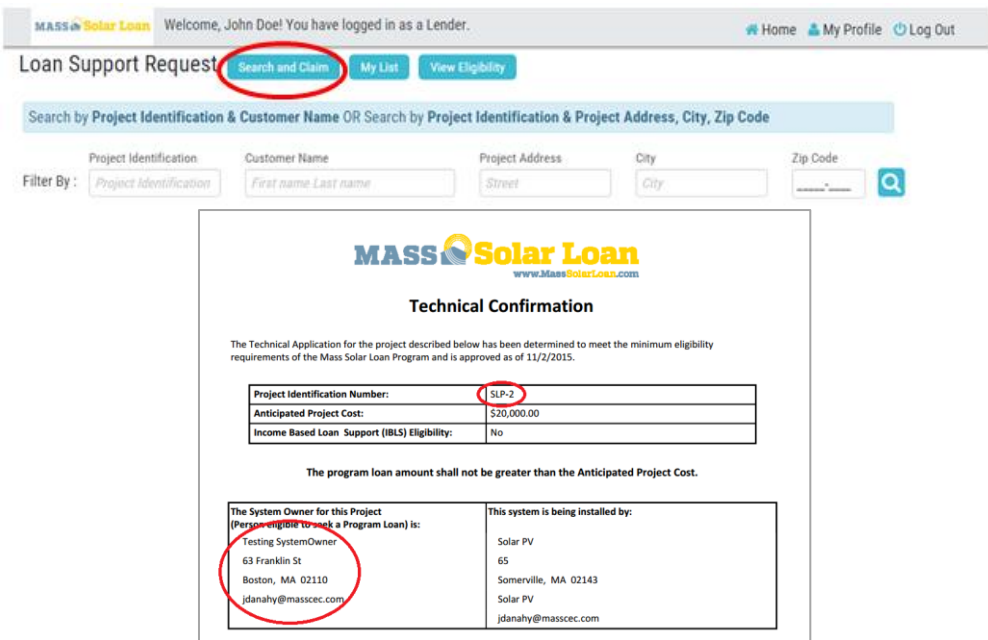
### Step 1: Login

- Sign into the application portal using the login information provided to you by MassCEC.
- Once signed in, you will be able to access and update your company and user information by clicking on the icon in the top right corner of the screen.
- From your profile, you may add additional users by clicking on the 'Add New' button. We also recommend updating your password.



### Step 2: Find the Customer and Loan

- Return to the Home screen by clicking on the Mass Solar Loan logo at the top left of the screen or by clicking the Home icon in the top right-hand corner. From there, you will be able to search for customers by clicking the "Search and Claim" button and entering the Project Identification Number **and** either the customer's name or full address. The Project Identification Number and system owner information can be found at the top of the Technical Confirmation provided to you by the customer.



## Step 3: Claim the Loan

- Claim the loan by clicking the flag icon on the right-hand side of the page. You will need to verify that you have the system owner's permission to access the project. You may also view the application by clicking the eye icon.



MASS Solar Loan Welcome, John Doe! You have logged in as a Lender. [Home](#) [My Profile](#) [Log Out](#)

Loan Support Request [Search and Claim](#) [My List](#) [View Eligibility](#)

Search by Project Identification & Customer Name OR Search by Project Identification & Project Address, City, Zip Code

Filter By: Project Identification: SLP-16 Customer Name: Test Homeowner Project Address: Street City: Zip Code:

Customer Name: Test Homeowner Saved On: 11/23/2015 11:20 AM

SLP-16	15 Testing Ave.	Boxford	Anna's Installs	\$38,000.00	 
Project Identification	Address	City	Installer Organization Name	Anticipated Project Cost	

## Step 4: Input Loan Information

- Once you have claimed a project, it will be added to your list of claimed projects (available under the My List button). From your list, click on the pencil icon at the right hand side of the page to edit specific information about the loan.
- Enter information into the Loan tab of the technical application. You will be prompted to fill out the loan type, credit score class, loan amount, loan term, pre-IRBD interest rate, and close date. Please note that the loan close date will default to the current date. Click 'Show Result' after inputting this information.
- Confirm the Loan Support Reserved values are what you expected for this loan and click 'Save and Next' to confirm.


MASS Solar Loan Welcome, John Doe! You have logged in as a Lender. [Home](#) [My Profile](#) [Log Out](#)

Loan Support Request [Search and Claim](#) [My List](#) [View Eligibility](#)

Filter By: Project Identification: Project Identification Customer Name: First name Last name Status: Status

Sort By: Customer Name Project Identification Project Cost Project Capacity Status Saved On Descending by: Project Identification

Customer Name: Test Homeowner Status: Loan Support Application Started

SLP-16	\$38,000.00	8.050	11/23/2015 11:42 AM	
Project Identification	Anticipated Project Cost	Anticipated Project Capacity	Saved On	

MASS Solar Loan Welcome, John Doe! You have logged in as a Lender. [Home](#) [My Profile](#) [Log Out](#)

Edit Loan Support Application [My List](#)

Installer Customer Site Equipment Loan Documents

Project Identification: SLP-16 Created By: ASTERN1 Status: LOAN SUPPORT APPLICATION STARTED


**Loan**

Preliminary Project / Loan Information

Anticipated Project Cost (\$) 38,000.00 Are you applying for IRBD? No Income Category \* 2. N/A: +120% Median Inc

Loan Type\* Select Credit Score Class \* Select

Loan Amount (\$) 0.00 Loan Term (Years) \*Max 20 0 Pre-IRBD Interest Rate\* 6.00

Loan Close Date \* 11/23/2015 

[Show Result](#)

Loan Support Reserved

Interest Rate after IRBD (%)

Anticipated IRBD Interest Only (\$) Anticipated IRBD on Full Principal (\$) Anticipated Total IRBD (\$)

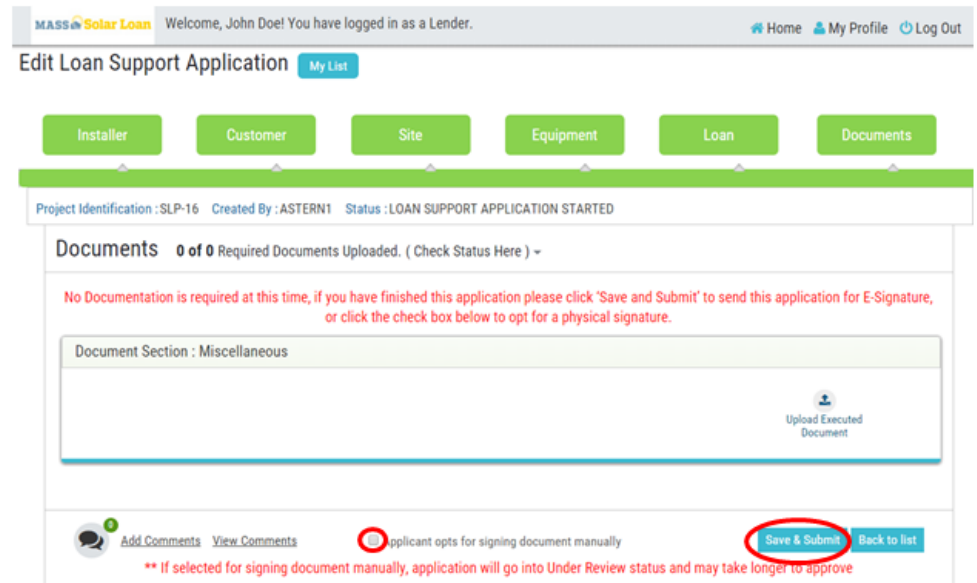
Anticipated IRL (\$)

Anticipated LLR (\$)

[Add Comments](#) [View Comments](#) [Save and Next](#) [Back to List](#)

## Step 5: Save and Submit

- Once the information about the loan is finalized, you will need to sign the Loan Support Summary generated based on the provided loan information.
- To sign electronically, simply click 'Save & Submit.' An email will be sent to you with a link to the generated document. Follow the link in that email to sign at the bottom of the page and click the yellow 'Submit Signature' link above. The project will automatically move into 'Loan Support Under Review.'
- Or
- To sign the document manually, click the check-box at the bottom of the page, and then click 'Save and Submit.'
- A document will be made available for download, which you will need to sign and re-upload. Once uploaded, the project will move to 'Loan Support Under Review' status for MassCEC's review.



MASS Solar Loan Welcome, John Doe! You have logged in as a Lender. Home My Profile Log Out

### Edit Loan Support Application [My List](#)

Installer Customer Site Equipment Loan Documents

Project Identification : SLP-16 Created By : ASTERN1 Status : LOAN SUPPORT APPLICATION STARTED

#### Documents 0 of 0 Required Documents Uploaded. ( Check Status Here ) -

No Documentation is required at this time, if you have finished this application please click 'Save and Submit' to send this application for E-Signature, or click the check box below to opt for a physical signature.

Document Section : Miscellaneous

Upload Executed Document

[Add Comments](#) [View Comments](#)  applicant opts for signing document manually **Save & Submit** [Back to list](#)

\*\* If selected for signing document manually, application will go into Under Review status and may take longer to approve

## MASS SOLAR LOAN FREQUENTLY ASKED QUESTIONS

### General Program Questions

- **A system owner is not eligible to participate if the 'Authorization to Interconnect letter' has already been obtained from the Utility. What is this document?**

The **Authorization to Interconnect** is a document issued by the Utility during the interconnection process indicating that a net meter has been installed and the customer may energize the PV System. Please note this is not to be confused with the **Conditional Approval to Interconnect**, which is obtained earlier in the process and serves as indication from the utility to move forward with construction of the PV system.

- **Can I forfeit my Commonwealth Solar II rebate application and apply for that project under the Mass Solar Loan program?**

No. Solar PV projects that are not yet connected but have been approved for a rebate through the MassCEC Commonwealth Solar II program or through the Solarize Mass program are NOT eligible to participate under the Mass Solar Loan program (please see page 16 of the Program Manual). Approved rebates reserved public funds that would have otherwise been available to residents who wanted to move forward with solar, but could not because the program was fully subscribed. In efforts to best leverage public funding, residents would be only be eligible to participate in the program for a new, separate project under the following circumstances:

- An installation at a different property, or
  - An installation by a different installer, or
  - A project at the same site and with the same installer in which the solar loan technical application is received no earlier than six months after the forfeiture or completion of a CSII or Solarize rebate.
- **I have heard that the net metering cap has almost been met. Does that affect this program? Are they going to be increased?**

The net metering caps are being reached in certain utility territories, but residential systems under 10 kW are exempt from these caps. As a residential solar program, the majority of eligible systems under the Mass Solar Loan program will be below this threshold and will therefore be unaffected by the caps. More information about net metering caps can be found at: <http://www.massaca.org/>

- **What happens if a project takes more than 12 months and no extension has been requested and then is completed after the 12-month period?**

It is the responsibility of the system owner and installer to meet the 12 month deadline, or, in the event the deadline cannot be met, to request an extension. MassCEC will send automated communications to system owners and installers as unfinished projects near the 12-month deadline. Installers are encouraged to respond promptly to MassCEC emails regarding potential project extensions. If a project does reach the deadline and the installer has not communicated with MassCEC about an extension request, the project will no longer be eligible to receive program loan support.

- **How are installers vetted?**

Participating installers go through a process to become **Expedited Installers** under the program. Becoming an expedited installer requires new installers to complete the **Crawl Before You Walk** process, in which a



technical consultant verifies that the installer follows industry standard system-design practices. The **Crawl Before You Walk** process also includes a final inspection of the installer's first installed system to ensure it meets program technical requirements. More details on Solar Installer Eligibility and this process can be found in Attachment D of the program manual.

- **Who would handle conflicts between the installer and the owner if they should come up?**

Conflicts between the installer and system owner would be handled outside of the program in the same fashion as a typical contractor-customer dispute. This could potentially include the customer's rights under the State Home Improvement Contracting law.

- **What are the timelines for review and approval of an application?**

MassCEC review timelines are as follows. Please note that these timelines are for complete applications not requiring any clarification or follow-up, and are subject to change based on program volumes.

- Technical Application Approval – Up to 15 Business Days
- Loan Support Application Approval – Up to 15 Business Days
- Project Completion Approval – Up to 15 Business Days

- **Can an application be approved that is pending tree removal or an updated shading analysis to be submitted at project completion?**

No. A technical application will be approved only if it demonstrates the 70% of optimal threshold requirement, validated by an approved and accurate shading analysis. All trees or obstructions as they currently stand must be included in that analysis. An application will not be approved if it is pending an Updated shading analysis at Project Completion. The analysis must meet the Minimum Technical Requirements as outlined in Attachment D of the Program Manual upon submittal of the Technical Application.

Customers who are hesitant to remove trees prior to securing financing are welcome to talk to participating lenders regarding a 'pre-approval,' however Technical Confirmation cannot be issued and the lender cannot fully underwrite and close on the loan until after the production threshold has been demonstrated.

- **I live in a Municipal Light Plant territory. Can I take advantage of the Mass Solar Loan program?**

Yes. Because of the funding source for this program, Municipal Light Plant (MLP) territories are eligible to participate. Residents and installers should ensure that the MLP allows solar to interconnect to their grid and should familiarize themselves with net metering and other incentives specifically available in the MLP territory.

## Lender Related Questions

- **Are Lenders required to submit a W-9 to MassCEC?**

If you are a Participating Lender in the Mass Solar Loan program, you are required to submit a signed W-9 in order to receive loan support payments. MassCEC cannot release loan support payments without a W-9 on file. If applicable, MassCEC will provide the participating lenders with a record of loan support payments on an Internal Revenue Service Form 1099 for each tax year in which payments are remitted. Blank W-9 forms can be found on the IRS website. Please submit this form as a PDF to [finance@masscec.com](mailto:finance@masscec.com).



- **How will a lender know if a potential borrower is in fact participating in the Mass Solar Loan program and is eligible for loan support?**

Borrowers who are participating in the program will provide lenders with a *Technical Confirmation* document. This document will have basic project parameters and will indicate that the project meets program requirements.

- **Should a home sell prior to a solar project being paid off and the new owner does not want to take on the loan, what protects the debt owed on the project?**

This process should be treated like any other loan and participating lenders should follow their standard processes. It is also anticipated that, like most other home improvement loans, the proceeds of the home sale could be used to pay off any outstanding debts.

- **If lenders establish a construction period of 12 months and the project is completed in 6 months, do loan payments change from interest only to principal and interest (P&I) then or at the end of the 12-month period?**

Loans would change to full principal and interest whenever the project is completed and the second loan disbursement is released.

- **Lenders have to offer at least one ten-year term. If a lender sets the interest only period at 12 months is it 9 years for full amortization or is it actually an 11 year loan?**

The 12-month interest only period is not considered part of the ten-year loan term.

- **Is it possible for Lenders to secure interest of a loan through lien on the property?**

Yes, lenders have the option to offer secured and unsecured loans, including loans secured on personal property or real property.

- **Who is responsible for creating the loan documents for this program?**

Participating lenders are responsible for creating their loan product and drafting their own loan documents. MassCEC is available to help answer questions as these documents may relate to program requirements.

- **Could a lender opt to only offer Class A and Class B Loans?**

Yes. A lender is not required to offer loans to all classes, and it is expected that the lender will use their standard underwriting practices to determine borrower eligibility.

- **Can the lender determine the lowest credit that they would want to approve?**

Yes. Lenders should follow their underwriting practices with regards to credit scores.

- **Is it the lender's responsibility to determine a loan's eligibility for the Loan Loss Reserve?**

Yes. It is the lender's responsibility to determine the borrower's FICO score (and corresponding class). Lenders should input a customer's loan category into the online application portal when they reserve loan support for a project.

- **If there is more than one applicant, or more than one credit score (for example two applicants, and/or credit reports and scores from each of three credit bureaus), what score is the lender required to use to determine eligibility for the Loan Loss Reserve (LLR)?**

The lender may choose which credit score to use in determining the class of the loan.

- **Will the Loan Loss Reserve for a defaulted loan also cover for lost interest during the default period, or only the lost principal?**

The Loan Loss Reserve (LLR) only covers the lost principal, not the interest lost. Please see page 20 of the Program Manual for further details.

- **Can the lender decide to not participate in Community Shared Solar (CSS) projects and only offer the loans to on-site installations?**

Yes. Lenders are free to determine if they are willing to loan to customers participating in a Community Shared Solar project.

- **Does the required “one-time re-amortization” of the loan apply to the Income Based Loan Support principal buy down?**

No. It is anticipated that once the Income Based Loan Support payment has been made, that the borrower would have the option to re-amortize based on that reduced principal, however this would not count as the borrower’s one-time amortization within 18 months.

- **Can I get a Mass Solar Loan to refinance a loan that I already have on an existing project?**

No. The Mass Solar Loan program is for new projects only—those that have not been installed and interconnected to the grid.

- **As a system owner receiving a Mass Solar Loan, am I eligible to receive other incentives, such as the state and federal tax credits?**

Yes. We encourage system owners to take advantage of all financial incentives available for solar.

## Questions related to Loan Resale / Third Party Participation

- **Are Program Loans eligible for resale?**

Sale of program loans is not prohibited under the Mass Solar Loan program, provided the following conditions are met:

- The originating lender (who has signed the Financing Program Agreement and is participating in the program) remains responsible for all program requirements detailed in the Financing Program Agreement, including submitting information into the application portal, providing regular reports, disbursement of principal, and credit underwriting, amongst others. Third party service providers may assist in these processes, however responsibility for the information provided will remain with the original lender.
- Loan Loss Reserve and any other program loan support (Interest Rate Buydown and Income Based Loan Support) that is reserved under the Program for a program loan originated by the original lender is established for the benefit of lender who has signed the Financing Program Agreement and will only be disbursed to the original lender.
- MassCEC requests that lenders inform MassCEC of their intent to re-sell loans under the program. Lenders are only asked to inform MassCEC of their intention to pursue a re-sale strategy and are not required to report each individual resale transaction.

- **Can lenders work with third parties (loan originators) to facilitate their participation in the program?**

Participation of third parties serving as loan originators is not prohibited under the program. Any entity or individual acting as a loan originator under the program is required to be in compliance with all relevant state and federal laws and regulations.

It is expected that lenders will consider all resident applications (with Technical Confirmations) that are presented to them regardless of whether they originate from a specific third party. In the interest of having an open and inclusive program, lenders are discouraged from having **exclusive** relationships with particular solar installers, groups of installers, loan originators or other entities. All lenders participating in the program will be listed on the Mass Solar Loan website and will be expected to accept loan applications for review in a non-discriminatory manner.

Participating lenders are responsible for ensuring that any costs directly or indirectly associated with Mass Solar Loan program loans are clearly disclosed to participants. Direct or indirect fees or charges paid by borrowers associated with third parties, along with any fees imposed by the lender, may not exceed \$500 per program loan. Please note, charges paid by solar installers to third party financial facilitators that are included in system or financing costs must be disclosed by lenders to residents. Failure to disclose such charges will be grounds for removal from the program.

- **Can Financing Costs be included as Eligible Project Cost?**

No, any costs associated with financing should not be included as eligible project costs. This would include fees charged by third party loan facilitators. All closing costs and other fees cannot exceed \$500.

- **How should lenders, loan originators and installers disclose information to consumers about the Mass Solar Loan program?**

The Mass Solar Loan Program does not provide prescriptive guidance on the disclosure of financings costs and lenders and other program participating entities should ensure that all program loans meet the requirements of state and federal laws.

However, the primary intent of the Mass Solar Loan program is to increase the adoption of cost-effective solar by promoting transparency and competition in the solar financing market. Financing and solar system quotes must be provided in a format that is clear and conspicuous and in a format that the consumer may keep. The exclusive use of password-protected web-portals or password-protected PDFs to provide quotes is prohibited. Additionally, providing a quote during a sales visit and not permitting a resident to keep the quote is also prohibited. Engaging in any such practices described above is expressly prohibited under the program and may result in removal of any lender, installer or third party facilitator from the program.

MassCEC recommends that participating entities that may have questions or are unfamiliar with state or federal banking law should reach out to the Massachusetts Division of Bank for guidance. Contact information for Division of Banks staff can be found at: <http://www.mass.gov/ocabr/government/oca-agencies/dob-lp/contact-the-division-of-banks.html>

# MASS Solar Loan

## INSTRUCTIONS FOR SUBMITTING A W-9

If you are a Participating Lender in the Mass Solar Loan Program, you are required to complete a signed W-9 in order to receive loan support payments under the Program. MassCEC cannot release loan support payments without a W-9 on file. If applicable, MassCEC will provide to the Lender a record of loan support payments on an Internal Revenue Service Form 1099 for each tax year in which the payment is remitted.

[A blank W-9 Form can be found here.](#)

- Please submit this form as a .PDF to [finance@masscec.com](mailto:finance@masscec.com)

Or

- Mail the form to:

*Mass Solar Loan Program*

*Attn: Kelsey Read*

*Massachusetts Clean Energy Center*

*63 Franklin Street, 3<sup>rd</sup> Floor*

*Boston, MA 02110*

### Please Note:

- Before submitting a W-9 document, please review the form for completeness and make sure the form is signed.
- ***For specific tax questions, please consult a tax professional.***

# MASS Solar Loan

## SUGGESTED PROCESS STEPS FOR INTERESTED BORROWERS

PLEASE USE THIS GUIDANCE IN DEVELOPING DOCUMENTATION FOR POTENTIAL BORROWERS. ADDITIONAL RESOURCES SUCH AS MARKETING COLLATERAL AND A STOCK PROGRAM BROCHURE FOR HOMEOWNERS ARE FORTHCOMING.

### Steps for Residents and Homeowners:

1. Receive a solar price quote from a pre-qualified Mass Solar Loan installer. You can find a list of eligible installers and resources to help you choose an installer at [www.MassSolarLoan.com](http://www.MassSolarLoan.com).
2. Select an installer and sign a solar installation contract.
3. Work with your installer to complete your online Mass Solar Loan technical application.
4. Provide your tax information via an online form, if you are applying for income-based loan support (*more information in "About Solar Loans" below*).
5. Work with a Mass Solar Loan lender on your loan application once you receive a **Technical Confirmation Document** via email from the MassCEC.
6. When your loan closes, your Mass Solar Loan lender will advance you 35% of the amount of the loan to cover initial construction costs.
7. After your solar system is connected by your utility, your installer will file your project completion documents.
8. Upon the Mass Solar Loan approval of the project completion documents, you will receive the remainder of your loan from your Mass Solar Loan lender.

# MASS Solar Loan

## PROGRAM LOAN REQUIREMENTS

### PROGRAM LOANS MUST MEET THE FOLLOWING REQUIREMENTS:

- Lenders have the discretion to offer secured loans, unsecured loans or both.
- Program loan must be greater than \$3,000. Program loan amount cannot exceed the Anticipated Project Cost. All lenders must offer a qualifying loan with a maximum amount of \$35,000. Lenders, at their discretion, may offer loans up to \$60,000 under the program.
- Participating lenders must offer a Program Loan with a term of 120 months but may offer loan terms with shorter or longer terms at their discretion.
- Program loans must have an interest only period of up to 12 months to allow for project construction.
- Program loans are disbursed through a two-party check with 35% of total loan amount disbursed at closing and 65% disbursed at project completion.
- Program loan interest rates before the application of any MassCEC incentives (e.g. the Gross Loan Interest Rates) cannot exceed the Wall Street Journal Prime Rate + 2.75% at the time lender underwrites the Loan. Lenders may offer rate below this maximum rate at their discretion.
- Program Loans have a fixed interest rate with no pre-payment penalty.
- Program Loans must not have recourse to any other credit enhancements from a government, utility, or any other entity.
- A Program Loan re-amortization or other mechanism to reduce loan payments shall be available to the System Owner at no cost on a one-time basis within the first 18 months of the Program Loan term.

### OPTIONAL PROGRAM LOAN PARAMETERS INCLUDE:

- Program Loan closing costs may be imposed at the option of the Lender, but cannot exceed \$500 per loan.
- The ability for a System Owner to transfer a Program Loan is at the discretion of Lender, if a new System Owner meets the credit requirements of the Lender issuing the Loan and if such transfer is acceptable to Lender. Lender may transfer Program Loans in compliance with its standard procedures for transferring loans and in compliance with all applicable federal and state laws.