

Contractor Instructions and Info Packet Geothermal System Loans (Direct)

Dear Geothermal Contractor,

If you have a customer who is utilizing a short-term (12- or 18-month balloon loan), long-term (12- or 15-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 emails, questions, and documents can be sent to info@cleanenergycu.org
- Phone calls can be made to 720-479-7900

PROCESS FOR LOAN AND PROJECT APPROVAL

- Customer applies for a geothermal loan at www.cleanenergycu.org/apply (see details in the “Geothermal System Loan Instructions for Customers” which is linked below in Exhibit B in the “Customer-Facing Informational 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 provides verification of income to their loan officer.
 - Customer becomes a member of Clean Energy Credit Union and deposits \$5.00 into a savings account
 - Customer or Contractor provides the following three project documents in PDF format:
 - 1) **Electric Utility Bill:** full copy (i.e. all pages) from within the past 3 months showing Customer’s name, site address, energy usage, and utility company’s name.
 - Alternatively, the most recent property tax bill, the warranty deed, or the purchase settlement statement will suffice for newly purchased homes, new construction projects, or off-grid projects.
 - 2) **Geothermal Purchase/Installation Contract:** fully executed and including the following:
 - Customer’s name and site address.
 - Line itemization of major equipment and work scope.
 - Quantity, manufacturer, and model of the inverter(s).
 - Workmanship warranty from the Contractor of at least 1 year.
 - Description of any additional, non-geothermal-related scope of work

PAYMENT TERMS AND PROCESS

Project Commencement Documentation: for Customers utilizing a combo loan, upon commencing project installation at the site, the following two documents are required for loan disbursement:

- 1) **Invoice** to Customer for the short-term loan amount (typically up to 26% of the project cost to match the residential section 25D tax credit amount).
 - NOTE: invoices should show the address where payments should be mailed to
- 2) **Loan Documentation** that Clean Energy Credit Union sends via DocuSign for execution by the Customer.

Project Commencement Payment Terms: *upon approving* the two project commencement documents described immediately above, Clean Energy Credit Union will submit payment directly to Contractor within net 20 payment terms.

NOTE: 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 single loan proceeds can only be disbursed upon project completion (see immediately below).

Project Completion Documentation: Project completion is typically defined as passing inspection from the relevant authority having jurisdiction (AHJ) (see exceptions under “Alternative Project Completion” below). Upon project completion, the following four documents are required for loan disbursement:

- 1) **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 74% 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 address where payments should be mailed to
- 2) **Proof of passed inspection** from the relevant Authority Having Jurisdiction (AHJ) that shows Customer’s name and site address
 - NOTE: if the proof of passed inspection only shows a permit number (and not the Customer’s name and site address), please include a copy of the original permit which shows the permit number, Customer’s name, and site address.
- 3) **Contractor Lien Waiver Form** that has been filled out and signed by Contractor for the invoiced amount.
- 4) **Loan Documentation** that Clean Energy Credit Union sends via DocuSign for execution by the Customer.

Project Completion Payment Terms: *upon approving* the four project completion documents described immediately above, Clean Energy Credit Union will submit payment directly to Contractor within net 20 payment terms.

Alternative Project Completion:

- As an optional alternative to submitting proof of passed inspection, Contractor can submit a [Member Inspection Waiver Form](#) that has been filled out and signed by Customer.

Project Timeline Requirement

If Clean Energy Credit Union does not approve Customer’s project completion documents within 6 months from their pre-approval, then the loan must be underwritten again. This typically only involves re-pulling a Customer’s credit, but sometimes it can also involve re-verification of their income, employment, etc. If the project completion deadline is going to be more than 5 months after pre-approval is granted, please contact Clean Energy Credit Union (earlier rather than later) to ensure that Customer’s loan will still be fully approved and to prevent the possibility that Contractor may commence work and incur costs without Customer being able to secure financing.

Exhibit A: Frequently Asked Questions (FAQs)

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

A: It typically takes 1-2 business days, but sometimes during periods of high application volume it can take up to 3 days. For example, a high percentage of loan applications received 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 “Process for Loan and Project Approval” section. The duration of this step is therefore largely outside the control of Clean Energy Credit Union.

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

A: Yes, a Customer must pay a \$25 processing fee for each loan (which amounts to \$50 for a “combo loan”) as well as the actual pass-through costs of the UCC-1 filing fees (which are capped at \$300).

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

A: No.

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

A: Then you can utilize the [Member Inspection Waiver](#) form, or you can submit a letter or website screenshot that documents how the AHJ does not require a permit or inspection for geothermal projects.

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 20 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.

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

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

Exhibit B: 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](#).

Forms and Documents for Contractors:

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

- [Contractor Lien Waiver Form](#)
- [Member Inspection Waiver Form](#)
- [Example Monthly Loan Payment Calculator](#)