



**CDFA**  
COMMUNITY DEVELOPMENT FINANCE AUTHORITY

# CLEAN ENERGY FUND

## APPLICATION AND PROGRAM GUIDE

For additional program details or questions contact:  
Scott Maslansky, Director of Clean Energy Finance  
Community Development Finance Authority  
Main: 603-226-2170 | Direct: 603-717-9123  
Email: [smaslansky@nhcdfa.org](mailto:smaslansky@nhcdfa.org) | [www.nhcdfa.org](http://www.nhcdfa.org)

Updated December 14, 2022

## TABLE OF CONTENTS

COMMUNITY DEVELOPMENT FINANCE AUTHORITY .....	3
PROGRAM OVERVIEW & OBJECTIVES .....	3
ELIGIBILITY .....	4
PROGRAM GUIDELINES.....	4
LOAN TERMS .....	5
HOW TO APPLY .....	6
TIMELINES AND FUNDING AVAILABILITY .....	7
LOAN DOCUMENTATION .....	7
LOAN ADMINISTRATION .....	8
APPENDIX A: PROJECT EXAMPLES .....	9
APPENDIX B: APPLICATION OUTLINE .....	10

## COMMUNITY DEVELOPMENT FINANCE AUTHORITY

The Community Development Finance Authority (CDFA) is a statewide nonprofit public authority focused on maximizing the value and impact of community development, economic development and clean energy initiatives throughout New Hampshire. The organization leverages a variety of financial and technical resources, including the competitive deployment of grant, loan and equity programs.

### CDFA'S VISION & MISSION

---

At CDFA, we see a future New Hampshire whose communities are economically and socially resilient, reflect and respect their natural surroundings, and are places where people want to live, work and play.

CDFA invests in the people of New Hampshire by:

- deploying a well-tuned, effective investment system;
- enabling partners to make transformational and sustainable changes; and
- taking an innovative approach to development finance.

## PROGRAM OVERVIEW & OBJECTIVES

### PROGRAM OVERVIEW

---

CDFA's Clean Energy Fund invests in energy efficiency and renewable energy projects that reduce costs for New Hampshire businesses, non-profits, and municipalities and helps to: Address New Hampshire's energy challenges in a fiscally and environmentally responsible manner; reduce New Hampshire's contribution to global climate impacts; and reduce barriers for equitable access to the many benefits of clean energy.

Capitalized at over \$10 Million, CDFA's Clean Energy Fund merges three individual revolving loan funds dedicated to financing energy-efficiency improvements and clean / renewable energy initiatives into a single program and application process, providing low-interest loans along with energy technical assistance and project funding guidance.

Funding for the program comes from a combination of Federal and State sources as well CDFA's own funds.

### PROGRAM OBJECTIVES

---

1. Offer financing options for New Hampshire businesses, non-profits, and municipalities to implement clean energy projects that:
  - a. Reduce operating costs
  - b. Reduce energy use and its related environmental and climate impacts
  - c. Improve non-energy benefits including: Building durability, occupant comfort and safety, and workplace productivity;
  - d. Increase access to clean energy and its associated benefits for all NH residents.
2. Provide technical assistance to prospective borrowers as well as to contractors and partners in all stages of project development;
3. Complement CDFA's grant programs with financing tools and technical support for projects with expected annual energy savings;
4. Coordinate with non-CDFA funding sources to enable a creative approach to financing;
5. Develop public-private partnerships, de-risking private investment;
6. Structure loans to ensure project savings are equal to or greater than annual debt service payments.

7. Provide programmatic and underwriting flexibility to support projects benefitting underserved populations, utilizing newer clean energy technology, substantially exceeding the current state energy code, and/or improving community, organizational, or facility resiliency.

## ELIGIBILITY

### Eligible Applicants

New Hampshire businesses, non-profits, and municipalities.

### Eligibility Requirements

While each loan fund includes its own set of specific eligibility requirements, all Clean Energy Fund loans are generally expected to meet the guidelines outlined in the Program Guidelines section below.

### Permitted Uses of Funds

Clean Energy Funds may be used for most energy savings measures and renewable energy technologies (some specific limitations may apply). Non-energy saving measures connected to an energy upgrade (such as roof replacements for solar and asbestos removal for boiler replacements) may be allowable in the loan request as long as the minimum energy requirements are met. The cost of an energy audit may also be allowable in the loan request.

## PROGRAM GUIDELINES

### Programmatic Underwriting

The Clean Energy Fund program supports projects that meet the following criteria:

1. Projects result in 15% Minimum Energy Savings;
2. Energy Efficiency projects require a Level II Energy Audit (Single measure lighting projects may be excepted);
3. <10 yr. payback for energy efficiency and <20 yr. payback for renewable energy projects;
4. Estimated lifetime project savings must be greater than cost of project;
5. Term of loan may not exceed estimated useful life of project;
6. Consultation with appropriate utilities regarding incentives for energy efficiency projects.

Requirements may vary depending on the project scope, entity type of the applicant, and the source of funds for the loan. Exceptions to the above criteria may be made for projects as noted in the Program Objectives section.

### Program Recommendations

C DFA recommends that, where applicable, Clean Energy Fund applicants:

1. Incorporate reasonable Energy Audit recommendations that exceed current NH State Energy Code and especially efforts to reach any of the following standards: LEED, Energy Star, Passive House, or Net Zero.
2. Contract for 3<sup>rd</sup> party commissioning of any new energy system
3. Electrify space and hot water heating systems.
4. Install Solar Photovoltaics.

### Financial Underwriting

Each borrower will be evaluated to assure that they have the financial capacity to repay the loan within the terms of their agreement. The final decision will consider the overall financial condition of the borrower and the reasonableness of the financial projections provided with the application. Required financial documents are listed in Appendix B.

## LOAN TERMS

All Clean Energy Fund loan applicants are subject to a substantial programmatic and financial review.

### Loan Amount

Clean Energy Fund loans range from \$30,000 to \$500,000. CDFA will consider Clean Energy Fund loans down to \$15,000 for certain Municipal projects.

### Loan Term

Up to 10 years with potentially longer amortization periods for renewable energy projects. Interest-only payments are allowed during the construction period, up to 6 months, followed by principal and interest payments. There is no penalty for Pre-payment.

### Interest Rate

On a quarterly basis, CDFA will set its base lending rate ("CDFA Base Rate") by considering the prime rate (also known as the Wall Street Journal Prime Rate), cost of capital, and potential impact on borrowers. Applicants may qualify for one or more discounts as outlined below with a minimum lending rate of 2.0%. CDFA reserves the right to adjust the offered rate based on project risk, term, community or economic development impact, or other factors. An interest rate calculator is available on the CDFA website. The discounts listed below are subject to change.

Discount (may be cumulative)	Discount value CDFA Base Rate
Nonprofit, Municipality <sup>1</sup>	1.0%
Disadvantaged Business <sup>2</sup>	1.0%
Project located in a target community <sup>3</sup>	1.0%
Project serving CDFA's target populations <sup>4</sup>	1.0%
Project eligible for Municipal Energy Reduction Fund (MERF) or Better Buildings funds	Up to 2.0%

### Loan to Value Ratio

CDFA allows for loans up to 80% of the value of the Clean Energy project (20% borrower equity required). See Collateral section below for information on collateral value.

<sup>1</sup> "Nonprofit" is defined as a charitable organization with 501(c)(3) IRS designation.

<sup>2</sup> "Disadvantaged Business" refer to businesses with a woman, veteran, immigrant, or Black, Indigenous, and People of Color (BIPOC) business owner.

<sup>3</sup> "Target communities" are those communities with a [Core Data Index score of 35 or greater](#).

<sup>4</sup> "Target populations" are defined as clients/beneficiaries that are low- and moderate-income; majority BIPOC; immigrant; LGBTQ; disabled; women; gender non-conforming; rural; youth; unhoused; or some combination thereof.

**Application Fee**

CDFA charges a \$100 fee for application intake and initial review. This non-refundable fee is due at the time of application submission.

**Origination Fee – (If Federal loan funds are awarded, fees will be credited to borrower)**

A sliding fee equal to 1% of the CDFA loan amount (minimum \$325, maximum \$2,000, see the fee table below) is charged to cover loan underwriting and full application review.

This fee is due at the time of loan closing.

If your application is denied due to underwriting or eligibility, this fee is refundable.

	Origination Fee	Minimum Fee	Cap
<b>Municipality</b>	1.0%	\$325	\$650
<b>Non-profit</b>	1.0%	\$325	\$1000
<b>Business</b>	1.0%	\$500	\$2,000

**Closing Costs**

CDFA charges pass-through fees for security recording/filing and for any attorney fees. In a typical loan, these fees total less than \$250.

**Funding Availability**

CDFA's Clean Energy Fund utilizes several funding sources. Funding availability will be limited by the available capital in each revolving loan fund.

**Collateral/Guaranty**

CDFA requires repayment guarantee and security on all loans, except as noted in certain Application and Program Guides. CDFA will accept a mortgage on real property, a UCC filing on the other assets of the borrower or a combination where warranted. For a business loan, a personal guaranty will be required from any owner of 20% or more of the company or where the credit history of the borrower is deemed to be at risk.

Note: The terms listed above are subject to differences within various funding sources and are subject to change.

## HOW TO APPLY

Pre-application consultation with CDFA staff is required before submitting a formal application. To discuss your project and loan application, please contact CDFA at 603-226-2170, or email Director of Clean Energy Financing Scott Maslansky at [smaslansky@nhcdfa.org](mailto:smaslansky@nhcdfa.org).

All applications must be completed and submitted on CDFA'S Grants Management System ([www.nhcdfragrants.org](http://www.nhcdfragrants.org)). The application requires borrower information, details on the facility or property hosting the project, project description, the project's sources and uses of funds, the extent to which the project aligns with the objectives outlined New Hampshire RSA 162-L, and information that will help determine the applicant's capacity to complete a successful project and repay the loan.

Examples of typical loans can be found in Appendix A of this Document. An outline of CDFA's Clean Energy Fund application can be found in Appendix B of this document. Information on using CDFA's Grants Management System can be found on our website: <https://resources.nhcdfa.org/working-with-cdfa/grants-system/>.

### **Technical Assistance**

The Clean Energy Fund Program Director is qualified to provide technical assistance from the earliest stages of project development through project completion and monitoring. Energy technical assistance as well as guidance regarding rebates, grants, and other sources of project support are available.

## **TIMELINES AND FUNDING AVAILABILITY**

Applicants should note the following timeframes as they relate to Clean Energy Fund loan applications.

### **Online Application and Funding Availability**

Applications are available on CDFA's Grants Management System (GMS) throughout the year and Clean Energy Loan funds are available to eligible applicants and applications on a first-come, first-served basis.

### **Loan Application Review Timeline**

Once a complete loan application is submitted, we will make every effort to complete project review and underwriting within 3 weeks.

Once approved, borrowers will receive a Commitment Letter and will complete the loan documents process. This timeline approximates 3 weeks.

Loan applicants should expect the entire process (completed loan application to loan closing) to take approximately 45 days. Incomplete information may extend this time period.

## **LOAN DOCUMENTATION**

The following documents will be required for closing of an approved loan:

### **Loan Commitment Letter**

This letter states the amount of the approved loan, loan terms, and any special conditions pertaining to the loan commitment.

### **Loan Agreement and Promissory Note**

Borrowers must enter into a Loan Agreement and Promissory Note with CDFA using CDFA's standard form. The Loan Agreement and Promissory Note includes the 'maximum loan amount' that CDFA might provide to the project along with the terms governing the loan.

### **Collateral Documentation**

CDFA will determine the appropriate security for the loan (in communication with the Borrower). Energy Efficiency projects typically require a Mortgage and Security Agreement be signed and filed with the County to place a lien on the land and/or building subject to the loan. For solar projects, a UCC Financing Statement will be filed with the County to place a lien on the equipment being installed. If the collateral value is not sufficient in relation to the amount of the loan, CDFA reserves the right to additionally require a Mortgage. For all projects, a mortgage may be placed in a subordinated position to other mortgages. Additional forms of security may also be considered.

**Personal Guaranty (Businesses only)**

CDFA requires a personal guaranty to be signed by the business owner. This personal guaranty is to provide for any shortfall in value should the business default on repayment of the loan and liquidation of the collateral does not satisfy the debt obligation outstanding.

**Disclosure of Finance Charges (399-B)**

Outlines the basic terms of the loan and any fees to be charged at loan closing.

**Corporate Resolution or Municipal meeting minutes**

The borrower will be asked to provide documentation expressing the authority for the borrowing organization to borrow up to the 'maximum loan amount', to grant guarantees or assignments (if required), and to designate an individual to sign the documents with CDFA on the borrowing organization's behalf. A written resolution or meeting minutes documenting the corporation or municipality's approval is required.

**Attorney Opinion Letter (Municipalities only)**

Verifies the review of the loan documents.

**Additional Conditions to Closing**

Borrower must agree to disclose all energy usage data for a period of 12 months following the project completion, and provide evidence of town approvals and permits, if applicable. Borrower must agree that if grant or rebate funds (i.e. USDA REAP grant or utility incentives) are received supporting costs covered by this loan, applicant will immediately pay down CDFA loan by that amount. If Federal funds are used to finance the project (discussed during application process), certain federal requirements will apply including the Davis Bacon Act.

## LOAN ADMINISTRATION

**Loan Disbursements**

After a loan is executed, the borrower submits claims for reimbursement through CDFA's Grants Management System (GMS) and attaches invoices approved for payment and other documentation. Claims are approved only for work completed or equipment/material stored on site. Funds are typically disbursed within 2 weeks. Detailed instructions for submitting claims in GMS are provided with signed loan documents.

**Loan Payments**

CDFA requires that borrowers pay their monthly payments via the ACH system (excepting payments during the interest-only period). Borrowers are asked to provide CDFA with banking information so that CDFA will set up the automated payments with their bank to be drawn on the borrower's bank account on the same day each month.

**Federal Requirements and Compliance Consultant**

Applicants opting to utilize Federal Funding sources will be subject to environmental review, procurement (where applicable), prevailing wage, and other Federal requirements, and are required to contract with a compliance consultant to manage all federal requirements for the project.

**Reporting Requirements**

Once a loan is closed, CDFA reserves the right to request and receive annual financial statements from the Borrower. Failure to provide financial information in a timely basis will result in Borrower being in default of the terms of this Loan and result in Lender charging Borrower a late fee as outlined in Loan Agreement and Promissory Note.

**Program Contact**

Prospective Clean Energy Fund applicants are required to consult with CDFA staff before submitting a formal application. For more information, please contact Scott Maslansky, CDFA Director of Clean Energy Finance, at 603-226-2170, or email [smaslansky@nhcdfa.org](mailto:smaslansky@nhcdfa.org).



## APPENDIX A: PROJECT EXAMPLES

Below are examples of typical projects financed via the Clean Energy Fund

Project Location Type	Borrower Type	Project Description	Loan Size
Elderly Housing	Non-Profit	Rooftop Solar, Mini Split Heat Pumps, Weatherization	\$ 251,051
Theater Group	Non-Profit	Rooftop Solar	\$ 27,175
IT Company	Business	Rooftop Solar	\$ 162,958
Manufacturer	Business	Rooftop solar	\$ 108,032
Project Development Company	Business	Rooftop Solar Power Purchase Agreement (PPA)	\$ 192,000
Sports Club	Business	LED Lighting Retrofit	\$ 30,000
Multifamily Residential Housing	Business	Weatherization, Air Source Heat Pumps	\$ 214,000
Regional Development Corporation	Non-Profit	Biomass wood pellet heat conversion, weatherization	\$ 265,390
Town of Lyme	Municipality	Rooftop Community Solar	\$ 29,313
Town of Warner	Municipality	Ground Mounted Community Solar	\$ 273,595
Dental Office	Business	Rooftop and Ground Mounted Tracking Solar	\$ 51,633
Town of Gorham	Municipality	LED Street Lighting	\$ 40,000
Child Care Center	Business	Weatherization, Heat Pumps and Rooftop Solar	\$ 92,778

## APPENDIX B: APPLICATION OUTLINE

Below you will find an outline of the application for the 2023 Clean Energy Fund. Applications are accepted on a rolling basis through our online Grants Management System ('GMS') ([www.nhcdagrant.org](http://www.nhcdagrant.org)). Hard copy or emailed applications will not be accepted.

### I. General Information

- **Primary Contact**
- **Authorized Official/Authorized Official email**
- **Organization Information**
- **EUI / Executive Council District**

### II. Ownership and Corporate Information

- **Business/ Organization Description**  
Please describe your organization including the ownership structure, the type of organization (e.g. 501 (c)(3), LLC, Partnership, etc.); years in business, additional locations, and a detailed explanation of what you do. The Organization and the Borrower should be the same.
- **Number of Full Time Employees**
- **Number of Part Time Employees**
- **Annual Revenues**
- **Ownership Information**  
Owner Name(s) and % Ownership
- **Related entities** (Businesses and Non-Profit applicants only)  
List and describe all entities related to the applicant that might require underwriting and how they are structured/connected (e.g., fiscal sponsor, subsidiary, parent company, other businesses owned by same entity/individual, etc).

### III. Project Information

- **Project Description**  
Please describe your project, and provide a breakdown of how the funds are going to be used i.e. what will the loan funds be used for?
- **Project Timeframe**  
What are the expected start and completion dates for project construction?
- **Approvals and Permits**  
Summarize the approval/permitting requirements, timeline, and status for the project.
- **Utility Consultation (Energy efficiency projects only)**  
Describe any communication with your utility about potential incentives for your project.
- **Project Benefits**  
What will be the economic benefits to the organization or business from funding this project? Where will the savings be redirected once the loan has been repaid?

- **Low-Moderate-Income Benefit**

Will the project provide a benefit to LMI households or individuals, or other community benefits? Please explain.

- **Management Experience**

Has this organization ever undertaken a similar project?

Who will oversee the project? Please provide the experience of the individuals overseeing the project.

- **History with CDFA**

Has the borrower ever received a grant or loan from CDFA? If so, please explain.

#### **IV. Property Information**

- **Add the following property information for each building related to the project**

- Street
- Town, City
- Legal Owner
- Year Built
- Subsidized Multi Family Property?
- Architectural/ Historical Significance?
- Square Footage of Conditioned (heated and cooled) space
- Type of Roof
- Age and Condition of Roof

- **Property Site Control (select one)**

- Currently Owned by Applicant
- Currently Leased by Applicant
- Under Purchase Agreement
- Other (Explain)

- **Have you already completed an energy audit on your building in the past 3 years?** (Select Yes or No)

If you answer “yes”, attach a copy of the energy audit under other attachments.

If you answer “no,” please be aware that, a level II energy audit may be required for energy efficiency upgrades.

- Briefly describe any significant energy upgrades you have completed in the past 10 years on the property.

- **Energy Use and Procurement**

Please describe your current sources of heat and electricity for your building. Note all fuel types used and name of vendor/utility/ competitive supplier)

## V. Project Budget (Sources and Uses)

- **Total Clean Energy Fund Loan Request**
- **Uses** (Provide Brief Description and Amount for applicable rows)
  - Equipment
  - Renovations
  - Engineering/Architect/ Consultant
  - Renewable Energy Installation
  - Insulation/Weatherization
  - Lighting
  - Heating System
  - Other
- **Sources** (Provide Amount, Funding Entity, Rate, Term, Collateral for applicable rows)
  - Clean Energy Fund Loan Request
  - Other Loans
  - Utility Rebates
  - Equity Injection
  - Grants
  - Other
- **Budget Narrative (description of Sources and Uses)**. Use this section for any additional budget information.
- **Proposed Security for loan** (i.e. mortgage on a property, UCC on equipment)
- **Outstanding Debt**  
Enter the following information for each source of debt:
  - Name of Creditor/Bond
  - Amount
  - Origination Date
  - Purpose
  - Term
  - Rate
  - Payment
  - Balance
  - Collateral

**VI. Requested Documents**

Upload the Following Documents based on your entity type below (Businesses will email documents).

<b>All Borrowers</b>	
	Energy Audit including estimated costs and annual energy & cost savings (Energy Efficiency Projects only).
	Electric Bills: Minimum of two years of electric bills and/or data (include usage and cost). All pages of a single bill showing 12 months of use on graph acceptable.
	Fuel Bills: Minimum of two years of heating fuel bills and/or data (include usage and cost). <b>Note:</b> Fuel bills not required for lighting-only or solar-only projects
	Clean Energy Project Proforma – Show at least 10 yrs. of estimated project cash flows including overall project cost, net cost, annual savings, and incentives. Show the simple payback in years. (This can be part of contractor proposal).
	Contractor proposals or signed contracts
	Corporate Resolution or Municipal meeting minutes authorizing Borrower and Signer
	If building owner is different from applicant: Written permission from building owner to complete project.
<b>Municipality</b>	
	Three Years of audited financial statements.
	Current year budget.
<b>Non-Profit Corporation</b>	
	Operating Budget – Current FY
	Operating Budget-to-Actual – Previous FY
	Three years' financial statements Audited (>\$1,000,000 Operating budget) Compilation or Review (between \$500,000 & \$1,000,000) IRS Form 990 (org. does not have Audited, Reviewed or Compiled Financial Statement)
	Organization Purpose/Mission. Brief history of organization and program overview
	IRS Letter - Copy of 501c(3) determination letter
	State Licenses. Attach copy as applicable (child care license, residential facility, etc.)

	Corporate Articles of Incorporation and By-Laws
<b>For-Profit Business</b>	
	<p><b><u>Please note:</u></b></p> <p><b>Collateral</b> will be required for all loans</p> <p>A <b>Personal Guarantee</b> will be required for any person that has a 20% or more ownership share in the company.</p>
	<p>Download <a href="#">Checklist for financial documents</a> (for <b>each entity</b> related to the applicant):  E-mail completed checklist with financial documents to <a href="mailto:underwriting@nhcdfa.org">underwriting@nhcdfa.org</a></p>
	<ul style="list-style-type: none"> <li>• Three years of company tax returns.</li> <li>• Year to date financial statements (Balance Sheet/Income Statement/Cash flow) and current year budget</li> <li>• Personal Financial Statement for all owners of 20% or more of the borrowing entity.</li> <li>• Two years of personal tax returns for all owners of 20% or more of the borrowing entity.</li> <li>• Personal credit reporting authorization (if not included on personal financial statement form).</li> <li>• If there is a related real estate holding company pledging collateral, or any other entity that files Partnership or Trust tax return, include three years of tax returns for that entity.</li> <li>• Entity Formation Documents</li> </ul> <p><b>If applicable to business:</b></p> <ul style="list-style-type: none"> <li>• Three years of accountant prepared financial statements (compilation, review or audit)</li> <li>• Current Accounts Receivable / Accounts Payable Aging</li> <li>• Lease with Tenant or Landlord</li> <li>• Rent Rolls</li> </ul>

**VII. CERTIFICATION – Electronic Signature**

- **Certification: [Yes/No]**
- **Full Name of Authorized Official**
- **Title of Designated Authorized Official**