State of California
Office of Administrative Law

In re:
California Alternative Energy and Advanced Transportation Financing Authority

Regulatory Action:

Title 04, California Code of Regulations

Amend sections: **10091.1, 10091.2, 10091.3, 10091.4, 10091.5, 10091.6, 10091.7, 10091.8, 10091.9, 10091.10, 10091.12, 10091.13, 10091.14, 10091.15**

NOTICE OF APPROVAL OF EMERGENCY REGULATORY ACTION

Government Code Sections 11346.1 and 11349.6

OAL Matter Number: 2018-0522-01

OAL Matter Type: Emergency Readopt (EE)

This is the second readoption of emergency rulemaking action no. 2017-0823-04E (first readopted in 2018-0222-01EE), which revises and updates provisions related to the Residential Energy Efficiency Loan ("REEL") Assistance Program, one of several pilot programs for which the Authority is responsible.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 6/5/2018 and will expire on 9/5/2018. The Certificate of Compliance for this action is due no later than 9/4/2018.

Date: May 30, 2018

Eric Partington
Senior Attorney

For: Debra M. Cornez
Director

Original: Deana Carrillo, Executive Director
Copy: Susan Mills

STATE OF CALIFORNIA—OFFICE OF ADMINISTRATIVE LAW

EMERGENCY

NOTICE PUBLICATION/REGULATION SUBMISSION (See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-		2018-0522-01EE

For use by Office of Administrative Law (OAL) only

2018 MAY 22 A 9:23

OFFICE OF ADMINISTRATIVE LAW

NOTICE | REGULATIONS

ENDORSED - FILED
in the office of the Secretary of State
of the State of California
MAY 30 2018
1:41 PM

AGENCY WITH RULEMAKING AUTHORITY
California Alternative Energy and Advanced Transportation Financing Authority

AGENCY FILE NUMBER (If any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE

3. NOTICE TYPE	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
☐ Notice re Proposed Regulatory Action ☐ Other			

OAL USE ONLY	ACTION ON PROPOSED NOTICE	NOTICE REGISTER NUMBER	PUBLICATION DATE
	☐ Approved as Submitted ☐ Approved as Modified ☐ Disapproved/ Withdrawn		

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)
Residential Energy Efficiency Loan Assistance Program

1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2018-0222-01EE, 2017-0823-04E

2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)

TITLE(S): 4

ADOPT: ~~per agency~~ request

AMEND: (see attachment)

REPEAL: (none)

3. TYPE OF FILING

- ☐ Regular Rulemaking (Gov. Code §11346)
- ☐ Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)
- ☐ Emergency (Gov. Code, §11346.1(b))
- ☐ Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
- ☐ Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
- ☒ Emergency Readopt (Gov. Code, §11346.1(h))
- ☐ File & Print
- ☐ Other (Specify) _____
- ☐ Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
- ☐ Print Only

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

- ☐ Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))
- ☐ Effective on filing with Secretary of State
- ☐ §100 Changes Without Regulatory Effect
- ☒ Effective other (Specify) 6/5/2018 ~~per agency~~ request

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

- ☐ Department of Finance (Form STD. 399) (SAM §6660)
- ☐ Fair Political Practices Commission
- ☐ State Fire Marshal
- ☐ Other (Specify)

7. CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
Susan Mills	(916) 651-3760		susan.mills@treasurer.ca.gov

8. **I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.**

SIGNATURE OF AGENCY HEAD OR DESIGNEE: [signature] DATE: 5-10-18

TYPED NAME AND TITLE OF SIGNATORY
Deana Carrillo, Executive Director

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

MAY 30 2018

Office of Administrative Law

Attachment to Form 400

Sections to be Amended:

10091.1; 10091.2; 10091.3; 10091.4; 10091.5; 10091.6; 10091.7; 10091.8; 10091.9; 10091.10; 10091.12; 10091.13; 10091.14; 10091.15

CALIFORNIA CODE OF REGULATIONS
Title 4. Business Regulations
Division 13. California Alternative Energy and Advanced Transportation Financing Authority

CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED TRANSPORTATION FINANCING AUTHORITY REGULATIONS IMPLEMENTING THE RESIDENTIAL ENERGY EFFICIENCY LOAN ASSISTANCE PROGRAM

Table of Contents

ARTICLE 5. Residential Energy Efficiency Loan Assistance Program

§10091.1. Definitions....2
§10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate.5
§10091.3. Additional Requirements for Finance Lenders....9
§10091.4. Loan Eligibility and Minimum Underwriting Criteria....11
§10091.5. Contractor Qualification and Management....12
§10091.6. Establishment and Funding of Loss Reserve Accounts....14
§10091.7. Optional Loss Reserve Reservation and Project Pre-Approval....15
§10091.8. Loan Enrollment....17
§10091.9. Claims....24
§10091.10. Project Requirements....26
§10091.11. Reporting....30
§10091.12. Sale of Enrolled Loans....31
§10091.13. Termination and Withdrawal....33
§10091.14. Reports of Regulatory Agencies....35
§10091.15. California Hub for Energy Efficiency Financing Privacy Rights Disclosure....35

§10091.1. Definitions.

(a) "Authority" means the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) established pursuant to Division 16 (commencing with Section 26000 of the Public Resources Code) or its agent.

(b) "Bill Impact Estimate" means an estimate of the anticipated energy cost savings that are expected to result from the installation of Eligible Energy Efficiency Measures, which is provided by the Participating Contractor to the Borrower prior to work being performed on the Eligible Property.

(c) "Borrower" means an individual or individuals who receive(s) an Eligible Loan from a Participating Financial Institution or Participating Finance Lender for the purpose of making Eligible Improvements to an Eligible Property.

(d) "California Hub for Energy Efficiency Financing Disclosure" or "CHEEF Disclosure" means the disclosure described in Section 10091.15.

(e) "CHEEF Loan Identifier" or "CHEEF Loan ID" means an identification number associated with a Borrower and/or Eligible Loan created by the Authority and provided to the PFI or PFL at the time of reservation, pre-approval, or enrollment of an Eligible Loan in the Program. The CHEEF Loan ID will be used to identify the corresponding Eligible Loan in all subsequent correspondence between the PFI, PFL, or Successor Servicer and the Authority.

(f) "Claim-Eligible Principal Amount" means the principal amount of an Enrolled Loan which qualifies for reimbursement pursuant to Section 10091.9 and which may be less than the Total Loan Principal Amount.

(g) "Commission" or "CPUC" means the California Public Utilities Commission.

(h) "Community Choice Aggregator" or "CCA" is defined in Section 331.1 of the California Public Utilities Code.

(i) "Credit-Challenged Borrower" means a Borrower with FICO score below 640.

(j) "Credit-Challenged Program" means the optional program in which an Eligible Financial Institution or Eligible Finance Lender can be approved, per the application process described in Section 10091.2(b), to receive higher Loan Loss Reserve contributions described in Section 10091.8(l) for Credit-Challenged Borrowers.

(k) "Credit Enhancement Basis" means the original Claim-Eligible Principal Amount of the loan less the actual or anticipated amount of any IOU, REN or CCA rebate or incentive amount not applied to the cost of the project.

(l) "CSLB" means the California Contractors State License Board.

(m) "Eligible Contractor" means a contractor or contractor company with an active license with the Contractors State License Board to do the work he, she, or it performs. Disciplinary action must not have been taken against the contractor's license within the previous twelve months.

(n) "Eligible Energy Efficiency Measures" or "EEEMs" means energy efficiency measures eligible for financing under the Program. The Authority establishes allowable measure categories and efficiency standards in Section 10091.10. The list of EEEMs will be accessible from the Authority's website. A measure that is eligible for an IOU, REN or CCA rebate or incentive program and is not on the EEEMs list is eligible for financing as long as the rebate or incentive is being sought.

(o) "EEEMs ID" means the unique identification number associated with an individual EEEM as assigned by the Authority.

(p) "EEEMs Measure Name" means the name associated with a particular EEEM as assigned by the Authority.

(q) "Eligible Finance Lender" means a finance lender licensed by the California Department of Business Oversight that meets the requirements specified in Section 10091.3 of these regulations.

(r) "Eligible Financial Institution" means any insured depository institution, insured credit union, or community development financial institution, as those terms are each defined in Section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4702).

(s) "Eligible Improvements" means improvements made to Eligible Properties.

(1) Eligible Improvements must be installed by Participating Contractors, except as set forth in Section 10091.10(c).

(2) Eligible Improvements may include:

(A) The installation of EEEMs that provide gas savings where an IOU provides gas service to the Eligible Property and/or electric savings where an IOU provides electric service to the Eligible Property.

(B) Additional related home improvements to the Eligible Property.

(3) Eligible Improvements do not include solar photovoltaic, solar thermal or other distributed generation or renewable energy systems.

(t) "Eligible Loan" means a loan or retail installment contract made by a Participating Financial Institution or Participating Finance Lender to a Borrower to finance Eligible Improvements on an Eligible Property.

(1) The Eligible Loan that is being enrolled must meet the requirements specified in Section 10091.4 of these regulations. The proceeds of an eligible loan may be used to fund improvements beyond Eligible Improvements, however, the portion of the Eligible Loan proceeds so used shall not be Claim Eligible.

(2) An Eligible Loan does not include any of the following:

(A) A loan secured by an interest in real property.

(B) Open end loans (e.g., line of credit, home equity line of credit).

(C) A loan for the construction or purchase of residential housing.

(D) A loan for the refinancing of existing debt unless both loans are made within three (3) months by the same lender for the same project.

(u) "Eligible Property" means a residential property of no more than four (4) units that receives gas and/or electric service from one or more Investor-Owned Utilities, or Community Choice Aggregators. Rented or leased properties are eligible with the owner's written consent to have the Eligible Improvements installed.

(1) Manufactured and mobile homes are considered Eligible Properties if the mobile or manufactured home is anchored to a permanent, site-built foundation constructed of durable materials (i.e., concrete, mortared masonry, or wood).

(v) "Enrolled Loan" means an Eligible Loan approved by the Authority for enrollment in the Program pursuant to Section 10091.8.

(w) "Executive Director" means the Executive Director of the Authority or her or his designee.

(x) "Finance-Only Project" means an Eligible Loan financing Eligible Improvements for which no IOU, REN or CCA rebate or incentive will be sought.

(y) "Investor-Owned Utility" or "IOU" (collectively referred to as "IOUs") means Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, or Southern California Gas Company.

(z) "Loss Reserve Account" means an account established and maintained by the Trustee at the Authority's direction for the benefit of a Participating Financial Institution, Participating Finance Lender or Successor Servicer to hold the Loss Reserve Contribution for Enrolled Loans.

(aa) "Loss Reserve Contribution" or "Loan Loss Reserve Contribution" means the financial assistance provided to the Loss Reserve Account pursuant to these regulations for the benefit of a PFI or PFL for each Eligible Loan it enrolls in the Program as described in Section 10091.8, or for the benefit of a Successor Servicer for each Enrolled Loan it purchases pursuant to Section 10091.12.

(bb) "Loss Reserve Reservation" means funds set aside in a Program Reservation Account at the request of a PFI or PFL in accordance with Section 10091.7.

(cc) "Low-to-Moderate Income" or "LMI" means either:

(1) Borrower's household income is at or below the current annual income limits as determined by the California Department of Housing & Community Development according to county and family size and adopted in Section 6932 of Division 1 of Title 25 of the California Code of Regulations. PFIs and PFLs may assume households are comprised of four persons but must include spousal income, if applicable, in income calculations; or

(2) Area Median Income (AMI) of Borrower's census tract does not exceed 120% of AMI for Borrower's Metropolitan Area, County or the State.

(dd) "Participating Contractor" means an Eligible Contractor who has been approved to participate in the Program by the Authority pursuant to Section 10091.5.

(ee) "Participating Finance Lender" or "PFL" means an Eligible Finance Lender that has been approved by the Executive Director to participate in the Program.

(ff) "Participating Financial Institution" or "PFI" means an Eligible Financial Institution that has been approved by the Executive Director to participate in the Program.

(gg) "PFI/PFL/Successor Servicer's Program Participation ID" refers to an identification number for the participating financial lender or institution, assigned by the Authority, when the PFI/PFL is approved to participate in the Program.

(hh) "Program" means the Residential Energy Efficiency Loan Assistance Program described in these regulations, which is replacing the Single Family Loan Program (SFLP) in this and all subsequent references. The SFLP was established by the CPUC in Decision 13-09-044, and further referenced in the Single Family Loan Program Implementation Plan filed by the IOUs, as well as in Resolution E-4663.

(ii) "Program Holding Account" means the account established and maintained by the Trustee at the Authority's direction to hold funds allocated by the IOUs for the Program.

(jj) "Program Identifier" or "Program ID" means a number assigned by CAEATFA or its agents that represents a pilot program. The Program ID will be used to track in which pilot or pilots a PFI, PFL, or Successor Servicer is participating, and in which pilot a particular loan is enrolled.

(kk) "Program Reservation Account" means the account established and maintained by the Trustee at the Authority's direction to hold funds reserved for PFIs and PFLs.

(ll) "Project Pre-Approval" means the Authority's pre-approval of a project at the request of a PFI or PFL in accordance with Section 10091.7.

(mm) "REEL Borrower Form" includes the certifications described in Section 10091.8(f)(3).

(nn) "Regional Energy Network" or "REN" means a Regional Energy Network authorized by the California Public Utilities Commission.

(oo) "Self-Installer" means a Borrower who installs any Eligible Improvement that may be self-installed pursuant to Section 10091.10(c).

(pp) "Successor Servicer" means an Eligible Financial Institution or Eligible Finance Lender approved by the Authority pursuant to Section 10091.12 to service Enrolled Loans sold by a PFI or PFL.

(qq) "Title 20" means Appliance Efficiency Regulations described in Title 20, Division 2, Chapter 4, Article 4 of the California Code of Regulations, as applicable to the Eligible Improvements and as amended from time to time.

(rr) "Title 24" means the Building Standards Code of the California Code of Regulations, as applicable to the Eligible Improvements and as amended from time to time.

(ss) "Total Loan Principal Amount" means the total principal of an Enrolled Loan. This principal amount is not necessarily the same as the Claim-Eligible Principal Amount.

(tt) "Trustee" means the bank or trust company chosen by the Authority to hold or administer some or all of the Program Holding Accounts and Loss Reserve Accounts.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.2. Eligible Financial Institution and Eligible Finance Lender Applications to Participate.

(a) An Eligible Financial Institution or Eligible Finance Lender seeking to become a Participating Financial Institution (PFI) or Participating Finance Lender (PFL) in the Program shall submit an enrollment application to the Authority that includes the following information in a form to be specified by the Authority:

(1) Name and address of the Eligible Financial Institution or Eligible Finance Lender.

(2) Name, business address, business telephone number, email address, and title of contact person.

(3) Name, business address, business telephone number, email address, and title of all loan officers or staff who will be submitting reservations, pre-approvals, or loan enrollments to the Authority under the Program.

(4) An indication that the Eligible Financial Institution or Eligible Finance Lender is applying to enroll in the REEL Assistance Program.

(5) Type of financial institution or finance lender, denoting insured depository institution, insured credit union, community development financial institution, or finance lender.

(6) A list of the counties in California where its loan program may be available, or an indication that the loan program may be available statewide.

(7) Names of the regulatory agency and the insuring agency to which the Eligible Financial Institution or Eligible Finance Lender is accountable and license number(s), if applicable.

(8) A detailed description of its loan program(s) to finance Eligible Improvements, including, but not limited to anticipated loan product details, such as collateral required (if any), maximum and minimum loan amounts, interest rates (including maximums and whether fixed or variable), loan terms, property type (owner occupied vs. leased or rented), and a description of underwriting criteria, with reference to any minimum FICO score or maximum total debt-to-income ratio.

(9) A description of the transactional activities associated with the loan issuance, including any fees that will be assessed to the Borrower or the contractor.

(10) An indication as to whether the Eligible Financial Institution's or Eligible Finance Lender's participation in the Program will result in benefits to the Borrower in one or more of the following ways:

(A) Lower interest rates.

(B) Longer loan terms.

(C) More inclusive underwriting criteria.

(D) Any other advantageous features.

(11) A detailed description of the benefits to Borrowers resulting from the Eligible Financial Institution's or Eligible Finance Lender's participation in the Program as indicated in subsection (a)(10) above. This description should include a comparison between the terms, underwriting criteria, interest rates, or other critical features of the loan program(s) described in subsection (a)(8) above and any existing, similar loan product offered by the Eligible Financial Institution or Eligible Finance Lender.

(12) An acknowledgement and agreement that these regulations constitute a lender services agreement.

(13) Certification that the Eligible Financial Institution or Eligible Finance Lender is not subject to a cease and desist order or other regulatory sanction from the appropriate federal or state regulatory body, which would impair its ability to participate in the Program.

(14) The Eligible Financial Institution's or Eligible Finance Lender's agreement to follow the Program regulations as set forth in this Article.

(15) The Eligible Financial Institution's or Eligible Finance Lender's agreement to permit an audit, by the Authority, of any of its records relating to Enrolled Loans during normal business hours on its premises, and to supply such other information concerning Enrolled Loans as shall be requested by the Authority.

(16) The Eligible Financial Institution's or Eligible Finance Lender's acknowledgment that the Authority and the State will have no liability to the PFI or PFL under the Program except from funds deposited in the Loss Reserve Account(s) for the PFI or PFL.

(17) The Eligible Financial Institution's or Eligible Finance Lender's agreement to include in its loan documentation the following documents in a form approved by the Authority, as applicable to each Eligible Loan submitted for enrollment in the Program: utility bill(s), California Hub for Energy Efficiency Financing Disclosures, REEL Borrower Form, Itemized Invoice, Self-Installer Project

Submission, and the Certificate of Completion described in Section 10091.8 to be signed by the Participating Contractor.

(18) The Eligible Financial Institution's or Eligible Finance Lender's agreement to and acknowledgement of the following, upon enrollment in the Program:

(A) The PFI or PFL is solely responsible for identifying and making any and all disclosures and providing periodic reports to its Borrowers as required under applicable laws.

(B) The PFI or PFL shall comply with all applicable laws, possess and maintain all required state and federal licenses, and remain in good standing with all governmental authorities having jurisdiction over its business.

(C) The PFI or PFL shall indemnify, defend and hold harmless CAEATFA, each of the IOUs, their affiliates, and each of their 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:

(i) resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct of the PFI or PFL, including any failure of the PFI or PFL, or its agents, to comply with applicable laws in connection with Enrolled Loans;

(ii) resulting from any error or omission by the PFI or PFL or any of its agents in the calculation or presentation of principal repayments or interest with respect to an Enrolled Loan agreement, fees and charges, the receipt and processing of payments received from Borrowers, or any collection or enforcement action;

(iii) alleging any breach of a representation, warranty or covenant by such PFI or PFL;

(iv) alleging any misrepresentation by the PFI or PFL 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; and/or

(v) arising from the PFI's or PFL's breach or alleged breach of these regulations and/or its confidentiality or privacy obligations under these regulations or with respect to the Program.

(D) The PFI or PFL acknowledges that the IOUs are not responsible for, and shall have no liability for:

(i) the energy efficiency improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts,

(ii) the assessment of potential benefits and costs associated with those improvements,

(iii) the qualification of PFIs or PFLs,

(iv) the PFI's or PFL's marketing and lending policies and practices, or

(v) CAEATFA's educational and outreach activities.

(19) The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.

(20) The application shall include certification that for all forthcoming Project Pre-Approvals or Loan Enrollment Applications submitted by the PFI or PFL to the Authority:
  (A) The loans will be Eligible Loans for Eligible Improvements at an Eligible Property, and that the Borrowers receiving the Eligible Loans will meet the Minimum Underwriting Criteria set forth in this Article, and
  (B) The Claim-Eligible Principal Amounts will not finance distributed generation.

(21) The application shall include certification that for all forthcoming Loss Reserve Reservations, Project Pre-Approvals or Loan Enrollment Applications submitted by the PFI or PFL to the Authority:
  (A) All of the information provided will be true and accurate to the best of the signatory's knowledge.

(22) The application shall be signed by a person authorized to legally bind the Eligible Financial Institution or Eligible Finance Lender, and shall include the signatory's printed name, title and date.

(23) Eligible Finance Lenders will also submit evidence of compliance with, or a certification that the Eligible Finance Lender meets, the additional requirements specified in Section 10091.3.

(b) A PFI or PFL who wishes to participate in the Credit-Challenged Program shall also submit the following:

(1) A detailed description of its loan program and products to finance Eligible Improvements resulting from participation in the Credit-Challenged Program. The description shall include, but is not limited to, anticipated loan product details, such as collateral required (if any), maximum and minimum loan amounts, interest rates (including maximums and whether fixed or variable), loan terms, property type (owner occupied vs. leased or rented), and a description of underwriting criteria, with reference to any minimum FICO score or maximum total debt-to-income ratio.

(2) A detailed description of the additional benefits to Credit-Challenged Borrowers, resulting from the Eligible Financial Institution's or Eligible Finance Lender's participation in the Credit-Challenged Program as indicated in subsection (a)(10) above. This description shall include a comparison between existing, similar loan products, and the proposed loan program with and without access to the Credit-Challenged Program.

(c) Upon receipt of a completed application, the Authority will, within ten (10) business days, review and determine whether additional information is required, or whether the application is sufficient to permit the applicant to be a PFI or PFL. The Authority's decision regarding enrollment shall be final. The Authority will notify the PFI or PFL of its decision and provide a Program-assigned identification number for the PFI or PFL. The Authority shall provide the PFI or PFL with a signature sheet for authorizing officials, who are authorized by the PFI or PFL to sign documents binding the PFI or PFL. The PFI or PFL shall complete, sign, and return the signature sheet to the Authority within 10 business days, or at the time the PFI's or PFL's first loan is enrolled, whichever is first.

(d) After a PFI or PFL is enrolled in the Program, the PFI or PFL is responsible for updating the Authority with any changes to the information referenced in subsections (a)(1)-(7) above. Changes to the information referenced in subsections (a)(6) and (8)-(11) above are subject to approval by the Authority.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.3. Additional Requirements for Finance Lenders.

In addition to the requirements set forth in Section 10091.2, to be approved as a Participating Finance Lender, Eligible Finance Lenders must meet the following requirements in a form to be specified by the Authority:

(a) Maintain and provide evidence of the following insurance coverage:

(1) General liability with limits of not less than $2,000,000 per occurrence for bodily injury and property damage liability combined. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Eligible Finance Lender's limit of liability. The policy must include the State of California, its officers, agents, employees and servants as additional insureds, but only insofar as the operations under these regulations are concerned.

(2) Motor vehicle liability with limits of not less than $1,000,000 per accident. Such insurance shall cover liability arising out of a motor vehicle owned, hired, and non-owned motor vehicles.

(3) Statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the Program, including special coverage extensions where applicable. Employer's liability limits of $1,000,000 shall be required.

(4) All insurance coverage shall be in force for the complete term during which the Eligible Finance Lender is enrolled as a PFL. If insurance expires during this term, a new certificate must be received by the Authority at least ten (10) business days prior to the expiration of the insurance. The new insurance must still meet the terms required in this section.

(5) The PFL is responsible for ensuring that coverage will not be cancelled without thirty (30) days' prior written notice to the Authority.

(6) The PFL is responsible for any deductible or self-insured retention contained within the insurance program.

(7) In the event the PFL fails to keep in effect at all times the specified insurance coverage, the Authority may, in addition to any other remedies it may have, terminate the PFL's participation in the Program on the occurrence of such event, subject to the provisions set forth in these regulations.

(8) Any insurance required shall be primary, and not excess, to any other insurance carried by the Authority.

(b) Have net worth in excess of $1,000,000 and assets that exceed 0.5% of assets under servicing.

(c) Unless seeking to become a Successor Servicer, demonstrate in writing a proven ability to originate consumer loans or retail installment contracts in accordance with all applicable laws, including related expertise and experience, trained and qualified personnel, and suitable systems, processes, and facilities to support the business.

(d) Demonstrate, in writing, experience with home improvement financing and the coordination of such financing with home improvement contractors and consumers.

(e) Maintain quality control and management systems to evaluate and monitor the overall quality of its loan or financing-related activities, including, where applicable, underwriting reviews and consumer complaint resolution processes.

(f) Hold a California Finance Lender license in good standing with the California Department of Business Oversight.

(g) Make the following representations, warranties, and covenants to the Authority. These warranties are not limited to matters of which the Eligible Finance Lender had knowledge. Matters that are of public record will be deemed to be known by the Eligible Finance Lender.

(1) Organization and Good Standing. The Eligible Finance Lender 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 such properties are currently owned and such business is presently conducted, and had at all relevant times, and has, the power, authority and legal right to participate in this Program.

(2) Due Qualification. The Eligible Finance Lender 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 such qualifications.

(3) Power and Authority. The Eligible Finance Lender has the power and authority to execute and to carry out the terms of the Program.

(4) No Proceedings. There are no proceedings or investigations pending or threatened, before any court, regulatory body, administrative agency nor other governmental instrumentality having jurisdiction over the Eligible Finance Lender or its properties:

(A) asserting the invalidity of these regulations,

(B) seeking to prevent the consummation of any of the transactions contemplated by these regulations, or

(C) seeking any determination or ruling that might materially and adversely affect the performance by the Eligible Finance Lender of its obligations under these regulations.

(5) Due Experience. The Eligible Finance Lender has the experience and expertise to underwrite, originate, and service loans in accordance with all applicable regulations and laws.

(6) Qualified Staff and Adequate Facilities. The Eligible Finance Lender 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 Eligible Finance Lender is seeking to become a

Successor Servicer, such requirements related to employees, facilities and operating systems shall be sufficient to carry out all servicing functions required to carry out the Program. The Eligible Finance Lender must maintain a written disaster recovery plan that covers the restoration of the facilities, backup and recovery of information in electronic data processing systems. Alternate processing facilities and systems are required to ensure continuous operations. Eligible Finance Lender shall allow the Authority, at no additional cost, to inspect its disaster recovery plan and facilities.

(7) Bad Acts. Eligible Finance Lender 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.

(h) The application of the Eligible Finance Lender to enroll as a Participating Finance Lender shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.4. Loan Eligibility and Minimum Underwriting Criteria.

(a) Loans' terms and characteristics must be consistent with the loan program described by the PFI or PFL in its application to participate pursuant to Section 10091.2(a)(8)-(9), or any revised program details provided in a report to the Authority pursuant to Section 10091.11(b)(1).

(b) The Claim-Eligible Principal Amount of the Loan proceeds must be used for Eligible Improvements to Eligible Properties in accordance with the following requirements:

(1) At least 70 percent of the proceeds must be used to fund EEEMs as specified in Sections 10091.1(n) and 10091.1(s)(2)(A), other necessary and related costs such as installation, permitting, and other legally required improvements.

(A) Where a measure is removed from the list of EEEMs or its specification is revised, that measure and specification will continue to be eligible for inclusion under this subsection where the Loan Enrollment Application is submitted within one-hundred and eighty (180) calendar days of its removal or revision.

(2) No more than 30 percent of the proceeds may be used for additional related home improvements as described in Section 10091.1(s)(2)(B).

(c) The Claim-Eligible Principal Amount shall not exceed $50,000 per unit for the Eligible Property. If the Eligible Loan is underwritten without a FICO score pursuant to subsection (e)(2) below, the Claim-Eligible Loan Amount shall not exceed $35,000 without regard to the number of units of the Eligible Property.

(1) Where an Eligible Loan is underwritten without a FICO score, the $35,000 cap shall apply to the Total Loan Principal Amount regardless of the Claim-Eligible Principal Amount.

(d) The interest rate, as calculated at a time pursuant to the PFI's or PFL's standard business practices, shall not exceed the interest rate on new 10-year treasury bonds plus seven hundred and fifty (750) basis points as of the first business day of the applicable calendar quarter.

(e) Borrower FICO score requirements:

(1) The Borrower must have a minimum FICO score of 580 except as allowed pursuant to subsection (2) below. For Borrowers with FICO scores between 580 and 640, the PFI or PFL must verify the Borrower's income as part of the underwriting process if the Total Loan Principal Amount exceeds $20,000.

(2) Eligible Loans may also be provided to Borrowers with no FICO score, provided they do not have any unexplained derogatory credit reports.

(f) The Borrower's total debt-to-income ratio shall not exceed fifty-five percent (55%).

(g) In addition to the underwriting criteria described above, Participating Financial Institutions and Participating Finance Lenders may use a Borrower's utility billing and payment history to aid in underwriting an Eligible Loan.

(h) A PFI or PFL may establish additional underwriting criteria beyond what is described in this Section. A PFI or PFL has responsibility for underwriting decisions and legal compliance with respect to the Eligible Loans it makes pursuant to these regulations.

(i) A PFI or PFL may not enroll the Claim-Eligible Principal Amount of the Loan in any substantially similar program.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.5. Contractor Qualification and Management.

(a) To participate in the Program as a Participating Contractor, an Eligible Contractor must complete a Program training regarding these regulations and the requirements set forth herein offered by the Authority, the IOUs, or the Center for Sustainable Energy, and submit an application to the Authority including the following information in a form to be specified by the Authority:

(1) Business name and address of the Eligible Contractor.

(2) Name, website (if any), business address, business telephone number, e-mail address and title of contact person.

(3) CSLB license number.

(4) The name(s) of individual(s) who are authorized to sign loan enrollment documents on behalf of the Eligible Contractor. The list can be updated at any time by the signatory of the Program application.

(5) Type(s) of CSLB licenses relevant to the work performed under the Program.

(6) The date, location, and provider of the mandatory training attended by the Eligible Contractor, or an attachment from the provider of the mandatory training containing this information.

(7) Certification that the Eligible Contractor has no outstanding judgments or liens.

(8) The Eligible Contractor's agreement to follow the Program regulations as set forth in this Article, including the project requirements set forth in Section 10091.10.

(9) The Eligible Contractor's agreement to hold and maintain a commercial general liability insurance policy or policies of not less than $1,000,000 per occurrence throughout their participation in the Program. If the policy maintains a policy aggregate, such aggregate shall not be less than twice the occurrence limit. The Eligible Contractor shall submit proof of such insurance in its application to the Authority.

(10) The Eligible Contractor's agreement to permit an audit, by the Authority, of any of its records relating to the projects financed by Enrolled Loans during normal business hours on its premises, and to supply such other information relating to those projects as shall be requested by the Authority.

(11) The Eligible Contractor's agreement that its representatives and agents are not hired by the Authority or any of the participating IOUs, and shall not represent themselves as such, or claim association or affiliation with the Authority or any of the participating IOUs in any capacity. Further, the Eligible Contractor shall not make false or misleading claims about any part of the Program or its performance, including energy performance savings, nor engage in fraudulent or deceitful conduct in the sale or installation of measures.

(12) The Eligible Contractor's acknowledgement that its employees and representatives shall be solely responsible for all representations made to Borrowers regarding the Program or work performed for a Borrower under the Program, and shall be responsible for all sales, installations, warranties, maintenance, and service for all products and systems installed.

(13) The Eligible Contractor's acknowledgement that the Authority and the State will have no liability to the Eligible Contractor under the Program.

(14) The Eligible Contractor's agreement to and acknowledgement of the following:

(A) The Eligible Contractor is solely responsible for identifying and making any and all disclosures required under applicable laws.

(B) The Eligible Contractor shall comply with all applicable laws, possess and maintain all required state licenses, and remain in good standing with all governmental authorities having jurisdiction over its business.

(C) The Eligible Contractor acknowledges that the IOUs are not responsible for, and shall have no liability for:

(i) the energy efficiency improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts;

(ii) the assessment of potential benefits and costs associated with those improvements;

(iii) the selection of Participating Contractors;

(iv) the Participating Contractor's marketing policies and practices; or

(v) CAEATFA's educational and outreach activities.

(b) The application shall be signed by a person authorized to legally bind the Eligible Contractor, and shall include the signatory's printed name, title, and date.

(c) The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.

(d) Upon receipt of a completed application, the Authority will, within ten (10) business days, review and determine whether additional information is required, or whether the application is sufficient to permit the applicant to be a Participating Contractor. The Authority's decision regarding enrollment shall be final. The Authority will notify the Eligible Contractor of its decision.

(e) The Authority will add Participating Contractors to a list that will be accessible from its website.

(f) On an annual basis, the Authority may randomly select a sample of Participating Contractors and conduct an audit to request updated proof of insurance, pursuant to Section 10091.5(a)(10) above.

(g) In the event an audit or post-project field verification by the Authority reveals misrepresentation or failure to comply with the requirements set forth in these regulations on the part of a Participating Contractor, the Authority may suspend the Participating Contractor. The Executive Director shall provide written notice of the suspension and the right to appeal in accordance with the procedures set forth in paragraphs (1) through (3) below.

(1) Any Participating Contractor receiving a notice of suspension shall have the right to submit information to the Authority explaining the results of the post-project field verification and asking that the Executive Director reconsider the suspension within fifteen (15) business days of the date of the notice.

(2) The Executive Director shall have ten (10) business days to respond to any information submitted pursuant to paragraph (1) of this subdivision, either reversing or affirming the suspension. The Executive Director shall provide written notice of the decision and the right to appeal the decision to the Authority pursuant to paragraph (3) of this subdivision.

(3) Within fifteen (15) business days of the date of the notice from the Executive Director pursuant to paragraph (2) of this subdivision, the contractor shall have the right to seek an appeal to the Authority. The appeal shall be in writing and shall set forth the information the contractor believes warrants a reversal of the Executive Director's decision. The Authority shall consider the appeal at the first regularly scheduled meeting occurring at least twenty (20) business days after the appeal is received.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.6. Establishment and Funding of Loss Reserve Accounts.

(a) Upon the Authority's acceptance of an application from an Eligible Financial Institution or Eligible Finance Lender to be a PFI, PFL, or Successor Servicer, the Authority shall instruct the Trustee to establish a Loss Reserve Account for the PFI, PFL, or Successor Servicer. The Loss Reserve Account(s) will be held by the Trustee and will be used to:

(1) Receive and hold Loss Reserve Contributions deposited by the Authority for the benefit of a PFI, PFL, or Successor Servicer; and

(2) Pay claims in accordance with Section 10091.9.

(b) For each of the PFI's or PFL's loan enrollments, the Authority shall direct the Trustee to transfer a Loss Reserve Contribution from the Program Holding Account to the Loss Reserve Account of that PFI or PFL pursuant to Section 10091.8(l)(1)-(2) below.

(1) Where an Eligible Loan is enrolled that previously received a Loss Reserve Reservation or Project Pre-Approval pursuant to Section 10091.7, the Authority shall direct the Trustee to transfer the Loss Reserve Contribution to the Loss Reserve Account. If the Loss Reserve Contribution exceeds the Loss Reserve Reservation amount for the Eligible Loan, the remainder of the Loss Reserve Contribution will be transferred to the Loss Reserve Account, provided funds are available.

(c) On an annual basis based on the fiscal year ending June 30th, the Authority shall instruct the Trustee to rebalance a PFI's or PFL's Loss Reserve Account, if necessary, and move funds from the PFI's or PFL's Loss Reserve Account into the Program Holding Account. The initial rebalance amount will be the sum of the original Loan Loss Reserve Contributions associated with enrolled loans that were paid off in full during the fiscal year.

(1) If the PFI or PFL did not make any claims as provided under Section 10091.9 during the fiscal year, the initial rebalance amount will not be changed and the funds will be transferred from the PFI's or PFL's Loss Reserve Account to the Program Holding Account.

(2) If the PFI or PFL made one or more claims as provided under Section 10091.9 during the fiscal year, and the total claim amount is less than the initial rebalance amount, the final rebalance amount will equal the initial rebalance amount less the claim(s) amount.

(3) If the PFI or PFL made one or more claims as provided under Section 10091.9 during the fiscal year, and the total claim amount is more than the initial rebalance amount, there will be no rebalance.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.7. Optional Loss Reserve Reservation and Project Pre-Approval.

(a) A PFI or PFL may submit a request for a Loss Reserve Reservation to the Authority prior to enrolling an Eligible Loan so that loss reserve funds may be set aside. Funds reserved will be used as the Loss Reserve Contribution for the Eligible Loan upon the approval of a Loan Enrollment Application in accordance with Section 10091.8 below. A Loss Reserve Reservation request shall include the following information in a form to be specified by the Authority:

(1) The PFI's or PFL's name and Program Participation ID.

(2) Loan officer name, business telephone number and e-mail.

(3) PFI's or PFL's internal loan identification number, the designation created by the PFI or PFL to refer to the Eligible Loan for its own reference. This number should not be identical to a Borrower's account number with the PFI or PFL.

(4) Indication of whether the Borrower qualifies as a Low-to-Moderate Income borrower as defined by Section 10091.1(cc) and methodology utilized to determine LMI qualification.
(5) The Program ID (Indication that Eligible Loan will be submitted for enrollment in the REEL Assistance Program).
(6) The anticipated Claim-Eligible Principal Amount.
(7) The anticipated Total Principal Amount.
(8) The name of the utility providing gas service to the Eligible Property.
(9) The name of the utility providing electric service to the Eligible Property.

(b) In addition to requesting a Loss Reserve Reservation pursuant to subsection (a) above, a PFI or PFL may submit a request for a Project Pre-Approval to the Authority prior to enrolling an Eligible Loan to verify the eligibility of proposed measures and other proposed project characteristics. When requesting a Project Pre-Approval, a PFI or PFL shall submit the following information in a form to be specified by the Authority in addition to the information described in subsection (a) above:
(1) The Borrower's IOU account number(s).
(2) An estimate Itemized Invoice as specified in Section 10091.8(g).
(3) The Participating Contractor's name and CSLB License Number, or an indication that the Eligible Improvements will be installed by a Self-Installer.
(4) An executed California Hub for Energy Efficiency Financing Disclosure, as described in Section 10091.15.
(5) Utility bills, for the IOU(s) servicing the Eligible Property for each meter and fuel provided, from within 60 days of the date of the PFI or PFL's loan approval.

(c) Upon receipt of a request for Loss Reserve Reservation and/or Project Pre-Approval, the Authority will:
(1) Review the request for completeness and eligibility;
(2) Determine the Loss Reserve Reservation amount by calculating the Loss Reserve Contribution pursuant to Section 10091.8(l) below.

(d) The Authority shall approve Loss Reserve Reservation and Project Pre-Approval requests from PFIs or PFLs if the Executive Director determines that the proposed Eligible Loan meets the requirements of this Article. The Authority shall notify the PFI or PFL of approval and reservation, the reservation amount(s) and the CHEEF Loan ID for the Eligible Loan within five (5) business days after receipt by the Authority of all documentation required by this Article. The Executive Director's determination to approve or deny a Loss Reserve Reservation or Loss Reserve Reservation and Project Pre-Approval request shall be final.

(e) Where a Project Pre-Approval request is rejected, but the associated Loss Reserve Reservation request is valid, the Authority will approve only the Loss Reserve Reservation request. The Authority shall notify the PFI or PFL within five (5) business days of its decision. If, after receiving such notice from the Authority, the PFI or PFL does wish to maintain the Loss Reserve Reservation, the PFI or PFL must inform the Authority of its decision to accept the Loss Reserve Reservation within five (5) business days.

(f) Upon approving a Loss Reserve Reservation request, the Authority will instruct the Trustee to transfer the Loss Reserve Reservation from the Program Holding Account to

the Program Reservation Account, according to the process outlined in Section 10091.6(b)(1).

(g) Funds reserved in the Program Reservation Account may be returned to the Program Holding Account under the following circumstances:

(1) If a PFI or PFL fails to enroll an Eligible Loan corresponding to a Loss Reserve Reservation or Project Pre-Approval in accordance with Section 10091.8 within one hundred eighty (180) calendar days of the reservation approval or Project Pre-Approval, the Executive Director may allow a sixty (60)-calendar-day extension of a reservation or Pre-Approval upon a written request from a PFI or PFL. Such extension means the EEEMs that were submitted on the Itemized Invoice at the time of the Pre-Approval remain eligible for inclusion.

(2) Upon enrollment of an Eligible Loan that has received a Loss Reserve Reservation or Project Pre-Approval in accordance with this section, funds reserved for that Eligible Loan in excess of the final Loss Reserve Contribution shall be returned to the Program Holding Account.

(3) Upon rejection of the application to enroll an Eligible Loan that has received a Loss Reserve Reservation or Project Pre-Approval in accordance with this section.

(h) The Authority's approval for a Loss Reserve Reservation or a Project Pre-Approval request only remains valid if all other regulatory requirements from this Article are met upon final loan enrollment.

(i) Loss Reserve Reservations and Project Pre-Approvals are not valid beyond the program expiration.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.8. Loan Enrollment.

(a) The terms and conditions of Eligible Loans, including interest rates, fees and other conditions, shall be determined solely by agreement between the PFI or PFL and the Borrower.

(b) A PFI or PFL shall be authorized to enroll an Eligible Loan in the Program, once that loan is closed, by submitting the documents described in subsections (c)-(d) below in a form specified by the Authority.

(c) To enroll an Eligible Loan for a project completed in whole or in part by a Participating Contractor, a PFI or PFL will submit the following documents to the Authority:

(1) a Loan Enrollment Application, as described in subsection (e) below;

(2) a Certificate of Completion from each Participating Contractor certifying work on the project, as described in subsection (f) below;

(3) an executed California Hub for Energy Efficiency Financing Disclosure as described in Section 10091.15;

(4) an Itemized Invoice, as described in subsection (g) below; and

(5) a utility bill, for each IOU servicing the Eligible Property covering each meter and fuel provided from within 60 days of the PFI's or PFL's loan approval.

(d) To enroll an Eligible Loan for a project completed in whole or in part by a Self-Installer, a PFI or PFL will submit the following documents in a form specified by the Authority:
(1) a Loan Enrollment Application, as described in subsection (e);
(2) a Self-Installer Project Submission, as described in subsection (h);
(3) an executed California Hub for Energy Efficiency Financing Disclosure as described in Section 10091.15;
(4) an Itemized Invoice, as described in subsection (g) below;
(5) written proof of purchase for the Eligible Improvements, e.g., a receipt for the Eligible Improvements; and
(6) a utility bill, for each IOU servicing the Eligible Property covering each meter and fuel provided, from within 60 days of the date the Loan Enrollment Application is being submitted for enrollment.

(e) The Loan Enrollment Application shall be in a form specified by the Authority and shall include the following information:
(1) Participating Financial Institution or Participating Finance Lender name and Program Participation ID.
(2) Loan officer name.
(3) An indication as to whether the Eligible Loan received a Loss Reserve Reservation or Project Pre-Approval.
(4) CHEEF Loan Identification Number, if applicable (if the project received a reservation or pre-approval, a CHEEF Loan Identification Number will have been provided by the Authority).
(5) Program ID (Indication that the Eligible Loan is being submitted for enrollment in the REEL Assistance Program).
(6) PFI's or PFL's internal loan identification number, as described in Section 10091.7(a)(3).
(7) Whether the Eligible Property is owner-occupied, or rented or leased.
(8) The number of units for which Eligible Improvements were undertaken.
(9) Name of the utility providing electric service to the Eligible Property, if applicable.
(10) Name of the utility providing gas service to the Eligible Property, if applicable.
(11) The IOU account number(s) for the Eligible Property.
(12) Borrower's FICO score range, denoting a score of 580-640, 641-700, 701-760, 761-820, 821 or higher, or no FICO score.
(13) An indication whether the Borrower qualifies as a Low-to-Moderate Income Borrower as defined in Section 10091.1(cc) and methodology utilized to determine LMI qualification.
(14) Borrower's income range, denoting a range of less than $25,000, $25,000-$34,999, $35,000-$49,999, $50,000-$74,999, $75,000-$99,999, $100,000-$149,999, or $150,000 or more.
(15) Borrower's total debt-to-income ratio, denoting a range of less than 25%, between 25 and 35%, between 36 and 45%, or between 46 and 55%.
(16) An indication as to whether bill payment history was used in making the underwriting decision.
(17) Claim-Eligible Principal Amount of the Eligible Loan.
(18) Total Loan Principal Amount of the Eligible Loan.

(19) Type of the Eligible Loan (e.g. term loan, retail installment contract).
(20) Term and maturity date of the Eligible Loan.
(21) Interest rate applicable to the Eligible Loan and whether it is fixed or variable.
(22) Date the interest rate for the Eligible Loan was finalized.
(23) Origination Date of the Eligible Loan.
(24) First payment date.
(25) Principal and interest payment amount.
(26) Whether the Participating Contractor or Borrower has received or will apply for an IOU, REN or CCA energy efficiency rebate or incentive for the Eligible Improvements being installed. If the Participating Contractor or Borrower is seeking a rebate or incentive, identification of the rebate and/or incentive amount received or expected for the project, and whether the rebate and/or incentive amount will be directly applied towards the cost of the project. In the case of incentives, the expected incentive amount should be the estimated amount as reported by the IOU or REN incentive program at the time of incentive program pre-approval or reservation.
(27) Whether the project included a Self-Installer component and/or more than one Participating Contractor.
(28) Census Tract of Borrower.

(f) The Certificate of Completion shall be in a form specified by the Authority and shall include the PFI's or PFL's name, PFI's or PFL's Program Participation ID, the Program ID, the CHEEF Loan ID for projects that have received a Reservation or Pre-Approval, and PFI's or PFL's internal loan identification number, as described in Section 10091.7(a)(3), as well as the following information:

(1) Project information to be provided by the Participating Contractor:
  (A) The street address, city, and zip code of the Eligible Property.
  (B) The name of the utility or utilities providing gas and/or electric service to the Eligible Property.
  (C) Whether the Participating Contractor or Borrower has received or will apply for an IOU, REN or CCA energy efficiency rebate or incentive for the Eligible Improvements being installed. If the Participating Contractor or Borrower is seeking a rebate or incentive, identification of the rebate and/or incentive amount received or expected for the project, the name of the corresponding rebate and/or incentive program, the rebate/incentive project ID provided by the utility (if available at the time of enrollment), and whether the rebate and/or incentive amount will be directly applied towards the cost of the project. In the case of incentives, the expected incentive amount should be the estimated amount as reported by the IOU or REN incentive program at the time of incentive program pre-approval or reservation.
  (D) The Participating Contractor's name.
  (E) The Participating Contractor's CSLB License Number.
  (F) The dates the project was started and completed.
  (G) Permit numbers for all permits required by law for the installation of the Eligible Improvements.

(H) Where the Eligible Improvements require a safety test pursuant to Section 10091.10(h), the following information from the Participating Contractor or other individual performing the test:
  (i) Entity name.
  (ii) Contractors State License Board license type(s) and number, if applicable.
  (iii) The Building Performance Institute certification type(s) and number, if applicable.
  (iv) A list of IOU territories where the Participating Contractor or individual performing the test is approved to participate in the Energy Upgrade California Home Upgrade Program and/or Advanced Home Upgrade Program, and/or other IOU whole house program, if applicable.
  (v) Certification and number for Natural Gas Appliance Testing (NGAT) as defined in Section 10091.10(i)(3), if applicable.

(I) An indication of whether the Borrower became aware of the financing offered through the Program from the Participating Contractor, the PFI or PFL, the Energy Upgrade California website, or a description of another source.

(2) Certification from an authorized signatory of the Participating Contractor of the following:

(A) The contractor(s) who performed the work and completed the project is (are) licensed to perform the work related to installation of the Eligible Improvements.

(B) In addition to other project requirements, that the completed project also meets the following criteria:
  (i) The improvements listed by the contractor on the invoice as Eligible Improvements comply with Program guidelines.
  (ii) The Eligible Improvements listed on the Itemized Invoice were installed.

(C) The installation of the Eligible Improvements complies with all applicable California building standards (all sections of Title 24 of the California Code of Regulations) and any additional laws, ordinances, regulations and standards applicable in the jurisdiction where the installation occurred.

(D) All permits required to install the Eligible Improvements have been secured or are in the process of being secured.

(E) The Participating Contractor provided the Borrower with a Bill Impact Estimate.

(F) Safety testing was completed and passed if required by the project referred to in Section 10091.10(h).

(G) Certification that all of the information provided is true and accurate to the best of the signatory's knowledge.

(3) Certification from the Borrower of the following in a form specified by the Authority:

(A) The Eligible Improvements have been completed to his or her satisfaction.

(B) He or she understands that the Authority and its directors, officers, and agents, and the IOUs and their directors, officers and agents, do not guarantee the performance, quality, or workmanship of the Eligible Improvements.

(C) The Eligible Loan proceeds will be used to pay for Eligible Improvements.

(D) Authorization for the Participating Contractor and Participating Financial Institution or Participating Finance Lender to share information with the Authority, except as required by these regulations, including contact information, data on work performed and Eligible Improvements installed, information regarding the Eligible Loan, and other information relating to or arising from participation in the Program.

(E) All permits required to install the Eligible Improvements have been secured or are in the process of being secured.

(F) The Participating Contractor provided the Borrower with a Bill Impact Estimate.

(G) The information regarding rebates and/or incentives provided pursuant to Section 10091.8(f)(1)(C) above, is accurate to the best of his or her knowledge.

(H) Acknowledgement and agreement to be subject to random post-project field verifications, as described in Section 10091.10.

(I) Certification that all of the information provided is true and accurate to the best of the Borrower's knowledge.

(g) The Itemized Invoice shall be in a form specified by the Authority and shall include the Participating Contractor's name, CSLB license number, and an indication as to whether the project was completed under the REEL Assistance Program, as well as the following information:

(1) The PFI or PFL shall provide:

(A) The PFI's or PFL's Program Participation ID.

(B) The PFI's or PFL's internal loan identification number, as described in Section 10091.7(a)(3).

(2) For each EEEM installed in the project, the Participating Contractor shall provide:

(A) The EEEMs ID.

(B) The EEEMs Measure Name.

(C) Indication of whether the measure is a replacement or new installation.

(D) Indication of whether the installation resulted in a fuel switch for the measure.

(E) The quantity installed.

(F) The total cost for the EEEM and its installation.

(3) A description of any additional alterations necessary to complete the project described in Section 10091.8(g)(2), but that are not associated with any specific EEEM described in Section 10091.8(g)(2), as well as the associated cost for these measures.

(4) An indication of whether any Distributed Generation was included in the project.

(A) If Distributed Generation was included in the project, the Participating Contractor must include a description and associated cost for the Distributed Generation measures installed.

(5) A description of other additional home improvement measures installed that are not listed as EEEMs or included in Section 10091.8(g)(2), as well as the associated cost for these measures.
(6) Indication of whether the project added square footage to the home.
(7) The total project cost.

(h) The Self-Installer Project Submission shall be in a form specified by the Authority and shall include the PFI's or PFL's name, PFI's or PFL's Program Participation Identification Number, the Program ID, the CHEEF Loan ID if the project received a reservation or pre-approval, and the PFI's or PFL's internal loan identification number, as described in Section 10091.7(a)(3), as well as the following information:

(1) Project Information to be provided by the Self-Installer:
  (A) The street address, city and zip code of the Eligible Property.
  (B) The name of the utility or utilities providing gas and/or electric service to the Eligible Property.
  (C) Indication of whether the Self-Installer has received or will apply for an IOU, REN or CCA energy efficiency rebate or incentive for the Eligible Improvements being installed. If the Self-Installer is seeking a rebate or incentive, identification of the rebate and/or incentive amount received or expected for the project, the name of the corresponding rebate and/or incentive program, the rebate/incentive project ID provided by the utility (if available at the time of enrollment), and whether the rebate and/or incentive amount will be directly applied towards the cost of the project. In the case of incentives, the expected incentive amount should be the estimated amount as reported by the IOU, REN or CCA incentive program.
  (D) The dates the project was started and completed.
  (E) Whether the Borrower became aware of the financing offered through the Program from the PFI or PFL, the Energy Upgrade California website, or a description of another source.

(2) Certification from the Self-Installer of the following:
  (A) The improvements installed are Eligible Improvements.
  (B) All self-installed improvements were either EEEMs eligible for self-installation pursuant to Section 10091.10(c) or non-EEEM, additional related home improvements.
  (C) He or she understands that the Authority and its directors, officers, and agents, and the IOUs and their directors, officers and agents, do not guarantee the performance, quality, or workmanship of the Eligible Improvements.
  (D) The Eligible Loan proceeds were used to pay for EEEMs or additional related home improvements, in compliance with the Program rules.
  (E) Authorization for the Participating Financial Institution or Participating Finance Lender to share information with the Authority, except as required by these regulations, including contract information, data on work performed and Eligible Improvements installed, information regarding the Eligible Loan, and other information relating to or arising from participation in the Program.

(F) The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.

(i) The PFI or PFL shall be authorized to base the information requested in subdivision (e) above upon representations made to it by the Borrower and/or the Self-Installer and/or the Participating Contractor, provided that no such representation may be relied upon if it is known to be false by the lending officers at the PFI or PFL who are directly involved in the negotiation of the Eligible Loan.

(j) Where the Authority determines that a Loan Enrollment Application is incomplete, a PFI or PFL shall be authorized to submit a revised and complete Loan Enrollment Application.

(k) The Authority shall, upon receipt of documentation as required under this section from the PFI or PFL, have ten (10) business days to enroll the Eligible Loan if the Executive Director determines that the Eligible Loan meets the requirements of this Article. The Executive Director's determination whether an Eligible Loan shall be enrolled in the Program shall be final.

(l) Upon enrollment of an Eligible Loan:

(1) The Authority will determine the Loss Reserve Contribution:

(A) For Enrolled Loans to Borrowers with Low-to-Moderate Income, the Loss Reserve Contribution shall be twenty percent (20%) of the principal amount of the Credit Enhancement Basis.

(B) For Enrolled Loans to Credit-Challenged Borrowers where the PFI or PFL is approved for participation in the Credit-Challenged Program, the Loss Reserve Contribution shall be twenty percent (20%) of the principal amount of the Credit Enhancement Basis.

(C) In no circumstance will the contribution be more than twenty percent (20%).

(D) For all other Enrolled Loans, the Loss Reserve Contribution shall be eleven percent (11%) of the principal amount of the Credit Enhancement Basis.

(E) Where the Borrower or Self-Installer has indicated that she or he will seek an IOU, REN or CCA rebate or incentive for the EEEMs being installed, but will not be applying the rebate and/or incentive amount directly to the cost of the project, the Claim-Eligible Principal Amount shall be reduced by the anticipated or actual rebate or incentive amount as reported on the Certificate of Completion pursuant to Section 10091.8(f)(1)(C) or on the Self-Installer Project Submission pursuant to Section 10091.8(h)(1)(C) to derive the Credit Enhancement Basis.

(2) The Authority will instruct the Trustee to transfer the Loss Reserve Contribution in accordance with Section 10091.6.

(3) The Authority will notify the PFI or PFL of the enrollment, the CHEEF Loan ID corresponding to the Eligible Loan, and the Loss Reserve Contribution transferred.

(m) Without regard to the term and maturity date of the Eligible Loan, the term of enrollment in the Program shall not exceed fifteen (15) years.

(n) If upon review of the documentation provided by the PFI or PFL pursuant to this section, it appears that through inadvertence the loan does not comply with Program requirements

concerning Eligible Improvements as set forth in Section 10091.4(b), the Authority in its sole discretion may reduce the Claim-Eligible Principal Amount to bring the Enrolled Loan into compliance with the requirements of Section 10091.4(b).

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.9. Claims.

(a) A PFI, PFL, or Successor Servicer shall be authorized to make a claim for reimbursement for up to ninety percent (90%) of a loss from the outstanding Claim-Eligible Principal Amount prior to the liquidation of collateral, or realization on personal or other financial guarantees or from other sources.

(b) A PFI, PFL, or Successor Servicer shall notify the Authority within sixty (60) calendar days after charging off an Enrolled Loan and the amount of the outstanding Total Loan Principal Amount that was charged off.

(c) To make a claim, the PFI, PFL, or Successor Servicer shall submit a claim application to the Authority within one hundred eighty (180) calendar days of the date of charge-off of an Enrolled Loan. To make a claim, a PFI, PFL, or Successor Servicer must be in compliance with the Program requirements, including the reporting requirements in Section 10091.11. The claim application shall include the following information in a form to be specified by the Authority:

(1) Name and Program Participation ID of the PFI, PFL, or Successor Servicer.
(2) Name, address, business telephone number, and e-mail address of contact person.
(3) CHEEF Loan ID number of the Enrolled Loan.
(4) An indication as to whether the Enrolled Loan is enrolled in the REEL Assistance Program.
(5) Original Claim-Eligible Principal Amount.
(6) Original Total Loan Principal Amount.
(7) Outstanding Claim-Eligible Principal Amount at the time of charge-off.
(8) Outstanding Total Principal Amount.
(9) Charge-off amount.
(10) Amount recovered.
(11) Claim amount.
(12) Charge-off date.
(13) If the Enrolled Loan is secured, a statement of whether the PFI, PFL, or Successor Servicer has commenced enforcement proceedings.
(14) If a PFI, PFL, or Successor Servicer files a claim while one or more claims are already pending the Authority's review, a statement of the priority of payment of the claim compared to the other claims in the event the balance of the Loss Reserve Account is not sufficient to pay all claims.
(15) Certification that notice was filed with the Authority as required by Section 10091.9(b), and certification that such charge-off was made in a manner consistent with the PFI, PFL, or Successor Servicer's usual methods for taking action on loans which are not Enrolled Loans under the Program.

(16) The claim application shall be signed by a person authorized to bind the Participating Financial Institution, Participating Finance Lender, or Successor Servicer and shall include the signatory's printed name, title and date.

(17) Certification that the PFI, PFL, or Successor Servicer will comply with reporting requirements on recoveries, as laid out in Section 10091.9(d).

(18) The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.

(d) All claims will be paid net of any recovery made by the PFI, PFL, or Successor Servicer prior to the filing of the claim. If, subsequent to the payment of a claim by the Authority, the PFI, PFL, or Successor Servicer recovers from the Borrower, from liquidation of collateral or from any other source, amounts for which the PFI, PFL, or Successor Servicer was reimbursed by the Authority, the PFI, PFL, or Successor Servicer shall promptly pay to the Authority or its agent, for deposit in the Program Holding Account, the amount received, net of reasonable and customary costs of collection, that in aggregate exceeds the amount needed to fully cover the PFI, PFL, or Successor Servicer's loss on the Claim-Eligible Principal Amount. The PFI, PFL, or Successor Servicer may retain recoveries that exceed reimbursements to the Program Holding Account.

(1) The PFI, PFL, or Successor Servicer shall notify and reimburse the Authority if any recoveries are made subsequent to the submission of the claim application.

(e) The Authority shall approve claims within thirty (30) calendar days of the Authority's receipt of a completed and qualified claim request, provided, however, that the Executive Director shall be authorized to reject a claim if it is determined that the representations and warranties provided by the PFI, PFL, or Successor Servicer pursuant to Section 10091.8 at the time of enrolling the Eligible Loan were false, or where the PFI, PFL, or Successor Servicer is not in compliance with its obligations, including reporting obligations, under these regulations. The Authority, upon providing written notice to the PFI, PFL, or Successor Servicer, may defer approval of claims up to an additional thirty (30) calendar days if the Authority requires more information in order to determine if the claim shall be paid. Prior to authorizing a disbursement from a Loss Reserve Account, the Authority may request documentation from the PFI, PFL, or Successor Servicer that the loan was an Enrolled Loan.

(f) Upon approval of a claim, the Authority shall direct the Trustee to disburse the approved claim amount to the PFI, PFL, or Successor Servicer within five (5) business days.

(1) Where a PFI or PFL makes its first claim request within one (1) year of enrolling its first loan in the Program, the Authority will instruct the Trustee to withdraw the approved claim amount from the Program Holding Account and disburse those funds to the PFI or PFL. This claim reimbursement will not affect the PFI's or PFL's Loss Reserve Account balance. This provision shall not apply to Enrolled Loans where the servicing responsibility has been assumed by a new PFI, PFL, or Successor Servicer pursuant to Section 10091.12.

(A) Where a PFI, PFL, or Successor Servicer is participating in the Program and another pilot program administered by the CHEEF, the claim described above in Section 10091.9(f)(1), for that PFI, PFL, or Successor Servicer is not additive.

(2) Except as set forth in Section 10091.9(f)(1), the Authority will instruct the Trustee to withdraw the approved claim amount from the PFI, PFL, or Successor Servicer's Loss Reserve Account.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.10. Project Requirements.

(a) All Eligible Improvements financed by the Program must meet applicable quality assurance requirements as outlined in this section.

(b) IOU, REN or CCA rebates or incentives do not need to be sought for measures on the list of EEEMs.

(c) A Self-Installer may install or have installed the following Eligible Improvements:
  (1) EEEMs as defined in Section 10091.1(n) that have been designated and labeled as available for self-installation, and
  (2) additional related home improvements as described in Section 10091.1(s).
  (3) EEEMs that have not been identified as eligible for self-installation must be installed by a Participating Contractor.

(d) The following criteria will determine if an EEEM is eligible for self-installation:
  (1) The fuel source must be electric only except as indicated in (2), below.
  (2) The EEEM fits within the definition of either:
    (A) "Water Heaters," "Clothes Washers," "Clothes Dryers," "Dishwashers," "Refrigerators, Refrigerator-Freezers, and Freezers," "Pool Heaters, Portable Electric Spas, Residential Pool Pump and Motor Combinations, and Replacement Residential Pool Pump Motors," "Plumbing Fittings" (for water heated by gas or electricity), as defined in Title 20, Division 2, Chapter 4, §1602 of the California Code of Regulations; or
    (B) A smart thermostat containing a communications interface, a user display and interface, and an HVAC system interface (for heating systems using either gas or electricity, or electric cooling systems)~~.~~; or
    (C) A portable air purifier or air cleaner.

(e) Except where work is performed by a Self-Installer, the contractor performing the work must be a Participating Contractor as of the date he or she began work on the Eligible Property as noted on the Certificate of Completion pursuant to Section 10091.8.

(f) The Participating Contractor must ensure all applicable permits and approvals have been obtained and must comply with all applicable laws for the work being performed.

(g) The Participating Contractor must provide the Borrower with a Bill Impact Estimate.

(h) Where a project includes three or more EEEMs including at least one of the measures described in subsections (1) through (3) below and the Eligible Property contains one or more combustion appliances, a safety test must be performed. The Eligible Property must pass this test prior to enrollment of the Eligible Loan.
  (1) Whole building air sealing.
  (2) Duct sealing and/or duct replacement.
  (3) Attic insulation and air sealing.

(i) The safety test may be either a Combustion Appliance Safety Test, a Combustion Appliance Zone Test, a Natural Gas Appliance Test, or a substantially similar test consistent with standard industry practice. The safety test must be performed after the work is complete by a contractor who is either:

(1) approved to participate in an IOU, REN or CCA whole house retrofit program in the corresponding IOU territory; or

(2) certified by the Building Performance Institute (BPI) as a Building Analyst, Envelope Professional, Heating Professional, Air Conditioning and Heat Pump Professional, or BPI GoldStar Contractor; or

(3) certified through Natural Gas Appliance Testing (NGAT).

(j) In the event that multiple Participating Contractors work on a project and the combined measures of the project trigger a safety test, the Participating Contractor who installed any of the measures described in Section 10091.10 (h)(1-3) shall arrange for the safety test, unless otherwise agreed upon by the Participating Contractors.

(k) The Authority may conduct field verifications at the Eligible Property within one (1) year of enrolling the Eligible Loan to verify that the Eligible Improvements were installed in accordance with these regulations.

(l) The Authority shall notify the Borrower at least ten (10) business days prior to conducting a field verification.

(m) Field verifications may be completed on a random sample of projects that have not received an IOU, REN or CCA energy efficiency rebate or incentive for each applicable EEEM installed. The frequency of the verifications shall depend on the Participating Contractor's participation in the Program and the type of Eligible Improvements installed:

(1) For projects that require a safety test pursuant to Section 10091.10(h), the Authority shall conduct field verifications according to the following tiers:

(A) Tier I: The Authority shall verify the Eligible Improvements of one-hundred percent (100%) of projects performed by the Participating Contractor and funded by Enrolled Loans. Upon completing five (5) consecutive inspections with no substantive issues, the Authority will begin verifying the Participating Contractor's work according to Tier II as described in subsection (m)(1)(B) below.

(B) Tier II: The Authority shall verify the Eligible Improvements of twenty percent (20%) of projects performed by the Participating Contractor and funded by Enrolled Loans. Upon completing twenty (20) consecutive inspections with no substantive issues, the Authority will begin verifying the Participating Contractor's work according to Tier III as described in subsection (m)(1)(C) below.

(C) Tier III: The Authority shall verify the Eligible Improvements of five percent (5%) of projects performed by the Participating Contractor and funded by Enrolled Loans.

(D) If at any point the Authority finds substantive issues in the field verifications, the Authority shall provide written notice to the Participating Contractor of any issues that may need to be addressed. Upon the third such notice, the Authority shall begin verifying the Participating Contractor's work according to the previous tier.

(2) For projects that do not require a safety test, the Authority shall conduct field verifications on five percent (5%) of projects performed by the Participating Contractor and funded by the Claim-Eligible Principal Amount of Enrolled Loans. If at any point the Authority finds substantive issues in the field verifications, the Authority shall provide written notice to the Participating Contractor of any issues that may need to be addressed.

(3) For projects completed by Self-Installers, the Authority shall conduct field verifications on five percent (5%) of all projects participating in the Program that contain Eligible Improvements installed by a Self-Installer.

(n) Except as set forth in subsection (1) below, if the Authority finds that the Eligible Improvements were not installed in accordance with these requirements or that the Participating Contractor misrepresented information related to the work, the Authority may suspend the Participating Contractor from Program participation pursuant to the processes described in Section 10091.5 of these regulations and/or may notify other government agencies and entities.

(1) Where Eligible Improvements are installed by a Self-Installer, if the Authority finds that the Eligible Improvements were not installed in accordance with these requirements or that the Self-Installer misrepresented information related to the work, the Authority may notify other government agencies and entities.

(o) The following table designates the Eligible Energy Efficiency Measures (EEEM) for the Program and the corresponding minimum efficiency requirements for each measure. In any situation in which the Title 24 requirement exceeds the specification in the table (for example certain climate zones with increased R-Value requirements) the EEEM must be installed to meet Title 24 requirements.

Category	**Measure**	**IOU Fuel Source Eligibility: E=Electric G= Gas**	**Minimum Efficiency Requirements**
Appliances	Air Cleaner/Purifier	E	Energy Star
	Clothes Dryer	E/G	
	Clothes Washer	E/G*	
	Dishwasher	E/G*	
	Freezer	E	
	Refrigerator	E	
Building Envelope	Air Sealing	E/G	Whole building air sealing equal or greater than 15 percent leakage reduction
	Attic Insulation	E/G	Title 24 compliant

	Cool Roof	E	Title 24 compliant replacement of at least 50% or 1000sf of roof area.
	Floor Insulation	E/G	Title 24 compliant
	Radiant Barrier	E	Title 24 compliant for attic installation only
	Wall Insulation	E/G	Title 24 compliant
	Windows/Glass Doors	E/G	Title 24 compliant, only for conditioned spaces
	Window Film		
HVAC	Air Conditioner Unit Only	E	Central unit, Title 24 compliant
	Duct Insulation	E/G	Title 24 compliant
	Duct Sealing: Replacement or existing	E/G	
	Evaporative Coolers: ducted, ducted with dampers, window	E	
	Furnace Only	G	
	Heat Pump	E	
	Hydronic Radiant Heating	E/G	
	Mini-split system: with or without heating component, ducted or ductless	E	18 SEER or greater
	Smart Thermostat	E/G	Defined in Section 10091.10(d)(2)(b)
	Split/Package System	E/G	Title 24 compliant
	Wall Furnace: Gravity or Fan	G	
	Whole House Fan	E	
Lighting	LED Lighting	E	LED lighting and fixtures. Must be hard wired, UL Listed and Energy Star Certified. Replacement recessed light fixture must be rated ICAT (insulation contact air tight)
Pool Products	Pool Pump Motor	E	Title 20 and Title 24 compliant
	Pool Variable Speed Drive	E	
	Variable speed motor with or without pool pump	E	
Water Heating	Faucet Aerator	E/G*	Title 20 compliant
	Gas Storage Water Heater	G	Energy Star
	Heat Pump Water Heater	E	
	Shower Head – Low Flow	E/G*	Title 20 compliant
	Shower Thermostatic Valve	E/G*	
	Tankless Water Heater	E/G*	For gas: Energy Star; for electric: Title 20 compliant
Other	IOU/REN/CCA Rebated Measure	E/G	Measure not elsewhere on this list for which Participating Contractor or Borrower seeks an IOU/REN/CCA rebate or incentive.
* IOU fuel source eligibility corresponds to fuel used for water heating			

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.11. Reporting.

(a) PFIs, PFLs, and Successor Servicers shall provide a monthly report to the Authority on the status of each Enrolled Loan by the 5th day of the following month.

(1) These reports shall include the name and Program Participation ID of the PFI, PFL, or Successor Servicer and the following information for each Enrolled Loan:

(A) The CHEEF Loan ID number.

(B) The Original Claim-Eligible Principal Amount.

(C) The original Total Loan Principal Amount.

(D) Any changes in maturity date.

(E) The current outstanding Total Loan Principal Amount.

(F) Loan status including whether a loan is current; 30, 60, or 90 days past due; paid in full; or charged off.

(G) Date(s) of charge-off, for any charge-offs and indication if enforcement proceedings have begun.

(H) Any inchoate losses or acceleration notices.

(I) Amount of any recoveries or proceeds from charged-off loans.

(2) Closed Enrolled Loans shall be reported in the month the Borrower pays or the PFI, PFL, or Successor Servicer charges off the loan as a zero balance. Once the PFI, PFL, or Successor Servicer has reported the Enrolled Loan as having a zero balance, it does not need to be included on future monthly reports.

(b) No later than January 15th of each year:

(1) PFIs, PFLs, and Successor Servicers shall provide a report to the Authority on any material changes to information or certifications provided in the initial application to participate or indicating that all statements made in the application remain materially unchanged.

(2) PFLs and Successor Servicers that are Eligible Finance Lenders shall also provide written evidence of current licenses and insurance.

(c) If a PFI, PFL, or Successor Servicer becomes subject to a cease-and-desist order or other regulatory sanction with the appropriate federal or state regulatory body, the PFI, PFL, or Successor Servicer shall inform the Authority in writing within thirty (30) calendar days of such action.

(d) If a PFI, PFL, or Successor Servicer changes the loan term of an Enrolled Loan within the allowed term of enrollment in the Program, the PFI, PFL, or Successor Servicer must notify the Authority in the subsequent monthly report. Under no circumstances shall the Authority provide additional Loss Reserve Contributions for an Enrolled Loan whose loan term has changed, nor will the Authority extend the time for which a claim may be filed beyond the fifteen (15) years set forth in Section 10091.8(m).

(e) If a PFI or PFL has a change of servicer of an Enrolled Loan, without selling the Enrolled Loan, the PFI or PFL shall notify the Authority at least ten (10) business days prior to the new entity assuming servicing of the Enrolled Loan(s). Such notification should include

the date on which the change in servicing shall be effective and contact information for the new servicer.

(f) If a PFI, PFL, or Successor Servicer charges off an Enrolled Loan, the PFI, PFL, or Successor Servicer shall notify the Authority within sixty (60) calendar days pursuant to Section 10091.9(b).

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(8)(A), 26003(a)(6), and 26040, Public Resources Code

§10091.12. Sale of Enrolled Loans.

A PFI or PFL may sell an Enrolled Loan or portfolio of Enrolled Loans at its discretion.

(a) A PFI or PFL may, in conjunction with the sale of Enrolled Loans, collaterally assign rights to proceeds from the Loss Reserve Account associated with those Enrolled Loans. In such cases, the PFI or PFL shall:

(1) retain all reporting obligations relative to participation in the Program as set forth in Section 10091.11, unless a new servicer has agreed to do so pursuant to subsection (b) below;

(2) remain the sole entity that can file a claim for reimbursement from the loss reserve pursuant to Section 10091.9, unless a new servicer has agreed to do so pursuant to subsection (b) below; and

(3) report the collateral assignment to the Authority within three (3) business days.

(b) A PFI, PFL, Eligible Financial Institution, or Eligible Finance Lender approved to be a Successor Servicer pursuant to subsection (c) below may also assume new servicing responsibility for existing Enrolled Loans. In such cases:

(1) The original PFI or PFL will report the change in servicing to the Authority at least ten (10) business days prior to the transfer of servicing. Such notification shall include a listing of all Enrolled Loans subject to the transfer.

(2) After notification pursuant to Section 10091.12(b)(1) above, and prior to the transfer of Loss Reserve Contributions for all listed Enrolled Loans, the new servicer shall notify the Authority in writing that it agrees to assume the reporting obligations for the Enrolled Loan(s) pursuant to Section 10091.11, and will be responsible for filing any claims pursuant to Section 10091.9.

(3) The Authority will instruct the Trustee to transfer the corresponding Loss Reserve Contributions for the purchased Enrolled Loan(s) from the original PFI's or PFL's Loss Reserve Account to the Loss Reserve Account of the new PFI, PFL, or Successor Servicer.

(c) An Eligible Financial Institution or Eligible Finance Lender seeking to become a Successor Servicer will submit an enrollment application to the Authority that includes the following in a form to be specified by the Authority:

(1) Name and address of the Eligible Financial Institution or Eligible Finance Lender.

(2) Name, business address, business telephone number, e-mail address, and title of contact person.

(3) Type of Eligible Financial Institution or Eligible Finance Lender, denoting insured depository institution, insured credit union, community development financial institution, or California Finance Lender.

(4) Names of the regulatory agency and the insuring agency to which the Eligible Financial Institution or Eligible Finance Lender is accountable and license number(s), if applicable.

(5) Certification that the Eligible Financial Institution or Eligible Finance Lender is not subject to a cease and desist order or other regulatory sanction from the appropriate federal or state regulatory body, which would impair its ability to participate in the Program.

(6) The Eligible Financial Institution or Eligible Finance Lender's agreement to follow the Program regulations as set forth in this Article.

(7) The Eligible Financial Institution or Eligible Finance Lender's agreement to permit an audit, by the Authority, of any of its records relating to Enrolled Loans during normal business hours on its premises, and to supply such other information concerning Enrolled Loans as shall be requested by the Authority.

(8) The Eligible Financial Institution or Eligible Finance Lender's acknowledgment that the Authority and the State will have no liability to it under the Program except from funds deposited in its Loss Reserve Account(s) pursuant to Section 10091.12(b)(3) above.

(9) An acknowledgement and agreement that these regulations constitute a lender services agreement.

(10) The Eligible Financial Institution or Eligible Finance Lender's agreement to and acknowledgement of the following, upon enrollment in the Program:

(A) The 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.

(B) The Successor Servicer shall comply with all applicable laws, possess and maintain all required state and federal licenses, and remain in good standing with all governmental authorities having jurisdiction over its business.

(C) The IOUs are third-party beneficiaries of the lender services agreement and may pursue their rights against the Successor Servicer individually. Alternatively, any IOU may, in its sole discretion, authorize CAEATFA or another IOU to pursue such rights (including by instituting legal proceedings or alternative dispute resolution proceedings) on its behalf.

(D) The Successor Servicer shall indemnify, defend and hold harmless CAEATFA, each of the IOUs, their affiliates, and each of their respective officers, directors, employees, agents, and representatives from and against any and all losses arising in connection with any claim:

(i) resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct of Successor Servicer, including any failure of the Successor Servicer, or its agents, to comply with applicable laws in connection with Enrolled Loans;

(ii) resulting from any error or omission by the Successor Servicer or any third party in the calculation or presentation of Enrolled Loan-

related interest, fees and charges, the receipt and processing of payments received from Borrowers, or any collection or enforcement action;

(iii) alleging any misrepresentation with respect to the energy savings to be achieved in connection with a Enrolled Loan, or any failure or deficiency in the products, materials or work supplied to a Borrower in connection with an Enrolled Loan; and/or

(iv) arising from the Successor Servicer's failure or alleged failure to comply with the provisions of the regulations and/or its confidentiality or privacy obligations.

(E) The Successor Servicer acknowledges that the IOUs are not responsible for, and shall have no liability for:

(i) the energy efficiency improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts,

(ii) the assessment of potential benefits and costs associated with those improvements,

(iii) the qualification of PFIs, PFLs, or Successor Servicers,

(iv) the PFI, PFL, or Successor Servicer's marketing, and lending policies and practices, or

(v) CAEATFA's educational and outreach activities.

(11) The application shall be signed by a person authorized to legally bind the Successor Servicer, and shall include the signatory's printed name, title and date.

(12) The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.

(13) Eligible Finance Lenders seeking to enroll as a Successor Servicer must also submit evidence of compliance with or a certification that the Eligible Finance Lender meets the additional requirements specified in Sections 10091.3(a), (b), (e), (f), (g), and (h).

(d) Upon receipt of a completed application, the Authority will, within ten (10) business days, review and determine whether additional information is required, or whether the application is sufficient to enroll the applicant as a Successor Servicer. The Authority's decision regarding enrollment shall be final. The Authority will notify the Successor Servicer of its decision and provide a Program-assigned identification number for the Successor Servicer.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.13. Termination and Withdrawal.

(a) A PFI, PFL, or Successor Servicer may withdraw from the Program after giving written notice to the Authority. Such notice shall specify either:

(1) That the PFI, PFL, or Successor Servicer waives any further interest in the Loss Reserve Account(s) and the reason for the PFI, PFL, or Successor Servicer's withdrawal from the Program (including for the reason that all Enrolled Loans

covered by the Loss Reserve Account have been repaid or sold to a different PFI, PFL, or Successor Servicer's portfolio); or,

(2) That the PFI or PFL will not enroll any further loans under the Program but that the Loss Reserve Account(s) shall continue in existence to secure all Enrolled Loans that were enrolled prior to such notice and the reason for the PFI's or PFL's withdrawal from the Program.

(b) For any such notice received pursuant to Section 10091.13(a)(1), the remaining balance in the PFI, PFL, or Successor Servicer's Loss Reserve Account(s) shall be distributed to the appropriate IOU-Program Holding Account(s).

(c) The Executive Director shall be authorized to terminate participation of a PFI, PFL, or Successor Servicer in the Program, by notice in writing, upon the occurrence of any of the following:

(1) Entry of a cease and desist order, regulatory sanction, or any other action against the PFI, PFL, or Successor Servicer by a regulatory agency that may impair its ability to participate in the Program; or

(2) Failure of the PFI, PFL, or Successor Servicer to abide by the Law or this Article; or

(3) Failure of the PFI or PFL to enroll any Eligible Loans under the Program for a period of one (1) year; or

(4) Failure of the Successor Servicer to undertake servicing of any Enrolled Loans purchased pursuant to Section 10091.12 for a period of one (1) year; or

(5) Failure of the PFI, PFL, or Successor Servicer to report to the Authority pursuant to Section 10091.11 for sixty (60) calendar days.

(6) Provision of false or misleading information regarding the PFI, PFL, or Successor Servicer to the Authority, or failure to provide the Authority with notice of material changes in submitted information regarding the PFI, PFL, or Successor Servicer.

(7) In the event of such termination, the PFI, PFL, or Successor Servicer shall not be authorized to enroll any further Eligible Loans, but all previously Enrolled Loans shall continue to be covered by the Loss Reserve Account(s) until they are paid, claims are filed, or the PFI, PFL, or Successor Servicer withdraws from the Program pursuant to Section 10091.13(a).

(A) A terminated PFI, PFL, or Successor Servicer must continue to report on Enrolled Loans pursuant to Section 10091.11.

(B) If a terminated PFI, PFL, or Successor Servicer fails to report to the Authority pursuant to Section 10091.11 for sixty (60) calendar days, the remaining balance in the PFI, PFL, or Successor Servicer's Loss Reserve Account(s) may be distributed to the appropriate IOU-Program Holding Account(s).

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(8)(A), 26003(a)(6), and 26040, Public Resources Code

§10091.14. Reports of Regulatory Agencies.
The Executive Director shall be authorized to seek information directly from any federal or state regulatory agency concerning any PFI, PFL, Successor Servicer, or Participating Contractor participating in the Program.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code

§10091.15. California Hub for Energy Efficiency Financing Privacy Rights Disclosure.
The Borrower will be required to provide a contact number and affirm that he or she has read and acknowledges the following privacy rights disclosure in a form to be specified by the Authority:

State and federal laws protect the Borrower's right to privacy regarding information pertaining to you. As a result of your participation in an energy efficiency financing program, as approved by the California Public Utilities Commission (CPUC) and administered by the California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA"), CAEATFA may come into possession of some or all of the following information:

(a) Information disclosing the fact that you are a customer of the lender.
(b) The loan or account number associated with the loan.
(c) Name, address, social security number, and contact information.
(d) Financial status and underwriting criteria, including but not limited to credit scores.
(e) The amount of and terms for repayment of the loan.
(f) Information regarding your loan payment history.
(g) The equipment or improvements funded with the proceeds of the loan.
(h) Service agreement number on your utility bill, monthly energy use and utility account payment history.
(i) Energy savings data from your project.

The information may be provided by your lender to CAEATFA or a contractor acting on its behalf. The information may be combined with energy usage information provided by your utility.

The information provided to CAEATFA may be released to the Investor-Owned Utilities (IOUs), other state agencies, and the federal government pursuant to contracts, interagency agreements or if required by law. The information provided to CAEATFA will be released in an anonymized form aggregated with information from other loan recipients throughout the state to make both loan and energy efficiency project performance available to the public. The information released to the public will be anonymized and aggregated to reduce (but may not eliminate) the risk of anyone viewing the data making an association between specific information and the provider of that information. Information that cannot be anonymized and aggregated will not be released to the public.

In addition to the anonymized and aggregated release of information contemplated above, CAEATFA may contact Borrowers or may release individual Borrower names, addresses and phone numbers that will enable the IOUs or CPUC or individuals acting on their behalf to contact Borrowers. The purpose of the release and contact will be limited to inviting Borrowers to participate in surveys or to arrange visits to Borrowers' homes to evaluate various aspects of the Program.

The officials responsible for maintaining the information provided regarding your loan are program personnel at the agency or its contractors. You have the right of access to records established from the information provided to the agency as it pertains to you.

Authority: Section 26009, Public Resources Code
Reference: Sections 26003(a)(3)(A), 26003(a)(6), 26003(a)(8)(A) and 26040, Public Resources Code