

Contractor Instructions and Info Packet Geothermal System Loans (Direct)

Dear Geothermal Contractor,

If you have a customer who is utilizing a short-term loan (i.e. a 12- or 18-month balloon loan), long-term loan (i.e. a 12-, 15-, or 20-year amortizing loan), or “[combo loan](#)” (both a short-term and long-term loan) from Clean Energy Credit Union to finance the purchase/installation of a geothermal system from you, please review this information before you commence work to ensure that you understand Clean Energy Credit Union’s overall process, documentation requirements, and payment terms.

CORRESPONDENCE

- All documents related to specific loan applications should be uploaded to the dealer portal.
- Questions about the below process and about any other topic can be sent to dealers@cleanenergycu.org.
- Invoices should be sent to info@cleanenergycu.org.
- Phone calls can be made to 720-479-7900.

LOAN AND PROJECT APPROVAL PROCESS

- Contractor initiates a new loan application for the Customer in the Blueprint online dealer portal, or Customer applies for a geothermal loan at www.cleanenergycu.org/apply (see details in the “Geothermal System Loan Instructions for Customers” which is linked on the final page below in the “Summary List of Available Documents” section).
- Customer gets **pre-approved** based on the information they provided in their loan application.
- Customer gets **fully approved** after the following tasks are complete:
 - Customer follows these [simple instructions](#) to become **member of Clean Energy Credit Union**.
 - Customer uploads, and Loan Officer verifies, **voided check/banking information** for automatic loan payments.
 - Customer uploads, and Loan Officer verifies, **proof of income** (e.g. pay stubs, W-2, tax returns, etc.).
 - Customer or Contractor uploads, and Loan officer approves, the following project documents in PDF format:
 - 1) **Geothermal Purchase/Installation Contract:** fully executed and including the following:
 - Customer’s name and site address.
 - Quantity, manufacturer, and model of the major equipment.
 - Line itemization cost of major equipment and work scope.
 - Workmanship warranty from the Contractor of at least 1 year.
 - Description of any additional, non-geothermal-related scope of work.
 - 2) **Electric Utility Bill:** unless specifically requested, this no longer needs to be uploaded for loan apps initiated after 4/1/2023.

PAYMENT TERMS AND PROCESS

30% after On-Site Installation Commencement:

We recommend waiting until the loan has been fully approved (see above requirements) before commencing installation.

For Customers utilizing a combo loan, the following are required for disbursement of the short-term loan proceeds:

- 1) **Loan fully approved (see above requirements).**
- 2) **Installation commenced on-site and Invoice** to Customer for the short-term loan amount (typically up to 30% of the project cost to match the eligible amount of residential section 25D tax credit), **emailed to info@cleanenergycu.org.**
- 3) **Loan Documentation signed by customer** - after receiving an invoice and notification that installation has commenced at the project site, Clean Energy Credit Union will then send loan documents to Customer for their signature via DocuSign and submit payment directly to Contractor within Net 15 payment terms.

NOTE: For Customers not utilizing a combo loan and instead utilizing only a single loan type (e.g. either a short-term or a long-term term), then the single loan proceeds can only be disbursed upon project completion (see immediately below).

70% after Project Completion:

We recommend waiting until the loan has been fully approved (see above requirements) before commencing installation.

Project completion is typically defined as passing inspection from the relevant authority having jurisdiction (AHJ), if applicable. The following are required for disbursement of the remaining loan amount:

- 1) **Loan fully approved (see above requirements).**
- 2) **Invoice** to Customer for outstanding loan amount due (i.e. invoices should show the amount due that is net of – and ideally shows – all previous cash payments and loan disbursements received by Contractor).
 - If Customer is utilizing a combo loan, then the invoice should be for the long-term loan amount (typically up to 70% of the project cost).
 - If Customer is not utilizing a combo loan and is instead utilizing only a single loan type (e.g. either a short-term or a long-term term), then the invoice should be for the single loan’s full amount.
 - NOTE: invoices should show the Contractor’s address where payments should be mailed to.
- 3) **Inspection** passed by the relevant authority having jurisdiction, if applicable. Unless specifically requested, proof of passed inspection is not required to be submitted.
- 4) **[Affidavit of Project Completion / Lien Waiver](#)** that has been filled out and signed by Customer and Contractor.
- 5) **Loan Documentation signed by customer** – *upon approving* the project completion documents described immediately above, Clean Energy Credit Union will then send loan documents to Customer for their signature via DocuSign and submit payment directly to Contractor within Net 15 payment terms.

Alternative (Early) Payment Options:

Available only to Contractors that have previously closed at least three loans with Clean Energy Credit Union.

The two forms below cannot be used together on the same project. Only one form can be used per project.

- 1) Up to four weeks before commencing installation at the project site, Contractor may submit an invoice, along with the [Pre-Installation Loan Disbursement Request Form](#) that has been filled out and signed by both Customer and Contractor.
 - If the Pre-Installation Commencement Loan Disbursement Request Form is utilized, Clean Energy Credit Union will charge a partially refundable \$1,000 fee to Contractor and deduct it from the project commencement / short-term loan disbursement amount. Clean Energy Credit Union will send loan documentation to Customer for their signature via DocuSign and submit payment directly to Contractor within Net 15 payment terms.
 - Upon approving the project completion documents, Clean Energy Credit Union will refund \$750 directly to Contractor with the project completion payment amount, and the \$250 balance will be retained as a fee.
- 2) After installation but before obtaining passed inspection from the relevant AHJ, Contractor can submit an invoice and a [Pre-Inspection Loan Disbursement Request Form](#) that has been completed and signed by both Customer and Contractor.
 - If the Pre-Inspection Loan Disbursement Request Form is utilized, Clean Energy Credit Union will charge a partially refundable \$1,000 fee to Contractor and deduct it from the project completion payment amount. Clean Energy Credit Union will send loan documentation to Customer for their signature via DocuSign and submit payment directly to Contractor within Net 15 payment terms.
 - Contractor can later submit an [Affidavit of Project Completion / Lien Waiver](#) to Clean Energy Credit Union upon receiving proof of passed inspection from the relevant AHJ.
 - Upon approving the Affidavit of Project Completion / Lien Waiver, Clean Energy Credit Union will refund \$750 directly to Contractor within Net 20 terms, and the \$250 balance will be retained as a fee.

CREDIT APPROVAL AND EXPIRATION POLICY

Credit Approvals and Loan Rate Expirations:

- Credit approvals and loan rates are valid for 6 months from an applicant's original pre-approval date. All loan proceeds need to be approved by Clean Energy CU for disbursement to the dealer within this 6-month validity period.
- After the 6-month validity period expires, customers can apply for a 4-month credit approval extension:
 - Clean Energy CU must do a hard credit pull – after obtaining explicit permission from the customer. Depending on the customer's credit circumstances, Clean Energy CU may need to ask for updated proof of income and/or re-underwrite the loan app more comprehensively. Extensions or re-approvals are not guaranteed.
 - Depending on current rates, the customer's loan rate may need to be adjusted, and if the rate is a bought-down rate, then the seller's points (aka "dealer fees") pricing may need to be adjusted as well. The updated rate and seller's points pricing would then be valid for the duration of the 4-month extension, if approved.
 - The dealer must still be a Registered Dealer in good standing in order for a customer to be eligible for an extension.
 - The first extension application is free, but all subsequent extension applications incur a fee as per our [fee schedule](#).
- Clean Energy CU includes language about the 6-month validity period in the footnotes of each pre-approval and full approval email that's similar to this: *"The credit approval and loan terms associated with this loan application will be valid for up to six months from the date on which you were originally pre-approved. If your loan(s) are not funded/closed within this six-month time frame, your credit approval will expire, after which an extension may be possible - but not guaranteed - which may require your credit to be re-pulled and re-approved, your loan terms to be re-priced, and your income to be re-verified."*

Recommendations for Dealers:

- We recommend that you do NOT proceed with a customer's project installation unless both of these conditions are true: (1) the customer's loan application has been fully approved; and (2) you are confident that you can complete the project and get final documents approved for the final loan disbursement before the credit approval expires.
- We recommend that you submit all required documentation (as outlined above in the "Payment Terms and Process" section) AT LEAST one week in advance before the credit approval expiration date in order to ensure that there's enough time for Clean Energy CU to: (1) review the documents (which will not occur until all required documents have been uploaded to the dealer portal; (2) flag any missing or non-compliant items for the Dealer to correct (if applicable); and (3) receive any corrected/updated/missing documents from the Dealer so that there's still time to review them and approve the loan disbursement before the expiration date.
- We recommend that you – or your customer – reach out to us in advance (i.e. well before commencing installation) if you're not sure whether the project can be fully completed before the 6-month expiration (or before the 4-month extension, if applicable). The best way for dealers and customers to communicate this is by using the conversation/message function in the dealer portal.
- Pre-approval dates are visible in the dealer portal for all loan applications initiated after 6/1/2023. Otherwise, they can be found in the original pre-approval auto-email that was sent by the portal to you and your customer. As a result, for purposes like this, we recommend maintaining an archive of all auto-emails that you receive from the dealer portal.

Instructions for Customers to Apply for Credit Approval Extension:

- Customers will need to contact Clean Energy CU to explicitly authorize them to conduct a hard credit pull.
- If the hard credit pull results in a credit score that has dropped by more than a nominal delta, then Clean Energy CU may need to ask for updated proof of income and/or re-underwrite the loan app more comprehensively.
- Customers can please follow these steps:
 - Utilize the Reference Number and the Phase 2 loan application portal link below:
 - The Reference Number for your loan application can be found in your pre-approval or approval email.
 - Phase 2 loan application portal: https://apply.cleanenergycu.org/fni-lenderportal-touchpoint/presence/my_account
 - Click on "Conversations" and then click on "New Conversation"
 - Enter this subject: "Request to reapply"
 - Enter this text: "The credit approval for my loan application has expired, and I would like to reapply. I hereby authorize Clean Energy CU to pull my credit, and I understand that I may have to provide updated proof of income, if requested. Thank you."
- Click the "Submit" button
- NOTE: credit extensions or re-approvals are not guaranteed and may result in a different interest rate from the customer's original pre-approval.

Frequently Asked Questions (FAQs)

Q: How long does it take for a Customer to get pre-approved?

A: Over 70% of loan applications are instantly pre-approved via the online portal's underwriting algorithms. Otherwise, the loan application needs to be manually reviewed which typically takes 1-2 business days, but sometimes during periods of high application volume it can take up to 3-4 days. For example, a high proportion of loan applications are often submitted over the weekend, so Clean Energy Credit Union often has a long queue to work through on Mondays.

Q: How long does it take for a Customer to go from pre-approved to fully approved?

A: It all depends on how quickly the Customer submits the required info and takes the required steps as described above in the "Loan and Project Approval Process" section. The duration of this step is therefore largely outside the control of Clean Energy Credit Union.

Q: Once the Customer has been pre-approved, can the Contractor proceed with design, procurement, permitting, etc. with confidence that they will be paid at installation commencement and project completion?

A: It is up to the Contractor to decide whether to proceed after the Customer has been pre-approved or to wait until the Customer has been fully approved. As explained above, a Customer is fully approved only after the Customer submits the required info and takes the required steps as described above in the "Loan and Project Approval Process" section. There is at least some risk that the Customer may not be able to provide verification of income, or may decide to procrastinate on joining the credit union, etc. Clean Energy Credit Union's standards for fully approving a loan application (e.g. by requiring verification of income) are in line with generally accepted industry guidelines.

Q: Are there any fees that a Customer must pay to Clean Energy Credit Union?

A: Yes, a Customer must pay a loan processing fee and a fee for filing the UCC-1 financing statement(s). Currently, the loan processing fee is \$150 (which amounts to \$300 for a "combo loan") for each closed/funded loan, and the UCC-1 filing fee is either \$100 or \$250 (or \$350 in CA, FL, IL, MD, TN, and PA) – depending on the borrower's and the project's particular attributes – for each project (i.e. it's the same fee for a single loan as for a combo loan). These fee amounts are subject to change, and current loan fees and rates can always be found at <https://www.cleanenergycu.org/rates-and-fees/>.

Q: Are there any "dealer fees" that a Contractor must pay to Clean Energy Credit Union?

A: No, there are no required "dealer fees" (or "seller's points") for buying down a Customer's loan rate, and instead, this is completely optional. However, Contractors must pay a technology fee for each loan that is closed/funded via the Blueprint online dealer portal (which is deducted from the loan disbursement to the Contractor). Currently, the technology fee is \$75, but this amount is subject to change. Also, Contractors may optionally access an early loan disbursement (outlined above) for a net \$250 fee.

Q: What if the relevant Authority Having Jurisdiction (AHJ) doesn't require a permit or inspection?

A: That's OK. The [Affidavit of Project Completion / Lien Waiver](#) should still be signed to attest that the project is complete.

Q: How and when are payments made to the Contractor?

A: Checks are made payable to the Contractor and are sent via snail mail to the address that's shown on the submitted invoice. Payment terms are Net 15 starting from when Clean Energy Credit Union approves the required documents, and checks are cut with 24-48 hours of Customers signing their loan documents. Loan documents are sent to Customers via both email and text every Monday, Wednesday, and Friday until they're signed. Contractors may [request for payments to be made via ACH transfer](#) instead of via check by snail mail.

Q: Is a lien placed on the Customer's residence?

A: No, the geothermal system loans are secured solely by the project equipment. However, Clean Energy Credit Union conducts a UCC-1 filing at both the State and County level.

Summary List of Available Documents

Customer-Facing Informational Documents:

The following documents can be used when communicating with prospective customers about Clean Energy Credit Union and its geothermal system loan process:

- [Geothermal System Loan Instructions for Customers](#)
- [Geothermal Combo Loan Description](#)
- [Flyer about Clean Energy Credit Union](#)
- [Flyer about American Solar Energy Society \(ASES\)](#)
 - ASES is one of the organizations that a Customer can join in order to become a member of Clean Energy Credit Union.
 - More information about the eligibility requirements for joining the credit union is available [here](#).
- [Instructions for Joining Clean Energy Credit Union](#)

Forms and Documents for Contractors:

The following documents and their respective purposes are referenced above in pages 1-2 of these instructions:

- [Affidavit of Project Completion / Lien Waiver Form](#)
- [Example Monthly Loan Payment Calculator](#)