

Contractor Instructions and Info Packet Solar PV System Loans (Direct)

Dear Solar PV 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 solar PV 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 solar PV loan at www.cleanenergycu.org/apply (see details in the “Solar PV 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, kWh 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) **Solar PV Purchase/Installation Contract:** fully executed and including the following:
 - Customer’s name and site address.
 - Quantity, manufacturer, and model of the solar PV panels.
 - Quantity, manufacturer, and model of the inverter(s).
 - Workmanship warranty from the Contractor of at least 5 years.
 - Description of any additional, non-PV-related, scope of work (e.g. tree trimming, roof vent relocation, etc.) and its associated costs as separate line items.
 - 3) **Site Plan:** a “plan view” schematic or drawing (i.e. viewed from the top) that shows the following:
 - Customer’s name and site address.
 - North indicator arrow.
 - Location of solar PV panels, inverter(s), disconnect(s), utility meter, main service panel (or interconnection point), and any other equipment (e.g. batteries).
 - NOTE: see [this document](#) for some examples of compliant site plans.

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 and obtaining permission to operate (PTO) from Customer's electric utility company (see exceptions under "Alternative Project Completion" below). Upon project completion, the following five 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) **Proof of permission to operate** (PTO) from Customer's electric utility company that provides explicit permission to Customer to energize their system at the site address.
- 4) **Contractor Lien Waiver Form** that has been filled out and signed by Contractor for the invoiced amount.
- 5) **Loan Documentation** that Clean Energy Credit Union sends via DocuSign for execution by the Customer.

Project Completion Payment Terms: upon approving the five 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.
- As an optional alternative to waiting until PTO is obtained from Customer's electric utility company, Contractor can submit a [Pre-PTO Payment Form](#) that has been filled out and signed by both Customer and Contractor.
 - If the Pre-PTO Payment 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.
 - Contractor can later submit proof of PTO after receiving it from Customer's electric utility company.
 - Upon approving the proof of PTO, Clean Energy Credit Union will refund \$750 directly to Contractor within net 20 terms, and the \$250 balance will be retained as a fee by Clean Energy Credit Union.
- NOTE: the Member Inspection Waiver Form and the Pre-PTO Payment Form cannot be used together on the same project; instead, only one form can be used per project.

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. Once the Customer has been pre-approved, can the Contractor proceed with design, procurement, permitting, etc. with confidence that they will be paid at 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 “Process for Loan and Project Approval” 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 CU’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 \$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. That being said, there is an optional \$1,000 fee (of which \$750 is refundable) when a Contractor voluntarily chooses to utilize the [Pre-PTO Payment Form](#).

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 solar PV 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 solar PV 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 solar PV system loan process:

- [Solar PV System Loan Instructions for Customers](#)
- [Solar PV 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](#)
- [Pre-PTO Payment Form](#)
- [Examples of Compliant Site Plans](#)
- [Example Monthly Loan Payment Calculator](#)