



N.Y. Energy Smart Loan Fund program offers subsidized loans to residential commercial owners

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Everyone is aware that the cost of energy has escalated dramatically during the past few months and may continue with no end in sight. New York State has a loan program that will allow consumers to combat the rising cost of energy. This loan fund was designed to promote energy efficiency by encouraging eligible borrowers to take advantage of products, technology and other measures to reduce energy consumption and save money. NYSERDA is the New York State Energy and Development Authority that administers the Energy Smart Loan Fund. The following is a brief list of energy-efficient improvements that qualify:

1. Heating and air conditioning systems
2. Lighting, windows and hot water heaters
3. Solar and wind systems
4. Energy-efficient appliances such as refrigerators and clothes washers
5. Insulation, duct sealing and weather stripping
6. Motors and energy management systems
7. Irrigation equipment

The New York Energy Smart Loan Fund program is offered for the purpose of providing an interest rate reduction off a participating lender's normal loan interest rate for a term up to 10 years on loans for certain energy-efficiency improvements and/or renewable technologies. The interest rate reduction for most of the state is up to 4%. Con Edison customers may be eligible to receive an interest rate reduction up to 6.5% less than a participating lender's normal market rate. To qualify for the Loan Fund program, the improvements financed must be made to a facility whose customers pay Central Hudson Gas & Electric Corp., New York State Electric & Gas Corporation, National Grid, Rochester Gas and Electric Corporation, Orange and Rockland Utilities Inc., Consolidated Edison Company of New York, Inc., or Con Edison Gas Commercial customers. The borrower must be approved for financing through a lending institution including banks, credit unions or leasing companies that participate in the program. Many local banks are participating lenders in this program.

Commercial Buildings, which include commercial, industrial, institutional, governmental, agricultural, health-care and non-profit sectors, can qualify for reduced interest rates on loans to improve manufacturing facilities, business offices, retail storefronts, or manufacturing processes. New commercial buildings which have been evaluated through the New York Energy Smart New Construction Program or qualify for Enhanced Commercial/Industrial Performance Program Tier I incentives may also qualify for the Loan Fund. The maximum loan amount that may be subsidized for commercial properties is \$1 million plus an additional maximum of \$500,000 for green building

improvements for a maximum of \$1.5 million.

Owners of existing multifamily buildings can qualify for reduced interest rates on loans to improve existing multifamily buildings (five or more residential units). The maximum loan amount that may be subsidized under this program is \$5,000 per residential unit, up to \$2.5 million.

Residential borrowers (existing one to four family homes) can qualify for reduced interest rates on loans up to \$20,000 (\$30,000 for Con Edison customers), used to finance certain energy-efficient improvements that have been pre-qualified by NYSERDA. Most improvements must be installed by a Building Performance Institute (BPI) - Accredited Home Performance Contractor with the exception of loans for the purchase of ENERGY STAR Appliances. Improvements may be financed by loans obtained on a secured or unsecured basis

If your renovation includes both energy-efficient improvements and improvements that do not qualify, you can still apply for one loan for the reduced interest rate energy improvements and the regular rate for the other renovations.

How the Program Works

1. NYSERDA makes a one time lump sum interest rate reduction payment to the lender
2. The Interest rate reduction is 6.5% for Con Edison customers and 4% for other eligible utility customers. Currently LIPA customers in Long Island are not eligible. However customers of National Grid are eligible
3. Credit decision to grant a loan is solely made by the lender
4. Maximum term of loans is 10 years. If amortization period is greater, the lump sum payment will be based on the term of the loan
5. Refinancing of existing loans are not eligible
6. Banks can use standard loan documents and attach NYSERDA rider to loan note.

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