



## ENERGIZE NY BENEFIT FINANCING UNDERWRITING STANDARDS – PACE 1.0

- Clear Title + Corporate/organizational documents in order
- Owner has not filed for bankruptcy for 7yrs
- There are no involuntary liens on the property in excess of \$1000
- Property is not in foreclosure and there have been no recent mortgage or other property-related debt defaults.
- Maximum total of existing loans relative to Appraised Value must be less or equal to 80%
- Maximum Energize Benefit Financing amount relative to Appraised Value less or equal to 10%
- Current on Mortgage
- Property tax payment record is clear for 3yrs
- Property Location in EIC Member Municipality
- Savings Investment Ratio test > 1
- Energy Improvements permanently affixed to property
- Required Assessment, Scope and Upgrade through NYSERDA or other NYSERDA approved upgrade program
- Must be existing structures that are benefited
- Energize Benefit Financing amount shall be repaid over a term not to exceed the weighted average of the useful life of such systems and improvements as determined by NYSERDA approved energy audit/assessment study
- Must show predicted positive cash flow > 1% of annual assessment payments.
- Energize Benefit Financing net of ALL non tax based incentives
- Building Owner sign off on the work being completed
- Maximum Financing:
  - 1-4 Family Residential Buildings – \$30,000
  - Commercial and Large Multi-Family Buildings – Subject to 10% Max Value and 80% LTV rule
- Minimum Financing – \$3,000
- Must show existing lender consent (Commercial Property)
- Must show proof of property insurance if requested
- If the Improvements financed by the Owner under this Agreement consist of a renewable energy system and the Property owned or controlled by the Owner consists of two or more separate parcels (whether or not contiguous) in the record of deeds in the county clerk's office, the allocation of the annual Financing Charge between or among the parcels comprising the Property shall take into account the energy supplied by the energy generating parcel or parcels and the energy consumed by the energy consuming parcel or parcels, and such



allocations shall be set forth in a declaration executed by the Owner that shall be recorded in the record of deeds in the county clerk's office that will run with the Property until the financing is satisfied.

- If the energy improvements (the Improvements) are to be owned by a third party (the Improvement Owner) and not owned in whole by the Property Owner, the agreement(s) and/or contract(s) (eg: PPA, Lease) creating the third party arrangement must include:
  - 1) Provisions confirming:
    - a. The Improvements remain operational and cannot be removed through the term of the financing
    - b. The required saving to investment ratio and positive cash flows from the Improvements that benefit the Property Owner as indicated in the Energize NY Application documents, the Renewable Energy System Feasibility Study and/or Energy Reduction Plan are for the term of the Financing.
    - c. The term of the financing is shorter or equal to the term of the PPA/Lease
  - 2) In the case of a 3<sup>rd</sup> party arrangement between an Improvement Owner and a fourth party (eg: tenant), a separate agreement must be in place between the fourth party and the Property Owner guaranteeing payments sufficient to cover the annual tax charge obligation from the financing and create positive cash flow of greater than 1% to benefit the Property Owner through the term of the financing.
  - 3) Covenants that confirm the Improvement(s) and all agreement(s) and/or contract(s) creating a third party arrangement are to be transferable to any new Property Owner, fourth party (eg: tenant) and/or Improvement Owner for the duration of the Financing Term.
  - 4) All other Energize NY Finance Underwriting Standards apply.