

RESIDENTIAL ENERGY EFFICIENCY LOAN ASSISTANCE PROGRAM
California Alternative Energy and Advanced Transportation Financing Authority

915 Capitol Mall Sacramento, CA 95814 (916) 651-8157 www.gogreenfinancing.com CHEEF@treasurer.ca.gov

PARTICIPATING FINANCE LENDER (PFL) APPLICATION

Section 1: Contact Information

(a) Name of Eligible Finance Lender (EFL): _____
(b) Address: _____ (c) City: _____ (d) State: _____ (e) Zip: _____
(f) Contact Person Name: _____ (g) Title: _____
(h) Business Address: _____ (i) City: _____ (j) State: _____ (k) Zip: _____
(l) Business Phone: _____ (m) Email Address: _____

Section 2: Description of Institution

(n) Type of Institution:
 Finance Lender Other: _____
(o) Regulatory Agency (if applicable): _____
(p) Insuring Agency (if applicable): _____
(q) License Number(s) (if applicable): _____

Section 3: Channel Partner Information

(r) Name of the Eligible Channel Partner co-applicant (if applicable): _____

Section 4: Authorized Loan Officers and Staff

Please enter contact information for loan officers/staff who are authorized to provide and certify data and submit loans to CAEATFA for enrollment under the Program.

(s) Name: _____ (t) Title: _____
(u) Business Address: _____ Same as Company address in Section 1
(v) City: _____ (w) State: _____ (x) Zip: _____ (y) Phone: _____
(z) Name: _____ (aa) Title: _____
(ab) Business Address: _____ Same as Company address in Section 1
(ac) City: _____ (ad) State: _____ (ae) Zip: _____ (af) Phone: _____

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Section 4: Authorized Loan Officers and Staff (continued)

(ag) Name: _____	(ah) Title: _____		
(ai) Business Address: _____	<input type="checkbox"/> Same as Company address in Section 1		
(aj) City: _____	(ak) State: _____	(al) Zip: _____	(am) Phone: _____
(an) Name: _____	(ao) Title: _____		
(ap) Business Address: _____	<input type="checkbox"/> Same as Company address in Section 1		
(aq) City: _____	(ar) State: _____	(as) Zip: _____	(at) Phone: _____

Section 5: Required Enclosures

In separate enclosures, please provide the following information:

- (1) A detailed description of the loan program to finance Eligible Improvements, including, but not limited to, anticipated REEL loan product details, such as an indication of what may be financed through the proposed loan program, collateral required (if any), maximum and minimum loan amounts, loan terms, interest rates (fixed or variable and for each term and credit tier), fees and eligibility for renters and manufactured homes.
- (2) A list of counties in California where the EFL's loan product may be available, or an indication that the product may be available statewide.
- (3) A description of underwriting criteria, including any minimum credit score requirements, maximum total debt-to-income ratio, bankruptcy limitations and other disqualifying criteria.
- (4) A comparison between the proposed REEL product and the EFL's typical product offerings. Please indicate specifically how the Loss Reserve Contribution will be utilized to provide benefits to Borrowers in one or more of the following ways, such as: 1) lower interest rates, 2) longer loan terms, 3) larger amounts available to the Borrower, and/or 4) more inclusive underwriting criteria/broadened access.
- (5) If applying to participate in the Credit-Challenged Program, a detailed description of the proposed program and additional benefits to Credit-Challenged Borrowers resulting from the EFL's participation in the Credit-Challenged Program, pursuant to Section 10091.2(d)(6) of the regulations. This description must include a comparison between the EFL's similar loan products and the proposed REEL loan product with and without access to the Credit-Challenged Program.
- (6) A description of product marketing, loan origination and operational processes, including how the EFL will ensure compliance with Program rules, obtain and provide required data and certifications, and submit loans for enrollment.
- (7) An indication of the EFL's future intent for the loans it submits to the Program (e.g. hold, sell, transfer, participate), and the identity of a purchaser or assignee, if known.
- (8) If applying with an Eligible Channel Partner (ECP) co-applicant, the Channel Partner application and its associated materials.
- (9) Sample transaction documentation, such as a loan application and standard agreement.
- (10) An indication of which, if any, Borrower certifications listed in Section 10091.8(e) of the Program regulations are not pertinent to the proposed loan program and may be forgone during loan enrollment, and explain why.
- (11) A description of succession plans or agreements in the case the PFL ceases to operate.

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Section 5: Required Enclosures (continued)

- (12) Evidence of (1) general liability and (2) workers' compensation and employer's liability insurance coverage. The general liability policy must include the State of California and its officers, agents, employees and servants as additional insureds, but only insofar as the operations under these regulations are concerned.
- (13) Evidence of net worth in excess of one million dollars (\$1,000,000) and assets that exceed 0.5% of assets under servicing pursuant to the Program regulation.
- (14) Evidence of the EFL's capacity as a consumer lender by satisfying either of the following conditions:
 1. A California Finance Lender (CFL) license, OR
 2. Certification that the EFL does not need a CFL license, demonstration of at least twenty million dollars (\$20,000,000) in committed capital for general financing activities, and evidence that the EFL has originated at least 500 transactions similar to the EFL's proposed loan product.
- (15) A description of the Eligible Finance Lender's experience and/or capacity to carry out the following functions; include for each a description of key personnel and positions, systems, processes and facilities:
 1. Consumer finance and, if applicable, coordination with home improvement contractors and consumers.
 2. Originating, underwriting and servicing the EFL's proposed loan product(s) in accordance with all applicable laws.
 3. Quality control and management systems to evaluate and monitor the overall quality of the EFL's financing-related activities, including, where applicable, underwriting reviews and consumer complaint resolution processes.

Note: Once the PFL is enrolled into the REEL Program, the PFL is responsible for updating CAEATFA with any changes to the information referenced in Sections 1 and 2 above. Changes to the approved REEL loan program and product(s) as detailed in the Enclosures (1) – (6) above are subject to approval by CAEATFA.

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Section 6: EFL Certifications

Pursuant to Section 10091.2 and Section 10091.3 of the Program regulations, by signing below,

(au) _____:
(Name of Eligible Finance Lender)

1. Certifies the following:

- (a) It is not subject to a cease and desist order, or other regulatory sanction from the appropriate federal or state regulatory body, that would impair the EFL's or Successor Servicer's ability to participate in the Program.
- (b) For all forthcoming loan enrollment applications submitted by the PFL to CAEATFA:
 - 1) The loan enrollment applications will be Eligible Loans and that the Borrowers receiving the Eligible Loans will meet the minimum underwriting criteria set forth in the Program regulations. The Claim-Eligible Principal Amount will be limited to Eligible Improvements.
 - 2) The Borrowers and Participating Contractors will have executed the required project certifications, the Borrowers will have executed the CHEEF Privacy Disclosures, and the PFL will have obtained them.
- (c) This application to participate in the Program will be signed by a person authorized to legally bind the applicant, and will include the signatory's printed name, title and date.

2. Acknowledges and agrees to the following:

- (a) The PFL or Successor Servicer will follow the Program regulations described in Title 4, Division 13, Article 5 of the California Code of Regulations, commencing with Section 10091.1.
- (b) The Program regulations constitute a lender services agreement.
- (c) The PFL or Successor Servicer will permit an audit, by CAEATFA, of any of its records relating to Enrolled Loans, during normal business hours either remotely or on its premises, to be determined by CAEATFA, and will supply other information concerning Enrolled Loans as shall be requested by CAEATFA.
- (d) CAEATFA and the State of California will have no liability to the PFL or Successor Servicer under the Program except from funds deposited in the Loss Reserve Account(s) for the PFL or Successor Servicer.
- (e) The PFL will include the required information and certifications described in Section 10091.8 with each loan enrollment application.
- (f) The PFL or Successor Servicer is solely responsible for identifying and making any and all disclosures and providing periodic reports to its borrowers as required under applicable laws.
- (g) The PFL or Successor Servicer will comply with all applicable laws, possesses and maintains all required state and federal licenses, and remains in good standing with all governmental authorities having jurisdiction over its business.
- (h) The IOUs are not responsible for, and shall have no liability for,
 - 1) The energy efficiency improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts.
 - 2) The assessment of potential benefits and costs associated with those improvements.

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Section 6: EFL Certifications (continued)

- 3) The qualification of PFLs or Successor Servicer(s).
 - 4) The PFL's or Successor Servicer's marketing and lending policies and practices.
 - 5) CAEATFA's educational and outreach activities.
3. The PFL or Successor Servicer shall indemnify, defend and hold harmless CAEATFA, each of the IOUs, the IOU's affiliates, and each of the IOU's respective officers, directors, employees, agents and representatives (each of which is an express beneficiary of this indemnity) from and against any and all losses arising in connection with any claim:
- (a) Resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct of the PFL or Successor Servicer, including any failure of the PFL or Successor Servicer, or its agents to comply with applicable laws in connection with Enrolled Loans.
 - (b) Resulting from any error or omission by the PFL or Successor Servicer, or its agents, in the calculation or presentation of principal repayments or interest with respect to an Enrolled Loan agreement, interest, fees and charges, the receipt and processing of payments received from Borrowers, or any collection or enforcement action.
 - (c) Alleging any breach of a representation, warranty or covenant by that PFL or Successor Servicer.
 - (d) Alleging any misrepresentation by the PFL or Successor Servicer, or its agents, with respect to the energy savings to be achieved in connection with an Enrolled Loan, or any failure or deficiency in the products, materials or work supplied to a Borrower in connection with an Enrolled Loan.
 - (e) Arising from the PFL's or Successor Servicer's breach, or alleged breach of these regulations and/or its confidentiality or privacy obligations under these regulations or with respect to the Program.
4. Acknowledges and agrees to make the following representations, warranties and covenants.
- (a) The EFL or Successor Servicer is duly organized and validly existing under the laws of the state of its organization and California with due power and authority to own its properties and to conduct its business as those properties are currently owned and whose business is presently conducted, and had at all relevant times, and has, the power, authority and legal right to participate in this Program.
 - (b) The EFL or Successor Servicer is duly qualified to do business and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business will require those qualifications.
 - (c) The EFL or Successor Servicer has the power and authority to execute and to carry out the terms of the Program.
 - (d) There are no proceedings or investigations pending or threatened before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over the EFL or Successor Servicer, or its properties involving any of the following:
 - 1) Asserting the invalidity of these regulations.
 - 2) Seeking to prevent the consummation of any of the transactions contemplated by these regulations.
 - 3) Seeking any determination or ruling that might materially and adversely affect the performance by the EFL of its obligations under these regulations.

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Section 6: EFL Certifications (continued)

- (e) The EFL has trained and qualified employees and suitable facilities and operating systems for the performance of the underwriting, origination and servicing functions required to carry out the Program. Where an EFL is seeking to become a Successor Servicer, those requirements related to employees, facilities and operating systems shall be sufficient to carry out all servicing functions required to carry out the Program. The EFL or Successor Servicer must maintain a written disaster recovery plan that covers the restoration of the facilities and the backup and recovery of information in electronic data processing systems. Alternate processing facilities and systems are required to ensure continuous operations. The EFL or Successor Servicer shall allow CAEATFA, at no additional cost, to inspect its disaster recovery plan and facilities.
- (f) The EFL or Successor Servicer has established and shall maintain adequate internal audit and management control systems to guard against dishonest, fraudulent or negligent acts by employees and contractors involved in the origination process.

Note: All capitalized terms are defined in Section 10091.1 of the Program regulations.

I, the undersigned, hereby certify the information provided in this application and that I am authorized to legally bind the applicant.

(av) Authorized Representative Signature: _____ (aw) Date: _____

(ax) Printed Name: _____ (ay) Title: _____

Internal Use Only

PFL ID#: _____	Received Date: _____
Approval Signature: _____	PFL Enrollment Date: _____