# State of California
# Office of Administrative Law

**In re:**
**California Alternative Energy and Advanced Transportation Financing Au**

**Regulatory Action:**

**Title 04, California Code of Regulations**

**Adopt sections:** **10091.4, 10091.16**
**Amend sections:** **10091.1, 10091.2, 10091.3, 10091.4 [renumbered as 10091.5], 10091.5 [renumbered as 10091.6], 10091.6 [renumbered as 10091.7], 10091.8, 10091.9, 10091.10, 10091.11, 10091.12, 10091.13, 10091.14, 10091.15**
**Repeal sections:** **10091.7**

**NOTICE OF APPROVAL OF EMERGENCY REGULATORY ACTION**

**Government Code Sections 11346.1 and 11349.6**

**OAL Matter Number: 2022-0610-01**

**OAL Matter Type: Emergency Readopt (EE)**

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This emergency rulemaking action by the California Alternative Energy and Advanced Transportation Financing Authority readopts regulations regarding the GoGreen Home Energy Financing program.

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 6/22/2022 and will expire on 9/21/2022. The Certificate of Compliance for this action is due no later than 9/20/2022.

Date: June 20, 2022

Amy R. Gowan
Senior Attorney

For: Kenneth J. Pogue
Director

Original: Derek Chernow, Executive Director
Copy: Kelly Delaney

STATE OF CALIFORNIA--OFFICE OF ADMINISTRATIVE LAW

# NOTICE PUBLICATION/REGULATIONS SUBMISSION

EMERGENCY

STD. 400 (REV. 10/2019)

For use by Secretary of State only

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

JUN 20 2022

Received at 2:09 pm

| OAL FILE NUMBERS | NOTICE FILE NUMBER | REGULATORY ACTION NUMBER | EMERGENCY NUMBER |
|---|---|---|---|
| | Z- | 2022-0610-01EE | |

For use by Office of Administrative Law (OAL) only

OFFICE OF ADMIN. LAW
2022 JUN 10 PM3:54

NOTICE

REGULATIONS

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
☐ Notice re Proposed Regulatory Action ☐ Other

4. AGENCY CONTACT PERSON

TELEPHONE NUMBER

FAX NUMBER (Optional)

OAL USE ONLY

ACTION ON PROPOSED NOTICE
☐ Approved as Submitted ☐ Approved as Modified ☐ Disapproved/ Withdrawn

NOTICE REGISTER NUMBER

PUBLICATION DATE

## B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)
GoGreen Home Energy Financing Program

1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2021-0513-01E, 2022-0307-01EE

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.)**

ADOPT
10091.4, 10091.16

AMEND
(see attachment)

REPEAL
10091.7

TITLE(S)
4

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) 6/22/2022

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
Kelly Delaney

TELEPHONE NUMBER
(916) 651-5581

FAX NUMBER (Optional)

E-MAIL ADDRESS (Optional)
kelly.delaney@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
Derek Chernow
Digitally signed by Derek Chernow
Date: 2022.06.02 13:12:48 -07'00'

DATE
6/2/2022

TYPED NAME AND TITLE OF SIGNATORY
Derek Chernow, Executive Director

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

JUN 20 2022

Office of Administrative Law

**ATTACHMENT TO FORM 400**

California Alternative Energy and Advanced Transportation Financing Authority
Article 5, Division 13, Title 4

**Sections to be Amended**

10091.1, 10091.2, 10091.3, 10091.4 [renumbered as 10091.5], 10091.5 [renumbered as 10091.6], 10091.6 [renumbered as 10091.7], 10091.8, 10091.9, 10091.10, 10091.11, 10091.12, 10091.13, 10091.15

10091.14 per agency request

ARA

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

# Article 5. GoGreen Home Energy Financing Program

**EFFECTIVE MARCH 23, 2022**

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**§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, Participating Financial Institution (PFI), or Participating Finance Lender (PFL) 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 PFI or PFL for the purpose of making Eligible Improvements to no more than four units of 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 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, PCP or Successor Servicer and the Authority.

(f) "Claim-Eligible Principal Amount" means the principal amount of an Enrolled Loan that qualifies for reimbursement in the event of a charge-off, pursuant to Section 10091.5(f) 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" has the same meaning as defined in Section 331.1 of the Public Utilities Code.

(i) "Credit-Challenged Borrower" means a Borrower with no credit score or a credit score of 640 and below.

(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(d), to receive higher Loss Reserve Contributions described in Section 10091.7(b)(1)(B) for Credit-Challenged Borrowers.

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

(l) "Eligible Channel Partner" or "ECP" means a potential co-applicant with the EFI or EFL engaged in marketing, outreach, assisting borrowers with loan applications and/or the submission of loans to the Program. It does not perform underwriting, execute loan

documents, or perform servicing activities after loans are funded. The Eligible Channel Partner must meet the requirements described in Section 10091.4 and must be a signatory to the PFI's or PFL's Program application.

(m) "Eligible Contractor" means a contractor or contractor company with an active license with the Contractors State License Board to do the work they perform and who has not had disciplinary action taken against their CSLB license within the previous 12 months.

(n) "Eligible Energy Efficiency Measures" or "EEEMs" means energy efficiency measures eligible for financing under the Program, as established 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 energy efficiency or demand response program and is not on the EEEMs list is eligible for financing.

(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" or "EFL" means a finance company that meets the requirements specified in Section 10091.2 and Section 10091.3.

(r) "Eligible Financial Institution" or "EFI" 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. Sec. 4701 et seq.).

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

(1) Eligible Improvements may include:

(A) The installation of EEEMs that correspond to gas where an IOU delivers gas to the Eligible Property and that correspond to electricity where an IOU delivers electricity to the Eligible Property. This includes alterations and improvements that are legally or practically required to complete the installation of the EEEMs.

(B) Additional related home improvements to the Eligible Property. Equipment included on the EEEMs list as described in Section 10091.10(j) but not meeting the requirements of the EEEMs list may not be included.

(C) Capitalized interest from a refinancing pursuant to Section 10091.5(c)(1).

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

(t) "Eligible Loan" means a loan, retail installment contract or lease/service agreement made by a Participating Financial Institution or Participating Finance Lender to a Borrower to finance Eligible Improvements on an Eligible Property as described in Section 10091.5.

(u) "Eligible Property" means a residential property in California. Eligible Property includes any of the following:

(1) Owned, rented or leased property. For a rented or leased property, EEEMs not eligible for self-installation require the owner's written consent to have the Eligible Improvements installed.

(2) Building types, including, but not limited to, single-family detached homes, townhomes, condominiums and apartment buildings.

(3) Manufactured and mobile homes if the manufactured or mobile home is anchored to a permanent, site-built foundation constructed of durable material, including, but not limited to, concrete, mortared masonry, and 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 their designee.

(x) "Investor-Owned Utility" or "IOU" means Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, or Southern California Gas Company.

(y) "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.

(z) "Loss Reserve Contribution" means the financial assistance provided to the Loss Reserve Account for the benefit of a PFI or PFL for each Eligible Loan enrolled in the Program as described in Section 10091.8 or for the benefit of a Successor Servicer for each Enrolled Loan purchased pursuant to Section 10091.12.

(aa) "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 and 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.

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

(bb) "Microloan" means an Eligible Loan with a Total Loan Principal Amount of $5,000 or less.

(cc) "Participating Channel Partner" or "PCP" means an Eligible Channel Partner that has been approved by the Executive Director to participate in the Program.

(dd) "Participating Contractor" means an Eligible Contractor that has been approved to participate in the Program by the Authority pursuant to Section 10091.6.

(ee) "Participating Finance Lender" or "PFL" means an Eligible Finance Lender, including their Participating Channel Partner, if applicable, that has been approved by the Executive Director to participate in the Program.

(ff) "Participating Financial Institution" or "PFI" means an Eligible Financial Institution, including their Participating Channel Partner, if applicable, that has been approved by the Executive Director to participate in the Program.

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

(hh) "Program" means the GoGreen Home Energy Financing described in these regulations and previously referred to as the Residential Energy Efficiency Loan Assistance Program. The Program may be referred to publicly as "GoGreen Home".

(ii) "Program Holding Accounts" means accounts established and maintained by the Trustee at the Authority's direction to hold funds allocated by funders of the Program for the Loss Reserve Contributions in separate accounts.

(jj) "Program Identifier" or "Program ID" means a number assigned by the Authority or its agents that represents a Program administered by the Authority. The Program ID will be used to track in which Program(s) a particular loan is enrolled.

(kk) "Regional Energy Network" or "REN" means a Regional Energy Network authorized by the CPUC.

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

(mm) "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.

(nn) "Title 20" means the Appliance Efficiency Regulations described in Article 4 (commencing with Section 1601) of Chapter 4 of Division 2 of Title 20 of the California Code of Regulations, as applicable to the Eligible Improvements.

(oo) "Title 24" means the Building Standards Code of Title 24 of the California Code of Regulations, as applicable to the Eligible Improvements.

(pp) "Total Loan Principal Amount" means the total principal of an Enrolled Loan, which is not necessarily the same as the Claim-Eligible Principal Amount. The Total Loan Principal Amount does not include charges for ongoing service and/or maintenance and does not include any interest payments or ongoing finance charges.

(qq) "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 (EFI) or Eligible Finance Lender (EFL) 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 information in this section in a form to be specified by the Authority.

(b) General Application and Contact Information: The EFI or EFL must provide the following:

(1) Name and address of the EFI or EFL.

(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 are authorized to provide and certify data and submit loan, retail installment contract, or lease/service agreement enrollments to the Authority under the Program.

(4) Type of finance company, denoting insured depository institution, insured credit union, Community Development Financial Institution, Financial Development Corporation, California Finance Lender or other.

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

(6) Names of the regulatory agency and the insuring agency to which the EFI or EFL is accountable and license number(s), if applicable.

(c) Channel Partner: The EFI or EFL must provide the name of the Eligible Channel Partner co-applicant, if applicable.

(d) Proposed Product(s): The EFI or EFL must provide a description of proposed loan program including:

(1) A detailed description of its loan or lease/service agreement 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 (fixed or variable and for each term and credit tier), loan terms, fees and eligibility for renters and manufactured homes.

(2) A description of underwriting criteria, including any minimum credit score requirements, maximum total debt-to-income ratio, bankruptcy limitations and other disqualifying criteria.

(3) Sample transaction documentation.

(4) An indication of what may be financed through the Program.

(5) A comparison between the proposed product and the EFI's or EFL's typical product offerings indicating how the Loss Reserve Contribution will be utilized to provide benefits to 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.

(6) For an EFI or EFL that wishes to participate in the Credit-Challenged Program, a detailed description of the additional benefits to Credit-Challenged Borrowers resulting from the EFI's or EFL's participation in the Credit-Challenged Program consistent with Section 10091.2(d)(6). This description must include a comparison between the EFI's or EFL's similar loan products and the proposed loan program with and without access to the Credit-Challenged Program.

(7) A description of product marketing, loan origination and operational processes, including how the PFI or PFL will ensure compliance with Program rules, obtain and provide required data and certifications and submit loans for enrollment.

(8) An indication of which Borrower's certifications, pursuant to Section 10091.8(e) are not pertinent and may be forgone based on the proposed program.

(9) The EFI's or EFL's intent as to what it will do with the Eligible Loans, if known (e.g. hold, sell, transfer, participate), and the identity of a purchaser, if applicable.

(e) Certifications: The EFI or EFL certifies the following:

(1) The EFI or EFL is not subject to a cease and desist order or other regulatory sanction from the appropriate federal or state regulatory body that would impair the EFI's or EFL's ability to participate in the Program.

(2) All forthcoming loan enrollment applications submitted by the PFI or PFL to the Authority meet all of the following:

(A) The loan enrollment applications will be for Eligible Loans and that the Borrowers receiving the Eligible Loans will meet the minimum underwriting criteria set forth in these regulations. The Claim-Eligible Principal Amount will be limited to Eligible Improvements.

(B) The Borrowers and Participating Contractors will have executed the required project certifications, the Borrowers will have executed the CHEEF Privacy Disclosures, and the PFI or PFL will have obtained them.

(3) The application to participate in the Program will be signed by a person authorized to legally bind the applicant, and will include the signatory's printed name, title and date.

(f) Acknowledgements and agreements: The EFI or EFL acknowledges and agrees to the following:

(1) The PFI or PFL agrees that these regulations constitute a lender services agreement.

(2) The PFI or PFL agrees to follow the Program rules as set forth in this Article.

(3) The Authority is permitted to audit the PFI or PFL of any of its records relating to Enrolled Loans during normal business hours either remotely or on its premises, to be determined by the Authority, and to supply other information concerning Enrolled Loans as shall be requested by the Authority.

(4) The Authority and the State of California 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.

(5) To include the required information and certifications as described in Section 10091.8.

(6) 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.

(7) The PFI or PFL, to comply with all applicable laws, possesses and maintains all required state and federal licenses, and remains in good standing with all governmental authorities having jurisdiction over its business.

(8) IOUs are not responsible for, and shall have no liability for, the following:

(A) The energy efficiency improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts.

(B) The assessment of potential benefits and costs associated with those improvements.

(C) The qualification of PFIs or PFLs.

(D) The PFI's or PFL's marketing and lending policies and practices.

(E) The Authority's educational and outreach activities.

(g) Indemnifications: The EFI or EFL as a PFI or PFL shall indemnify, defend and hold harmless the Authority, each of the IOUs, the IOUs' affiliates and each of the IOUs' 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:

(1) 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.

(2) 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.

(3) Alleging any breach of a representation, warranty or covenant by that PFI or PFL.

(4) 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.

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

(h) Upon receipt of a completed application and within ten (10) business days, the Authority will 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 Participation ID for the PFI or PFL.

(i) 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 Section 19901.2(b)(1)-(6) above. Changes to the information referenced in Section 10091.2(b)(5) and Section 10091.2(d)(1)-(2) and Section 10091.2(d)(4)-(8) 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.**

(a) In addition to the requirements set forth in Section 10091.2, to be approved as a PFL, EFLs must meet the requirements in this section in a form to be specified by the Authority.

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

(1) General liability with limits of not less than two million dollars ($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 a claim is made or suit is brought subject to the EFL's limit of liability. The policy must include the State of California and its officers, agents, employees and servants as additional insureds, but only insofar as the operations under these regulations are concerned.

(2) Statutorily required workers' compensation and employer's liability coverage for all the EFL's employees who will be engaged in the Program, including special

coverage extensions where applicable. Employer's liability limits of one million dollars ($1,000,000) shall be required.

(3) All insurance coverage must be in force for the complete term during which the EFL is enrolled as a PFL. If any 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.

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

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

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

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

(c) Company capacity: Demonstrate capacity as a consumer lender:

(1) Provide evidence of net worth in excess of five hundred thousand dollars ($500,000) and assets that exceed 0.5% of the assets under servicing pursuant to these regulations.

(2) Meet at least one of the following requirements:

(A) Hold a California Finance Lender license in good standing with the California Department of Financial Protection and Innovation, if applicable.

(B) Certify that EFL does not need a California Finance Lender license and the EFL holds all required licenses to offer the type of financing proposed through the Program in the state of California, and both:

(i) Demonstrate at least twenty million dollars ($20,000,000) in committed capital for general financing activities.

(ii) Provide evidence that the EFL has originated at least 500 transactions in similar loans or lease/service agreements.

(3) Describe successorship plans or agreements in the case the PFL ceases to operate.

(d) Qualifications: Demonstrate, in writing, all of the following capacities and/or experiences, including for each a description of key personnel and positions, systems, processes and facilities:

(1) Consumer finance and, if applicable, coordination with home improvement contractors.

(2) Originating consumer loans, retail installment contracts or leases/service agreements in accordance with all applicable laws, unless applying to become a successor servicer.

(3) Underwriting consumer loans, unless applying to become a Successor Servicer.

(4) Servicing of the types of products the EFL will be providing.

(5) Quality control and management systems to evaluate and monitor the overall quality of the EFL's loan, retail installment contract, or lease/service agreement financing-related activities, including, where applicable, underwriting reviews and consumer complaint resolution processes.

(e) Representations: Make all of the following representations, warranties and covenants to the Authority. These warranties are not limited to matters of which the EFL had knowledge. Matters that are of public record will be deemed to be known by the EFL.

(1) Organization and Good Standing. The EFL is duly organized and validly existing under the laws of the state of its organization and California with due power and authority to own its properties and to conduct its business as those properties are currently owned and whose business is presently conducted, and had at all relevant times, and has, the power, authority and legal right to participate in this Program.

(2) Due Qualification. The EFL is duly qualified to do business and has obtained all necessary licenses and approvals in all jurisdictions in which the ownership or lease of property or the conduct of its business will require those qualifications.

(3) Power and Authority. The EFL 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 or other governmental instrumentality having jurisdiction over the EFL or its properties involving any of the following:

(A) Asserting the invalidity of these regulations.

(B) Seeking to prevent the consummation of any of the transactions contemplated by these regulations.

(C) Seeking any determination or ruling that might materially and adversely affect the performance by the EFL of its obligations under these regulations.

(5) Qualified Staff and Adequate Facilities. The EFL has trained and qualified employees and suitable facilities and operating systems for the performance of the underwriting, origination and servicing functions required to carry out the Program. Where an EFL is seeking to become a Successor Servicer, those requirements related to employees, facilities and operating systems shall be sufficient to carry out all servicing functions required to carry out the Program. The EFL must maintain a written disaster recovery plan that covers the restoration of the facilities and the backup and recovery of information in electronic data processing systems. Alternate processing facilities and systems are required to ensure continuous operations. The EFL shall allow the Authority, at no additional cost, to inspect its disaster recovery plan and facilities.

(6) Bad Acts. The EFL 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.

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. Channel Partner**

(a) An Eligible Channel Partner (ECP) seeking to become a Participating Channel Partner (PCP) shall include in the EFI's or EFL's enrollment application to the Authority the information specified in this section, in a form specified by the Authority.

(b) Contact Information: The ECP must provide the following:
- (1) Name, address, business phone number and website URL.
- (2) Name, title, phone number and e-mail address of the contact person.

(c) The ECP must provide the name of the EFI or EFL co-applicant, a description of the relationship with the EFI or EFL as well as the roles and specific duties the ECP will perform in relation to the Program and evidence demonstrating the ECP's qualifications and experience to perform those duties. The EFI or EFL co-applicant must also sign the ECP's application.

(d) Certifications: The ECP certifies the following:
- (1) The ECP is not subject to an injunction or other regulatory sanction from the appropriate federal or state regulatory body that would impair the ECP's ability to participate in the Program.
- (2) The ECP's application to participate in the Program shall be signed by a person authorized to legally bind the ECP and shall include the signatory's printed name, title and date.

(e) Acknowledgements and agreements: The ECP acknowledges and agrees to all of the following if approved as a PCP:
- (1) The PCP will follow the Program regulations as set forth in this Article.
- (2) For PCPs that are submitting information on Eligible Loans to the Program, the PCP will retain all records the PCP generates relating to each Eligible Loan for the term of financing and make those records available to the Authority upon request.
- (3) The PCP will 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 the PCP's business.
- (4) The IOUs, the Authority and the State of California are not responsible for, and shall have no liability for either of the following:
  - (A) The qualification of PCPs.
  - (B) The PCP's marketing policies and practices.
- (5) The PCP and the PCP's representatives and agents are not hired by the Authority or any of the participating IOUs through their participation in the Program, and shall not represent themselves as representing those entities.

(f) Upon the receipt of a completed enrollment application of the ECP and EFI or EFL and, within ten (10) business days, the Authority will review and determine whether additional information is required or whether the application is sufficient to permit the applicant to be a PCP co-applicant to the PFI or PFL. The Authority's decision regarding enrollment shall be final. The Authority will notify the PCP and PFI or PFL of the Authority's decision. The PCP shall complete, sign and return the signature sheet to the Authority within ten (10) business days or at the time the co-applicant PFI's or PFL's first loan is enrolled, whichever occurs earlier.

(g) After a PCP is enrolled in the Program, the PCP is responsible for updating the Authority with any changes to the information referenced in Section 10091.4(b)(1)-(2). Changes to the information referenced in Section 10091.4(c) 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

**§10091.5. Loan Eligibility and Minimum Underwriting Criteria.**

(a) The Eligible Loan must meet the definition of one of the following products:

(1) A loan is an agreement between an EFI or EFL and a Borrower for a closed-end loan of a predetermined amount with periodic payments over a specified term to finance a Borrower's purchase of equipment. The Borrower will have ownership of the equipment from the time of purchase.

(2) A retail installment contract is an agreement of retail sale of equipment solely between a buyer and a seller that, pursuant to Civil Code Section 1802.6, provides for the repayment in at least four (4) installments, whether or not that contract contains a title retention.

(3) A lease/service agreement is an agreement that provides the Borrower with the use of equipment and could include ongoing service and maintenance, in exchange for payments in amounts that are due according to a schedule established in the agreement. The payments must result in the full satisfaction of the obligation. Those payments are made for a specified term. Title to the equipment may or may not transfer to the customer during the agreement. If the lease/service agreement includes ongoing service and maintenance, it must also guarantee the functionality of the equipment for the term of the agreement.

(b) An Eligible Loan is not:

(1) Secured by an interest in real property, except for a UCC-1 fixture filing.

(2) Financing for the construction or purchase of residential housing.

(c) The refinancing of existing debt is only permitted when either:

(1) Both loans or lease/service agreements are made within three (3) months by the same PFI or PFL for the same project.

(2) The existing debt is an Enrolled Loan refinanced by the original PFI or PFL.

(d) Disclosure: For Eligible Loans that are leases, the PFI or PFL must disclose to the Borrower either:

(1) An annual percentage rate (APR), inclusive of any fees, as well as any advance payments that the Borrower is required to pay.

(2) The total cost of the Project for the Borrower comprised of monthly payments multiplied by the number of months in the agreement plus any fees [(monthly payments * number of months in the agreement) + fees]. Monthly payments as reported must be inclusive of, but not limited to, equipment and installation repayment, and any charges for financing, services, maintenance, or oversight of equipment.

(e) 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(d), or any revised program details provided in a report to the Authority pursuant to Section 10091.11(c)(1).

(f) 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)(1)(A), other necessary and related costs, such as installation, permitting and other legally required improvements. When an EEEM is removed from the list of EEEMs or its specification is revised, that EEEM and specification will continue to be eligible for inclusion under this subsection where the loan enrollment application is submitted within one hundred eighty (180) calendar days of EEEM's 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)(1)(B).

(g) The Claim-Eligible Principal Amount shall not exceed $50,000 per unit for the Eligible Property. If the Eligible Loan is underwritten without a credit score pursuant to Section 10091.5(i)(2), the Claim-Eligible Principal Amount shall not exceed $35,000 without regard to the number of units of the Eligible Property, and the cap of thirty-five thousand dollars ($35,000) shall apply to the Total Loan Principal Amount regardless of the Claim-Eligible Principal Amount.

(h) 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 fifty (750) basis points as of the first business day of the applicable calendar quarter.

(i) Borrower credit score requirements:

(1) The Borrower must have a minimum credit score of 580 except as allowed pursuant to Section 10091.5(i)(2). For Borrowers with credit 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 twenty thousand dollars ($20,000).

(2) Eligible Loans may also be provided to Borrowers with no credit score, provided the Borrower does not have any unexplained derogatory credit reports.

(j) The Borrower's total debt-to-income ratio shall not exceed fifty-five percent (55%), unless the Eligible Loan is a Microloan.

(k) In addition to the underwriting criteria described above, PFIs and PFLs may use a Borrower's utility billing and payment history to aid in underwriting an Eligible Loan.

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

(m) A PFI or PFL may not enroll the Claim-Eligible Principal Amount of the Enrolled 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

**§10091.6. 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 in these regulations offered by the Authority or the IOUs 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, contact information to be used by customers, title of contact person, and the preferred method of contact, such as email or telephone.

(3) Number of employees.

(4) CSLB license number.

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

(6) If the Eligible Contractor would like to have their business profile published on Program websites, geographic areas served, languages spoken, and types of services offered.

(7) Authorization, from Eligible Contractors who wish to include their logo for publicity, for the Authority to use that logo on Program websites as well as in other communication materials.

(8) 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.

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

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

(11) 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.

(12) The Eligible Contractor's agreement to hold and maintain a commercial general liability insurance policy or policies of not less than one million dollars ($1,000,000) per occurrence throughout their participation in the Program. The Eligible Contractor shall submit proof of that insurance in its application to the Authority.

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

(14) 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 being, or claim association or affiliation, with the Authority or any of the participating IOUs in any capacity. Further, the Eligible Contractor shall neither 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.

(15) 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.

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

(17) The Eligible Contractor's agreement that it indemnifies and holds the Authority harmless from any and all damages resulting from its representations, savings estimates, sales, warranties, maintenance, any installed measure, product, and/or system, and service for all installed measures, products, and/or systems.

(18) The Eligible Contractor's acknowledgement that information related to their participation in the Program and their projects financed through the Program, may be released to the IOUs, other state agencies, program funders, and the federal government pursuant to contracts, interagency agreements or, if required by law.

(19) 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.

(v) The Authority'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) Upon the 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.

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

(e) 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 10091.6(a)(13).

(f) Annually, the Authority may require up to one hour of Program-related online training to refresh or update Participating Contractors on Program requirements.

(g) In the event of a misrepresentation or failure to comply with the requirements set forth in these regulations on the part of a Participating Contractor, the Authority may remove the Participating Contractor. The Executive Director shall provide written notice of the removal 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 removal shall have the right to submit information to the Authority and asking that the Executive Director reconsider the removal 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 removal. The Executive Director shall provide written notice of the decision and the right to appeal the decision to the Authority's governing board 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 appeal to the Authority's governing board. 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's governing board 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

**§10091.7. Establishment and Funding of Loss Reserve Accounts.**

(a) Upon the Authority's acceptance of an application from an EFI or EFL 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. At the PFI's, PFL's, or Successor Servicer's request, the Authority will establish up to three Loss Reserve Accounts for the PFI, PFL, or Successor Servicer. The Loss Reserve Account(s) will be held by the Trustee and will be used for the following:

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

(2) Pay claims in accordance with Section 10091.9.

(b) Upon the enrollment of an Eligible Loan all of the following:

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

(A) For Enrolled Loans to Borrowers meeting the definition of Low-to-Moderate Income, the Loss Reserve Contribution shall be twenty percent (20%) of the original Claim-Eligible Principal Amount.

(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 original Claim-Eligible Principal Amount.

(C) For all other Enrolled Loans, the Loss Reserve Contribution shall be eleven percent (11%) of the original Claim-Eligible Principal Amount.

(D) The contribution shall never be more than twenty percent (20%).

(2) The Authority will instruct the Trustee to transfer the Loss Reserve Contribution from the appropriate Program Holding Account.

(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.

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

(d) If upon review of the documentation provided by the PFI or PFL pursuant to this section that it appears through inadvertence the loan does not comply with Program requirements concerning Eligible Improvements as set forth in Section 10091.5(f), 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 10091.5(f).

(e) Annually based on the fiscal year ending June 30, the Authority shall instruct the Trustee to rebalance a PFI's or PFL's Loss Reserve Account(s), if necessary, and move funds from the PFI's or PFL's Loss Reserve Account(s) into the appropriate Program Holding Account(s). The initial rebalance amount will be the sum of the original 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 appropriate Program Holding Account(s).

(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 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

**§10091.8. 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 submit a loan enrollment application to enroll an Eligible Loan in the Program once that loan is closed by providing the information described in Section 10091.8(c)-(g) in a format approved by the Authority.

(c) The following data points for the submitted loan will be provided to the Authority:

| | Data points | Data provided by: | Exceptions |
|---|---|---|---|
| **Borrower Information** | | | |
| 1 | Borrower first and last name | Any | |
| 2 | Borrower email | Any | |
| 3 | Borrower phone number | Any | |
| 4 | Borrower's credit score range, denoting a score of 580-640, 641-700, 701-760, 761-820, 821 or higher, or no credit score | PFI or PFL | |

| | | | |
|---|---|---|---|
| 5 | An indication as to whether bill payment history was used in making the underwriting decision | PFI or PFL | |
| 6 | 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% | PFI or PFL | Not required for Microloans |
| 7 | Borrower's relationship to property: 1) owner-occupier, 2) owner non-occupier, 3) renter or lessee | Any | |
| **Eligible Property Information** | | | |
| 8 | Eligible Property address (Street address, city, and ZIP code) | Any | |
| 9 | Census tract of Eligible Property | Any | Only required if Lender is reporting the Borrower as qualifying as underserved by LMI census tract for the purpose of a 20% Loss Reserve Contribution |
| 10 | Name(s) of the utility delivering electricity and gas, if applicable, to the Eligible Property. | Any | For Microloans, only the name of the utility that corresponds to the fuel source for the EEEM(s) is required |
| 11 | The utility account number(s) for the Eligible Property, if applicable. | Any | For Microloans, only the account number that corresponds to the fuel source for the EEEM(s) is required |
| 12 | Number of units at the property being upgraded | Any | |
| **Project Information (for each contractor or Self-Installer's scope of work)** | | | |
| 13 | Registered name or DBA of the Participating Contractor; or indication of Self-installer | Contractor/Self-Installer | For Microloans, if the measure(s) are installed by a licensed contractor who is not a Participating Contractor, this data point is not required |
| 14 | Participating Contractor CSLB license number | Contractor | For Microloans or Self-Installer projects, this data point is not |

| | | | required |
|---|---|---|---|
| 15 | EEEMs ID (For each EEEM) | Any | |
| 16 | Measure name (For each EEEM) | Any | |
| 17 | Quantity installed (For each EEEM) | Any | |
| 18 | Indication of whether the installation resulted in a fuel substitution for the measure (For each EEEM) | Any | |
| 19 | The total cost for each EEEM and its installation | Any | |
| 20 | The cost and description of any legal and practical measures required to complete the project, but that are not associated with any specific EEEM(s). | Any | |
| 21 | The cost and description of other additional related home improvement measures installed that are not listed as EEEMs or which utilize a non-IOU fuel source. | Any | |
| 22 | Total project cost | Any | |
| 23 | Indication of whether the project added square footage to the home | Any | |
| 24 | Date(s) the contractor(s) or Self-Installer completed the installation | Any | |
| 25 | An indication of whether any distributed generation was included in the project and if so, a description and associated cost for the distributed generation measures installed. | Any | |
| 26 | Indication of whether the Participating Contractor or Borrower has received or will apply for a utility, REN, or CCA energy efficiency rebate or incentive and the name of the rebate/incentive program and if known, the project ID. | Any | |
| **Loan Information** | | | |
| 27 | PFI's or PFL's name and Program Participation ID | PFI or PFL | |
| 28 | Program ID (Indication that the Eligible Loan is being submitted for enrollment in the Program) | PFI or PFL | |
| 29 | Loan officer name | PFI or PFL | |
| 30 | The PFI's or PFL's internal loan identification number. This number should not be identical to a Borrower's account number with the PFI or PFL | PFI or PFL | |

| | | | |
|---|---|---|---|
| 31 | Installer Type (Whether the project included a Self-Installer, Participating Contractor, professional installer who is not a Participating Contractor, and/or more than one Participating Contractor) | PFI or PFL | |
| 32 | Total Loan Principal Amount | PFI or PFL | |
| 33 | Claim-Eligible Principal Amount | PFI or PFL | |
| 34 | Type of loan (e.g. term loan, retail installment contract, lease/service agreement) | PFI or PFL | |
| 35 | Whether or not the loan is secured or unsecured | PFI or PFL | |
| 36 | Term and maturity date | PFI or PFL | |
| 37 | Date interest rate was finalized | PFI or PFL | |
| 38 | Origination date | PFI or PFL | |
| 39 | Interest rate, and whether it is fixed or variable | PFI or PFL | |
| 40 | Whether Borrower has agreed to ACH auto pull | PFI or PFL | |
| 41 | Whether the Borrower qualifies as underserved for the purpose of a 20% Loss Reserve Contribution, and if so, how: household income, LMI census tract, or Credit-Challenged. | PFI or PFL | |

(d) The following certifications from an authorized signatory of each Participating Contractor, if any participated in the project, shall be provided to the Authority:

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

(2) In addition to other project requirements, the completed project also meets the following criteria:

(A) The improvements listed by the contractor on the invoice as Eligible Improvements comply with Program guidelines.

(B) The Eligible Improvements listed on the Itemized Invoice were installed.

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

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

(5) The Borrower was provided with a Bill Impact Estimate.

(6) Safety testing was completed and passed if required by the project as specified in Section 10091.10(f).

(e) Certifications from the Borrower of the following will be provided to the Authority:

(1) For all projects:

(A) The equipment will be installed at the project address provided to my lender.

(B) I will use loan proceeds to pay for equipment and/or installations per Program rules.

(C) I have been informed of how this project may affect my utility bill.

(D) I understand that CAEATFA 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 equipment.

(E) I acknowledge and agree to allow CAEATFA, or its representatives, access to verify the equipment meets Program requirements.

(2) Additionally, for projects with equipment requiring professional installation per the Program rules:

(A) I have secured or will secure a CSLB-licensed contractor.

(B) All installation(s) by a Participating Contractor have been completed to my satisfaction.

(3) Additionally, for projects with equipment that require(s) permits, all permits have been or will be secured.

(f) Proof of electric or gas delivery at the project address for each utility servicing the property dated within ninety (90) days of credit approval through one of the means listed in paragraphs (1)-(4) will be provided to the Authority. For Microloans, only proof of the utility that corresponds to the fuel being utilized by the EEEM(s) is required.

(1) Copy of a current utility bill demonstrating electric and or gas delivery to the property.

(2) Letter of confirmation establishing utility service at the property.

(3) Evidence that the property is served by a master meter in a mobile home park.

(4) Certification by either a PFI, PFL, or Participating Contractor.

(A) That is implementing a utility energy efficiency program that the Borrower is receiving fuel delivered by that utility.

(B) That customer utility account data has been validated through a third-party digital authentication.

(g) An executed California Hub for Energy Efficiency Financing Disclosure as described in Section 10091.15 shall be provided to the Authority.

(h) The PFI or PFL shall be authorized to base the information requested in Section 10091.8(c) upon representations made to the PFI or PFL by the Borrower and/or the Self-Installer and/or the Participating Contractor, provided that the representation cannot 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.

(i) 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.

(j) The Authority, upon the receipt of the documentation required pursuant to this section from the PFI or PFL, shall 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.

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. The outstanding Claim-Eligible Principal Amount does not include unpaid interest, unpaid late fees, or other unpaid charges.

(b) A PFI, PFL, or Successor Servicer shall notify the Authority within sixty (60) calendar days after charging off an Enrolled Loan and include the date of the charge-off 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 in a format approved by 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 must include the following information:

(1) Name of the PFI, PFL, or Successor Servicer.
(2) Name, business telephone number and e-mail address of contact person.
(3) Lender internal identification number, as described in Section 10091.8(c).
(4) CHEEF Loan ID of the Enrolled Loan.
(5) An indication as to whether the Enrolled Loan is enrolled in the Program.
(6) Original Claim-Eligible Principal Amount.
(7) Original Total Loan Principal Amount.
(8) Outstanding Claim-Eligible Principal Amount at the time of charge-off.
(9) Outstanding Total Principal Amount.
(10) Charge-off amount.
(11) Amount recovered.
(12) Claim amount.
(13) Beneficiary of the claim payment, if an entity other than the PFI, PFL or Successor Servicer.
(14) Amount of any inchoate losses.
(15) Charge-off date.

(16) If the Enrolled Loan is secured, a statement of whether the PFI, PFL or Successor Servicer has commenced enforcement proceedings.

(17) Whether any acceleration notices have been sent.

(18) 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 insufficient to pay all the claims.

(19) Certification that the notice was filed with the Authority as required by Section 10091.9(b), and certification that the charge-off was made in a manner consistent with the PFI, PFL or Successor Servicer's usual methods for taking action on loans that are not Enrolled Loans under the Program.

(20) The claim information shall be executed by an authorized signatory, who can bind the PFI, PFL or Successor Servicer, and shall include the signatory's printed name, title, and date.

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

(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 paid by the Authority, the PFI, PFL, or Successor Servicer shall apply the recoveries in the following order:

(1) The PFI's, PFL's, or Successor Servicer's reasonable costs of reasonable collection efforts.

(2) The PFI's, PFL's, or Successor Servicer's loss on the portion of the Claim-Eligible Principal Amount not covered by the Authority's claim payment.

(3) The PFI's, PFL's, or Successor Servicer's reimbursement to the Program Holding Account(s) for the claim paid.

(4) The PFI, PFL, or Successor Servicer may retain recoveries that exceed reimbursements to the Program Holding Account(s).

(e) 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.

(f) 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 the Executive Director determines 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 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 the approval of claims up to an additional thirty (30) calendar days if the Authority requires more information to determine if the claim shall be paid. Prior to authorizing a disbursement from a Loss Reserve Account, the

Authority may request additional documentation from the PFI, PFL, or Successor Servicer related to the Enrolled Loan.

(g) Upon the approval of a claim, the Authority shall direct the Trustee to disburse the approved claim amount 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 appropriate Program Holding Account(s) 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. Where a PFI, PFL, or Successor Servicer is participating in the Program and another pilot program administered by the California Hub for Energy Efficiency Financing, the claim described in this section is not additive for that PFI, PFL, or Successor Servicer.

(2) Except as set forth in Section 10091.9(g)(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 specified in this section.

(b) A Self-Installer may install or have installed the Eligible Improvements described in Section 10091.10(b)(1)-(2) below. The Self-Installer must provide proof of purchase to the PFI's or PFL's satisfaction:

(1) EEEMs listed in the table in Section 10091.10(j) as eligible for self-installation.

(2) Additional related home improvements as described in Section 10091.1(s)(1)(B).

(c) The contractor performing the work must be a Participating Contractor as of the date they received approval to proceed with the project from a PFI or PFL, except for when:

(1) The work is performed by a Self-Installer,

(2) The work is to install alterations or improvements that are legally and practically required to complete the installation of EEEM(s), as described in Section 10091.1(s)(1)(A).

(3) The work is to install additional related home improvements as described in Section 10091.1(s)(1)(B).

(4) The work is financed by a Microloan. For projects financed with Microloans that include EEEMs not eligible for self-install, work must be performed by a CSLB-licensed contractor.

(d) 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.

(e) The Borrower must be provided with a Bill Impact Estimate.

(f) The Participating Contractor must ensure the following safety testing requirements are met:

(1) Where a project includes either of the EEEMs described in this paragraph and the Eligible Property contains one or more atmospherically-vented combustion appliances within the building's sealed envelope, a safety test must be performed. The Eligible Property must pass this test prior to the enrollment of the Eligible Loan.

(A) Whole building air sealing.

(B) Duct sealing and/or duct replacement.

(2) 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 completed after the work is complete by a contractor who meets any of the following requirements:

(A) Approved to participate in an IOU, REN or CCA whole house retrofit program in the corresponding IOU territory.

(B) 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.

(C) Completed a training course on and is proficient in the generally accepted standards for combustion safety and ventilation testing, such as Natural Gas Appliance Testing (NGAT).

(3) If 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(f)(1)) will arrange for the safety test, unless otherwise agreed upon by the Participating Contractors.

(g) To verify that the Eligible Improvements were installed in accordance with this Article, within one (1) year of enrolling the Eligible Loan, the Authority may conduct one or more of the following quality assurance/quality control reviews:

(1) A desktop review that may require the Participating Contractor(s) to submit project-related documentation, such as the customer invoice, proof of permit closure and proof of a passed safety test, including the name and licensure or credentials of the tester.

(2) A field verification at the Eligible Property(ies) for which the Borrower shall be notified at least ten (10) business days prior to the field verification.

(3) Photo verification.

(h) Where Eligible Improvements are installed by a Participating Contractor, if the Authority finds that the Eligible Improvements were not installed in accordance with the

requirements of this section or that the Participating Contractor misrepresented information related to the work, the Authority may remove the Participating Contractor from Program participation pursuant to the processes described in Section 10091.6 and/or may notify other government agencies and utility providers.

(i) 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 utility providers.

(j) The following table designates the EEEMs for the Program, corresponding requirements, the fuel source eligibility and whether or not the measure is eligible for self-install. All measures must meet Title 20 or Title 24 requirements, when applicable.

| Measure Category | Measure | Requirements | Fuel Source | Eligible for Self-Install |
|---|---|---|---|---|
| Appliances | Air Cleaner/Purifier | ENERGY STAR | Electric | Yes |
| Appliances | Clothes Dryer (Electric) | ENERGY STAR | Electric | Yes |
| Appliances | Clothes Dryer (Gas) | ENERGY STAR | Gas | Yes |
| Appliances | Clothes Washer | ENERGY STAR | Electric Gas | Yes |
| Appliances | Dishwasher | ENERGY STAR | Electric Gas | Yes |
| Appliances | Freezer | ENERGY STAR | Electric | Yes |
| Appliances | Induction Range or Cooktop | | Electric | Yes |
| Appliances | Range Hood | ENERGY STAR | Electric | Yes |
| Appliances | Convection Oven (Electric) | | Electric | Yes |
| Appliances | Refrigerator | ENERGY STAR | Electric | Yes |
| Building Envelope | Air Sealing | | Electric Gas | No |
| Building Envelope | Attic Insulation | | Electric Gas | No |
| Building Envelope | Cool Roof | | Electric | No |
| Building Envelope | Window Coverings: Exterior | Includes: Solar Screen, Roller Shade/Shutter, Louvered Shutters, and Awnings. Must be attached to the building structure | Electric | No |
| Building Envelope | Window Coverings: Interior | Includes: Cellular Shades, Window Quilts, or Roman Shades. Must be installed in a conditioned space and cover the entire window aperture, specified window coverings. Not included: Louvered blinds or shutters; drapes; curtains | Electric Gas | Yes |

| | | | | |
|---|---|---|---|---|
| | | sheer, roller, or pleated shades; solar screens. | | |
| Building Envelope | Floor Insulation | | Electric Gas | No |
| Building Envelope | Heat Reflective Coatings | Solar reflectance ≥ 0.5 as tested to ASTM C1549-16 | Electric | No |
| Building Envelope | Insulated Siding | Siding panels with rigid foam insulation backing | Electric Gas | No |
| Building Envelope | Radiant Barrier | For attic installation only | Electric Gas | No |
| Building Envelope | Wall Insulation | | Electric Gas | No |
| Building Envelope | Window Film | May only be installed in conditioned spaces. | Electric Gas | Yes |
| Building Envelope | Windows | May only be installed in conditioned spaces. | Electric Gas | No |
| Demand Response | Thermal Energy Storage (TES) System | Must be used for the purpose of permanent load shifting (PLS) | Electric | No |
| HVAC | Air Filter Alarm or Sensor | | Electric Gas | No |
| HVAC | Air Filter Upgrade - MERV | MERV 13 air filter upgrade. Must be installed with an ECM fan motor and a filter sensor or alarm. | Electric Gas | No |
| HVAC | Central Air Conditioning Unit | | Electric | No |
| HVAC | Central Heating and Air Conditioning System | | Electric Gas | No |
| HVAC | Diagnostic or Fault Detection Alert Systems | | Electric Gas | No |
| HVAC | Duct Insulation | | Electric Gas | Yes |
| HVAC | Duct Sealing | | Electric Gas | No |
| HVAC | Duct Sizing or Optimization | | Electric Gas | No |
| HVAC | ECM Furnace Fan Motor | | Electric | No |
| HVAC | Evaporative Cooling | | Electric | No |
| HVAC | Fan or Motor Control | | Electric | No |
| HVAC | Furnace - Residential | | Gas | No |
| HVAC | Heat Pump | | Electric | No |
| HVAC | HVAC Tune-up and Optimization | | Electric Gas | No |

| | | | | |
|---|---|---|---|---|
| HVAC | Hydronic Radiant Heating | | Electric Gas | No |
| HVAC | Mini Split | 18 SEER or greater | Electric | No |
| HVAC | Mini Split Air Conditioning System | 18 SEER or greater | Electric | No |
| HVAC | Smart Thermostat | Programmable and communicating thermostat | Electric Gas | Yes |
| HVAC | Ventilation Fan | ENERGY STAR | Electric | No |
| HVAC | Wall Furnace | | Gas | No |
| HVAC | Whole House Fan | | Electric | No |
| Lighting | LED Lighting | LED lighting bulbs and fixtures. Must be ENERGY STAR Certified. Recessed light fixtures in insulated ceilings must be rated ICAT (insulation contact air tight) | Electric | Yes |
| Lighting | LED Tape Lighting | | Electric | Yes |
| Other | Other Measures Qualifying Through IOU/REN/CCA Programs | Measure not elsewhere on this list that qualifies for an IOU/REN/CCA energy efficiency or demand response program. | Electric Gas | No |
| Other | Other Measures Qualifying Through IOU/REN/CCA Programs - Self Install | Measure not elsewhere on this list that qualifies for an IOU/REN/CCA energy efficiency or demand response program and for which the IOU/REN/CCA program allows self-install. | Electric Gas | Yes |
| Pool Products | Pool Cover (Electric Heater) | | Electric | Yes |
| Pool Products | Pool Cover (Gas Heater) | | Gas | Yes |
| Pool Products | Pool Pump Motor | ENERGY STAR | Electric | Yes |
| Water Heating | Faucet Aerator | | Electric Gas | Yes |
| Water Heating | Heat Pump Water Heater | ENERGY STAR | Electric | No |
| Water Heating | Pipe Insulation | | Electric Gas | Yes |
| Water Heating | Shower Head - Low Flow | | Electric Gas | Yes |
| Water Heating | Shower Thermostatic Valve | | Electric Gas | No |
| Water Heating | Tank Insulation | | Electric Gas | Yes |

| | | | | |
|---|---|---|---|---|
| Water Heating | Tank Water Heater (Gas) | ENERGY STAR | Gas | No |
| Water Heating | Tankless Water Heater (Electric) | | Electric | No |
| Water Heating | Tankless Water Heater (Gas) | ENERGY STAR | Gas | No |

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 will provide a monthly report, in a format approved by the Authority, to the Authority on the status of each Enrolled Loan by the 5th day of the following month. The report will include the PFI, PFL, and Successor Servicer company name, the year and month the report is representing and the date the report is issued. The report will include all of the following:

(1) CHEEF Loan ID.

(2) PFI, PFL, and Successor Servicer internal ID for the Enrolled Loan.

(3) The Current outstanding Total Loan Principal Amount.

(4) Loan status, including whether a loan is current; 30, 60, 90, or 120 days past due; paid in full; or charged off.

(5) Updated interest rate, if applicable.

(6) Sale or transfer of any loan, portfolio of loans or assignment of repayment streams, in-whole or in-part, of any loan, including the date of sale or transfer, name(s) of the purchaser(s), transferee(s), or assignee(s) and percentage of the loan or portfolio sold, transferred or assigned.

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

(b) Upon request from the Authority, but not more than monthly, the PFI or PFL shall make a good faith effort to provide the following marketing and activity information:

(1) Number of loan, retail installment contracts and lease/service applications received during the reporting period.

(2) Number of applications approved during the reporting period.

(3) Description of any promotions or other noteworthy patterns or activities.

(4) Changes in interest rates for the appropriate comparable non Program products of the PFI or PFL for the purpose of helping the Authority determine ongoing benefits to borrowers that result from the loss reserve.

(c) PFIs, PFLs, and Successor Servicers will provide an annual report to the Authority no later than January 15th with all of the following:

(1) Any material changes to information or certifications provided in the initial application to participate or on any subsequent updated certifications or approved product modifications, or indicate that all statements made remain materially unchanged.

(2) Reaffirm or note any change to licenses and insurance provided in the initial application to participate.

(d) PFIs, PFLs, and Successor Servicers will report to the Authority when the PFI, PFL, or Successor Servicer has any of the following occur:

(1) Becomes subject to a cease-and-desist order or other regulatory sanction with the appropriate federal or state regulatory body. The report must be submitted within thirty (30) calendar days of that action.

(2) Changes the terms of an Enrolled Loan within the allowed term of enrollment in the Program. The report must be submitted in the subsequent monthly report. The Authority will not provide additional Loss Reserve Contributions for an Enrolled Loan whose loan term has changed or extend the time for which a claim may be filed beyond the fifteen (15) years set forth in Section 10091.7(c).

(3) Changes the servicer of an Enrolled Loan without selling the Enrolled Loan. The report must be submitted at least ten (10) business days prior to the new entity assuming the servicing of the Enrolled Loan(s). The notification should include the date on which the change in servicing shall be effective and contact information for the new servicer.

(4) Charges-off an Enrolled Loan. The report must be submitted within sixty (60) calendar days pursuant to Section 10091.9(b).

(5) Recovers any proceeds of a charged-off Enrolled Loan. The report must be submitted within sixty (60) calendar days and include gross amounts recovered through collection activities and the net amount remitted by the 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

**§10091.12. Sale of Enrolled Loans.**

(a) A PFI or PFL may sell, transfer or assign the associated repayments of an Enrolled Loan in whole or in part, or portfolio of Enrolled Loans in whole or in part, at its discretion. In those cases, the PFI or PFL will do all of the following:

(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 Section 10091.12(b).

(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 Section 10091.12(b).

(3) Report the sale to the Authority in accordance with the monthly reporting outlined in Section 10091.11(a) unless the PFI or PFL has disclosed on its Application to the Program that every Enrolled Loan will be sold, in the same manner, to the same purchaser(s).

(b) A PFI, PFL, Eligible Financial Institution or Eligible Finance Lender approved to be a Successor Servicer pursuant to Section 10091.12(c) may also assume new servicing responsibility for existing Enrolled Loans. In those cases, all of the following requirements:

(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. That notification shall include a listing of all Enrolled Loans subject to the transfer.

(2) After the notification pursuant to Section 10091.12(b)(1) and prior to the transfer of Loss Reserve Contributions for all listed Enrolled Loans, the new servicer shall notify the Authority in writing that the new servicer 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, in a form specified by the Authority, to the Authority that includes the following:

(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 or other.

(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 that 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'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 either remotely or on its premises, and to supply any other information concerning Enrolled Loans as shall be requested by the Authority.

(8) The Eligible Financial Institution's 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).

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

(10) The Eligible Financial Institution's 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 the Authority or another IOU to pursue those rights, including by instituting legal proceedings or alternative dispute resolution proceedings, on its behalf.

(D) The Successor Servicer shall indemnify, defend and hold harmless the Authority, 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 that is any of the following:

(i) Resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct of a Successor Servicer, including any failure of the Successor Servicer, or its agents, to comply with the 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 an Enrolled Loan, or any failure or deficiency in the products, materials or work supplied to a Borrower in connection with an Enrolled Loan.

(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, any of the following:

(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's, PFL's, or Successor Servicer's marketing and lending policies and practices.

(v) The Authority'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) Eligible Finance Lenders seeking to enroll as a Successor Servicer must also submit evidence of compliance with the additional requirements specified in Section 10091.3(b), (c), and (d)(4)-(5), as well as Section 10091.2(e)(3). The EFL must also agree to the representations in Section 10091.3(e).

(d) Upon the receipt of a completed application and within ten (10) business days, the Authority will 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 PFI, PFL, or Successor Servicer's Program-Participation ID 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. That notice will specify either of the following:

(1) The PFI, PFL, or Successor Servicer waives any further interest in the Loss Reserve Account(s) and the reason for the PFI's, PFL's, 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's, PFL's, or Successor Servicer's portfolio.

(2) 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 that notice and the reason for the PFI's or PFL's withdrawal from the Program.

(b) For any 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 PFI, PFL or Successor Servicer Loss Reserve Account(s) or appropriate Program Holding Account(s).

(c) The Executive Director shall be authorized to terminate the 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.

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

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

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

(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 the failure to provide the Authority with a notice of material changes in the submitted information regarding the PFI, PFL or Successor Servicer.

(7) If there is a termination, the PFI, PFL, or Successor Servicer shall not be authorized to enroll any further Eligible Loans, but all previously Enrolled Loans will continue to be covered by the Loss Reserve Account(s) until those Enrolled Loans 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's, PFL's, or Successor Servicer's Loss Reserve Account(s) may be distributed to the appropriate Program Holding Account(s).

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

**§10091.14. Reports of Regulatory Agencies.**

(a) 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.**

(a) The Borrower will be required to provide a contact number and affirm that they have read and acknowledged the following privacy rights disclosure in a format approved by the Authority:

(1) 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 the repayment of the loan.

(F) Information regarding your loan payment history.

(G) Details about your project, including contractor information and information regarding the equipment or improvements funded with the proceeds of the loan, including costs, permit information, and shipping dates.

(H) Utility account number(s), monthly energy use and utility account payment history.

(I) Energy savings data from your project.

(J) Post-project customer surveys.

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

(c) The information provided to CAEATFA may be released within one year to utility companies, other state agencies, program funders, and the federal government pursuant to contracts, interagency agreements or, if required by law.

(d) In addition to Section 10091.15(c), CAEATFA may release this information to the public in an anonymized form. This information will be 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.

(e) In addition to the anonymized and aggregated release of information contemplated above, CAEATFA may contact Borrowers or may release individual Borrower names, addresses, email addresses, and phone numbers that will enable CAEATFA, your utility(ies) or

CPUC or individuals acting on their behalf to contact Borrowers. The purpose of the release of contact information will be limited to inviting Borrowers to participate in surveys or to arrange visits to Borrowers' homes to evaluate various aspects of the Program.

(f) The officials responsible for maintaining the information provided regarding your loan are program personnel at CAEATFA or its contractors. You have the right of access to records established from the information provided to CAEATFA 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

**§10091.16. Conditional Eligibility Expansion**

(a) If additional funding becomes available from a non-IOU Energy Efficiency ratepayer source, the Authority shall do all of the following:

(1) Maintain an interested parties list which will be open to the public. The Authority will publish information on its website as to how to submit contact information to join the interested parties list.

(2) Expand the types of equipment and related costs that may be applied toward the minimum required 70% of the Claim-Eligible Principal Amount described in Section 10091.5(f) by expanding the EEEMs fuel source eligibility as described in Section 10091.1(s)(1)(A). Expansion shall be based solely on criteria required by the source of funds. Loss Reserve Contributions will be made on a first-come, first-serve basis. The source of funds may originate from any of the following:

(A) Federal department or agency.

(B) State department or agency.

(C) Local government, special district, or regional government.

(D) Nonprofit organization.

(3) Publish the criteria required by the source of funds on its website and notice the interested parties list within ten (10) business days of funding being available.

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