

**CALIFORNIA ALTERNATIVE ENERGY AND  
ADVANCED TRANSPORTATION FINANCING AUTHORITY**

***Request to Approve Readoption of Emergency Regulations for the GoGreen Home Energy  
Financing Program (Article 5 (Commencing with Section 10091.1) of Division 13 of Title 4 of  
the California Code of Regulations)***

**Tuesday, February 15, 2022**

Prepared By: *Kelly Delaney, Program Analyst*

**REQUEST**

Staff requests approval to re-adopt the emergency regulations (“Regulations”) for the GoGreen Home Energy Financing Program (“GoGreen Home”) under the emergency rulemaking process<sup>1</sup>. These emergency regulations became effective on May 24, 2021; the modifications were intended to enable GoGreen Home to efficiently and effectively grow from a pilot to a program; create the framework to allow operational improvements, such as moving to electronic data collection and supporting high-volume lending; incorporate participant feedback and stakeholder suggestions; and implement learnings since the last regulatory modifications in 2018.

Additional modifications to the emergency regulations have also been proposed as a part of the re-adopt process. Staff proposes adding several new energy efficiency measures; reducing the net worth requirement for finance companies in order to facilitate participation of newer entrants to the energy efficiency financing space and making several updates to help facilitate the addition of new funding sources.

**BACKGROUND**

On behalf of the California Public Utilities Commission (“CPUC”), the California Alternative Energy and Advanced Transportation Financing Authority (“CAEATFA”) is the administrator of the California Hub for Energy Efficiency Financing (“CHEEF”) and is currently responsible for operating three energy efficiency financing programs: GoGreen Home (previously known as the Residential Energy Efficiency Loan Assistance Program), GoGreen Business (previously known as the Small Business Energy Efficiency Financing Program), and GoGreen Multifamily (previously known as the Affordable Multifamily Energy Efficiency Financing Program). These Programs are funded with Public Purpose Program funds collected from the ratepayers of the investor-owned utilities (IOUs) and collectively were authorized by the CPUC as pilot programs to support the State’s broader energy efficiency and environmental policy goals through leveraging private capital for energy retrofits. GoGreen Home, the first pilot program to launch in July 2016 and to move beyond pilot to full program status, targets the single-family residential market. GoGreen Home mitigates the risk of default for lenders by providing a credit enhancement for enrolled loans. This protection enables participating lenders to offer more attractive financing terms, such as reduced interest rates, longer terms, and larger amounts to a broader group of borrowers.

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<sup>1</sup> Sec. 26009, Public Resources Code

In March 2021, the CAEATFA Board approved emergency regulations to modify the GoGreen Home. The purpose of these modifications was to enable GoGreen Home to allow important operational improvements, such as moving to electronic data collection and supporting high-volume lending; incorporate participant feedback and stakeholder suggestions; and implement lessons learned since the last Regulations modifications in 2018. Anticipating a forthcoming CPUC Decision, the emergency Regulations modifications also allowed GoGreen Home to utilize non-IOU Public Purpose Program ratepayer sources of funding in order to set up more consistent project eligibility across utility jurisdictions. Together, these modifications were designed to facilitate growth and scaling for GoGreen Home. The emergency regulations were approved by the Office of Administrative Law and took effect on May 24, 2021, under the Governor’s emergency Executive Order N-40-20.

In August of 2021, the CPUC issued Decision.21.08.006 which authorized funding for the CHEEF through fiscal year 2026-27. The Decision also allowed CAEATFA to incorporate non-IOU Public Purpose Program funding in order to expand the CHEEF to non-IOU customers and expand financing for electric measures to customers who were served by IOU gas corporations and publicly owned electric utilities. Staff anticipates that CAEATFA will execute its first MOA with an organization providing funding outside of the Public Purpose Program Funds, this month. The TECH Clean California Initiative was developed as part of Senate Bill 1477 (Stern, 2018) for the purpose of driving market adoption of heat pump technology. Energy Solutions, the implementer of TECH Clean California, will provide funds to GoGreen Home for a dedicated loss reserve and administrative support for loans to upgrade properties in public electric service territories that also receive gas service. This collaboration will offer more customers across the state a simplified pathway to decarbonization in support of California’s clean energy goals. CAEATFA must re-adopt the emergency regulations by March 23, 2022, in order to preserve the existing modifications that took effect in May 2021. Staff regularly solicits feedback from participating contractors and lenders as well as other implementation partners. As part of this regulation readoption and modification process, staff conducted a public workshop on January 6, 2022, followed by a seven-day public comment period. Public comments were considered, and subsequent changes made are reflected in these proposed modified regulations.

## **SUMMARY OF PROPOSED MODIFICATIONS**

### **Proposed additional modifications will:**

1. Adjust the eligibility requirement for Eligible Finance Lenders related to net worth to facilitate the entry of more private finance companies into the Program while still ensuring companies have a track record of profitability or investor commitment.
2. Add new eligible measures of interior and exterior window coverings and heat reflective paint to provide more options for consumers to reduce their energy consumption.
3. Remove convection gas ovens from the list of eligible measure due to recent studies revealing their substantial greenhouse gas polluting potential. Note that this measure was

added during the May emergency rulemaking process but is being removed for the re-adoption.

4. Update the Borrower Privacy Disclosure to bring the Regulations into alignment with reporting to new external sources of funding, clarify the types of information shared by the Program with various audiences, and better align with the Information Practices Act.
5. Modify Section 16, Conditional Eligibility Expansion, which was originally added as part of the May emergency rulemaking. The modifications simplify some of the original language for improved comprehension and clarify how measure eligibility will be expanded when additional funding becomes available.

*Key components of the modifications made in May 2021 to be re-adopted:*

Among various clarifications and updates, the modifications to the Regulations:

1. Added new eligible measures—including new appliances, several HVAC measures and insulated siding—to provide more options to consumers and be responsive to stakeholder feedback and technology advances.
2. Facilitated point of sale financing, by which customers can access user-friendly GoGreen Home financing when purchasing energy efficient appliances through IOU marketplaces on the Internet.
3. Presented a new “Microloan” product for loans under \$5,000, with streamlined and efficient requirements easing the financing process for lenders and borrowers.
4. Introduced a new “Channel Partner” role, which serves as co-applicant to a lender and assists with marketing, deal generation, collecting and submitting information to CAEATFA, and more.
5. Allowed for residential equipment leases and service agreements, with appropriate consumer protections to provide customers with more financing options.
6. Streamlined the loan enrollment and reporting process for existing lenders to accommodate new business models and facilitate automation.
7. Allowed for expanded measure eligibility (e.g., non-IOU fuel-saving measures or fuel substitution when the electricity is provided by a POU, conditional upon CAEATFA securing non-ratepayer funding for CHEEF and CPUC approval).

**PROPOSED ADDITIONAL MODIFICATIONS TO REGULATIONS**

Below is a brief description of each of the most substantive changes to the Regulations. The specific modifications to the Regulations can be found in Attachment A, denoted in strikethrough and underlined text.

**§10091.1: Definitions.**

This section defines and describes the terms used throughout the GoGreen Home Regulations. Modifications are proposed to the following defined terms:

- *§10091.1(i): “Credit-Challenged Borrower” to be updated*  
Staff proposes updating the definition of Credit-Challenged Borrower to include Borrowers with no credit score. Lenders opting into the Credit-Challenged Program receive a 20% Loss Reserve Contribution toward a loan made to a borrower with a credit score between the Program minimum of 580 and 640, compared to the standard Loss Reserve Contribution of 11%. Staff believes Lenders should be appropriately compensated for taking on the additional risk of lending to a Borrower with no credit score as they would be for lending to a Borrower with a low credit score.
- *§10091.1(s)(1): “Eligible Improvements” to be updated*  
Staff proposes relocating a requirement that Eligible Improvements must be installed by GoGreen Home Participating Contractors from the Definitions to Section 10091.10 on Project Requirements. For more information, please see a description of the modifications to Section 10091.10 below.
- *§10091.1(ii): “Program Holding Account IOU” to be updated*  
In the May 2021 emergency regulation modifications, the definition of “Program Holding Account” was changed to “Program Holding Account IOU” for CAEATFA to be able to distinguish between IOU and non-IOU-ratepayer funding when the latter becomes available. Staff proposes to change the defined term back to “Program Holding Account”. Staff also proposes to update the definition to indicate that Program Holding Accounts would hold funds allocated by different funders, separately. Rather than define a Program Holding Account by funding source, this change allows there to be multiple Program Holding Accounts for different funders and is a clearer and cleaner way of accomplishing the same distinguishability. Staff also proposes language throughout the Regulations clarifying that when CAEATFA makes any changes to an account (for example, moving funds from a Program Holding Account to a Lender’s Loss Reserve Account), they will be made to the “appropriate” Program Holding Account.

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

This section outlines the processes by which an Eligible Financial Institution (“EFI”) or Eligible Finance Lender (“EFL”) applies to become a Participating Financial Institution (“PFI”) or Participating Finance Lender (“PFL”), describing the information it must provide in its application and responsibilities under GoGreen Home. Throughout this document, staff use the term “Lender” to refer to either PFIs or PFLs. A modification to this section is proposed to correct a mischaracterization of what Lenders must seek permission to change about their GoGreen Home loan program.

- *§10091.2(i): Clarify that Lenders must seek CAEATFA approval if they wish to change their processes for capturing borrower certifications*  
When an EFI/EFL applies to join the program, they must provide a description of their

proposed loan program, including what Borrower certifications they propose are not pertinent to the Borrower (10091.2(d)(8)). Staff proposes updating language to clarify that Lenders are required to seek CAEATFA's approval if, after joining GoGreen Home, they wish to change their processes regarding which borrower certifications they believe are not pertinent to their loan program.

**§10091.3. Additional Requirements for Finance Lenders.**

This section outlines the additional requirements for an Eligible Finance Lender (EFL) to include in the application to become a Participating Finance Lender (PFL). It describes the information and certifications it must provide in its application and its responsibilities under GoGreen Home. A modification to EFL eligibility requirements is proposed for this section.

- *§10091.3(c)(1): Change the minimum net worth eligibility requirement for EFLs to join GoGreen Home*

Current eligibility requirements for an EFL to join GoGreen Home require the EFL to provide evidence of net worth in excess of one million dollars. This requirement risks precluding enrollment of some newer energy efficiency financing companies when one of the goals of the CHEEF is to increase the amount of private capital available for energy efficiency. Staff has concluded and thus proposes that a lower amount of five hundred thousand dollars would be a reliable indicator of stability and investor commitment while allowing more EFLs to apply to participate. Five hundred thousand dollars is still notably higher than the \$250,000 net worth requirement for mortgage lending and the \$25,000 net worth requirement for consumer lending maintained by the California Department of Financial Protection and Innovation for the California Finance Lender's License.

**§10091.4. Channel Partner.**

This section was created as part of the emergency Regulations modifications and outlines the processes by which an Eligible Channel Partner ("ECP") applies to become a Participating Channel Partner ("PCP"). It describes the information and certifications it must provide in its application with a Lender and its responsibilities under GoGreen Home. Modifications to this section are proposed to correct a mischaracterization of the Channel Partner's duties, and further affirm the Lender/Channel Partner relationship.

- *§10091.4(e)(4)(B): Remove required explanation of Channel Partner's lending practices*  
Because Channel Partners are not applying to participate as Lenders, staff proposes removing some language from the Regulations that requires Eligible Channel Partners to explain their lending practices to CAEATFA in their application.
- *§10091.4(c): Add instruction that Lender must sign and certify their Channel Partner's application*  
Staff proposes adding language to the Regulations requiring Lenders to sign and certify their co-applicant Channel Partner's application. This adjustment is meant to formalize the agreement and accountability between the Lender and Channel Partner co-applicants.

**§10091.6. Contractor Qualification and Management.**

This section outlines the processes by which an Eligible Contractor applies to become a Participating Contractor (referred to as “Contractor” throughout this document), describing the information they must provide in their application and their responsibilities under GoGreen Home. A modification to this section is proposed to bring the Regulations into alignment with current data reporting practices.

- *§10091.6(a)(18): Add new requirement for Contractors to acknowledge and agree that CAEATFA may share information with Program funders*  
Staff proposes adding a new requirement that Participating Contractors must acknowledge and agree that information related to their participation in the Program and their projects financed through the Program may be released to program funders. This brings the Regulations in line with current practice as CAEATFA must include such information in regular reporting to the IOUs and other sources of funding.

**§10091.8. Loan Enrollment.**

This section describes the documentation and data required for a loan to be enrolled in GoGreen Home and CAEATFA’s timeframe for reviewing the loan. A modification to this section is proposed to deliver further flexibility for Participants.

- *§10091.8(c): Remove “Census Tract” as a required data point.*  
The “Census Tract” data point is used in CAEATFA’s reporting of demographic data about GoGreen Home loans and is also the source of one of three methods Lenders can utilize to have a loan designated as for an “Underserved Borrower”. Loans designated as Underserved receive a 20% credit enhancement, as opposed to 11% for standard loans.  
  
Some Lenders who don’t regularly use the “Census Tract” method for Underserved designation have asked to be excused from submitting this data point, as it is a somewhat manual process to look up and include in each loan’s enrollment package. In response to this feedback, Staff proposes to change this data point to only be required if a Lender wants to use the “Census Tract” data point for Underserved designation. In those cases where “Census Tract” is not reported at loan enrollment, Staff will identify and record it for our internal reporting needs.

**§10091.9. Claims.**

This section outlines the process and requirements for Lenders to submit a claim for reimbursement from their loss reserve if a Borrower defaults on a GoGreen Home loan. A modification to this section is proposed to clear up ambiguities.

- *§10091.9(c)(13) and (g): Clarify who may be the recipient of a Claim payment*  
Staff proposes a language update and the addition of a new data point to clarify that a Lender may choose to direct their claim payment to an investor or a purchaser of their loans. This addition affirms the intent of the Regulations.

**§10091.10. Project Requirements.**

This section describes measure and project eligibility for GoGreen Home, installation, safety testing requirements, and field verifications and inspections of projects. Modifications to this section are proposed to clear up ambiguities; several new energy efficient measures are also proposed.

- *§10091.10(c): Clarify the situations in which the use of a GoGreen Home Participating Contractor is not required*

Staff proposes adding and updating language that specifies in which situations the requirement to use a GoGreen Home Participating Contractor is excepted. Along with adjustments made to the definition of Eligible Improvements (see “Section 10091.1 Definitions”), this change clarifies an ambiguity that implied only Participating Contractors are allowed to install alterations which are legally or practically necessary to complete the installation of an eligible energy efficiency measure (EEEM) (e.g. an electrical panel upgrade in order to install a heat pump water heater), or additional related home improvements. In many cases, it may make more sense for a specialty contractor to do the work (in the example above, an electrician for electrical panel upgrades). These specialty contractors have not been a focus of GoGreen Home recruitment as they aren't installing EEEMs. Additionally, it may impose an unnecessary burden on the Borrower to seek Participating Contractors who aren't directly installing efficiency measures. (e.g. finding a GoGreen Home electrician to upgrade the electrical panel so that the GoGreen Home plumber can install the energy efficient heat pump water heater).

- *§10091.10(j): Add New Eligible Energy Efficiency Measures (EEEMs)*

New EEEMs are proposed to provide more options to Borrowers and at the request of lenders and contractors. Staff proposes removing gas convection ovens.

- Heat Reflective Coatings - Heat reflective paint can reduce energy usage for cooling. This measure is available for GoGreen Business and has residential implications as well.
- Window Coverings: Interior – When installed in a conditioned space to cover the entire window aperture, specified window coverings (Cellular Shades, Window Quilts, or Roman Shades) provide an insulating effect across all seasons, and reduce solar heat gain. Louvered blinds, interior louvered shutters, drapes/curtains, sheer shades, pleated shades, interior solar screens, and interior roller shades are not included under this EEEM.
- Window Coverings: Exterior – When attached to the outside of the building, structure, specified window coverings (Solar Screen, Roller Shade/Shutter, Louvered Shutters, and Awnings) can effectively prevent solar heat gain through a window during cooling seasons.
- Gas Convection Oven (remove) - This measure was originally added as a part of the May emergency rulemaking but due to recent reporting on the potential of substantial greenhouse gas emissions, Staff proposes removing it from the list of Eligible Measures.

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

This section describes the processes and requirements by which a Lender may apply to join GoGreen Home to serve as a Successor Servicer. A modification to this section is proposed to clear up ambiguities.

- *§10091.12(c)(12): Clarify the distinction between eligibility requirements and certification requirements*

Staff proposes updating language to clarify a distinction between eligibility requirements for EFLs seeking to join GoGreen Home as a Successor Servicer and the required certifications for their application. The language as currently worded implies that the EFLs applying to enroll as Successor Servicers can choose to certify they meet the requirements rather than provide evidence of it. This is not the intention of this section. This update clarifies that EFLs must provide evidence of compliance with eligibility requirements as well as make the required certifications.

**§10091.15. California Hub for Energy Efficiency Financing Privacy Rights Disclosure.**

This section describes the CHEEF Privacy Disclosure that advises the Borrower of their privacy rights under the CHEEF, informing them that certain information may be shared with utility companies and other state or federal agencies. Modifications to this section are proposed to bring the Regulations into alignment with reporting to new external sources of funding, clarify the types of information shared by the Program with different audiences and better align with the Information Practices Act.

- *§10091.15(a)(1)(G): Add “Contractor information” as data which CAEATFA may gain possession of*

Staff proposes adding “Contractor information” as examples of project information that CAEATFA may come into possession of and report to specified third parties.

- *§10091.15(c): Add “Program funders” as an entity to receive data reports*

Staff proposes adding “Program Funders” as one of several entities with whom borrower, loan and project data may be shared. This change is necessary because CAEATFA may enter into agreements with other sources of funding beyond the IOUs and needs to include these funders as the recipients of data reports.

- *§10091.15(c): Specify a disclosure period of one year for reporting specific information to third parties*

This proposed change brings GoGreen Home's Regulations into alignment with the California Information Practices Act, which requires a specified time limit within which specific information may be shared. One year provides sufficient time for any monthly, quarterly or annual reporting per contracts, interagency agreements, or if required by law.

- *§10091.15(d): Clarify that reporting anonymized and aggregated data is separate from and in addition to reporting of specific Borrower, loan, and project data*

Staff proposes adding language clarifying that there are two types of data sharing to which borrowers are consenting: release of their specific, individual data to specific named entities, and also anonymized and aggregated sharing with the public.



- *§10091.15(e): Add “Email address” as a data point to be utilized or released for surveys and evaluations*  
Staff proposes adding “Email address” to the list of data points which CAEATFA may utilize or release for the purpose of inviting Borrowers to participate in surveys and Program evaluations.

**§10091.16. Conditional Eligibility Expansion.**

This section was newly added as part of the May emergency rulemaking. It details the process and rules for incorporating non-IOU-ratepayer funding to fund credit enhancements when measures do not save IOU fuel or there is a fuel substitution to a non-IOU fuel source (e.g. heat pumps in SMUD territory). Modifications to this section are proposed to further differentiate the source of such non-IOU ratepayer funds, clarify the changes that would occur with the introduction of these funds and simplify some of the original language for improved comprehension.

- *§10091.16(a): Clarify that funds would become available from a non-IOU Energy Efficiency ratepayer source*  
GoGreen Home credit enhancement funds have historically come from IOU Ratepayer funds approved specifically for Energy Efficiency activities. The original phrasing (“non-IOU ratepayer funding”) was too broad; the proposed new language clarifies that the additional funds could come from other types of (non-Energy Efficiency) IOU Ratepayer funds.
- *§10091.16(a)(1) and (a)(5) (formerly): Relocate some language from Section to the definition of “Program Holding Account” (See Section “10091.1 Definitions”)*  
As described in the Definitions section (Section 10091.1), staff proposes updating the definition of “Program Holding Account” by removing “IOU” and instead describing separate Program Holding Accounts for multiple Program Funders, as a clearer and cleaner way of accomplishing the same distinguishability. With this change, language in this Section describing the creation of non-IOU ratepayer Program Holding Accounts becomes unnecessary and staff proposes relocating it to the Definitions section of the Regulations.
- *§10091.16(a)(3): Clarify how EEEMs eligibility expansion will be based the EEEMs’ fuel source*  
Staff proposes adding new language to clarify that any expansion of the types of eligible equipment and related costs resulting from new sources of funding will be based on expanding the equipment’s fuel source eligibility.
- *§10091.16(a)(5) (formerly): Relocate description of how loss reserve contributions are made*  
Staff proposes updating language in this section describing how loss reserve contributions will be made from a non-IOU ratepayer funder’s Program Holding Account has been simplified and relocated to Section 10091.16(a)(3) for improved readability.

**PROPOSED MODIFICATIONS FROM MAY 2021 FOR RE-ADOPTION**

Below is a brief description of each of the most substantive modifications made during the emergency rulemaking. The specific modifications can be found in Attachment A, denoted in strikethrough and underlined text.

**Universal Changes in Multiple Sections (from the original emergency Regulations modifications).**

- *Submission method for all GoGreen Home data updated*  
The submission method for all data in GoGreen Home, including Lender and Contractor applications, loan enrollment packages and reports, was clarified to be in “a format approved by the Authority.” This update sets up GoGreen Home for electronic data submission and adds flexibility to accommodate different Lenders' technology capabilities and support automation where feasible.
- *Certification removed for Lenders, Successor Servicers, Contractors*  
A requirement that all the information provided will be true and accurate to the best of the signatory's knowledge was removed. The Regulations already require these participants to sign GoGreen Home applications by a person authorized to legally bind them.

**§10091.1: Definitions.**

This section defines and describes the terms used throughout the GoGreen Home Regulations. Modifications were made to the following defined terms:

- *§10091.1(c): “Borrower” was updated*  
The definition of Borrower was updated to qualify that Eligible Improvements can be made *in no more than four units* in an Eligible Property. The update was made to improve clarity around who is eligible for GoGreen Home (See edits to “Eligible Property” at §10091.1(u)).
- *§10091.1(f): “Claim-Eligible Principal Amount” was updated*  
This definition was updated to note that the Claim-Eligible Principal Amount is the principal amount of an Enrolled Loan at the time of charge-off as detailed in §10091.5(f). The update was made to reduce confusion when a loan is charged-off.
- *§10091.1(k)(formerly): “Credit Enhancement Basis” was removed*  
This definition was removed because it is no longer needed now that the loan enrollment requirement “net of rebate calculation” has been removed (see the former §10091.8(l)(1)(E)). This brought the regulations into alignment with the GoGreen Business Program.
- *§10091.1(l) and (cc): “Eligible Channel Partner” or “ECP” and “Participating Channel Partner” or “PCP” were added as new defined terms*  
A Channel Partner role was created to support Lender business models as the scale and scope of GoGreen Home and participating Lenders grows. The Channel Partner applies as a co-applicant with a Lender and assists with marketing, deal generation, collecting and submitting information to CAEATFA, and more. Defining these terms and roles allows CAEATFA to have a regulatory relationship with these entities.
- *§10091.1(n): “Eligible Energy Efficiency Measures” or “EEEMs” was updated*  
The use of “IOU, REN, CCA rebate or incentive” in this definition was changed to “IOU, REN, CCA energy efficiency or demand response program”. CAEATFA wants to ensure that measures offered by the IOUs, RENs, and CCAs for their energy efficiency or demand response programs, regardless of whether a rebate or incentive is being sought, will be financeable through GoGreen Home.

- *§10091.1(s)(2)(A)-(C) and (s)(3): “Eligible Improvements” was updated*  
Based on GoGreen Home experience and feedback, there is reason to clarify what is considered an Eligible Improvement. In 10091.1(s)(2)(A), new text clarifies that alterations and improvements that are *legally or practically* required to complete the installation of an eligible energy efficiency measure (EEEM), but which may not themselves be EEEMs, are eligible improvements. The requirement that service be provided by an IOU was also clarified as electricity or gas is *delivered* by an IOU, to take into account where a CCA or ESP provides service. In 10091.1(s)(2)(B) new text clarifies that *additional related* home improvements include any equipment, alteration or improvement that is not an EEEM or is an EEEM that utilizes a non-IOU fuel source. This change prevents Contractors or Borrowers from being able to install a less efficient version of a measure on the EEEMs list and consider it an “additional related” measure. The new 10091.1(s)(2)(C) was added to include capitalized interest of a refinancing of a pre-existing GoGreen Home loan, which aligns GoGreen Home with other CHEEF programs. In 10091.1(s)(3), which excludes distributed generation technology from Eligible Improvements, an update was made to specify that the type of solar thermal excluded is “solar thermal electric generation.” This update was made because certain passive solar thermal technologies are considered to be energy efficiency measures, rather than distributed generation measures.
- *§10091.1(t): “Eligible Loan” was updated*  
The definition was updated to include the addition of a lease/service agreement to provide more options for customers. Details of an Eligible Loan and text relating to how the loan proceeds may be used, and what is not included as an Eligible Loan, was also moved to a more appropriate section (§10091.5) in order to reduce confusion and align with other CHEEF programs.
- *§10091.1(u): “Eligible Property” was updated*  
Stakeholder feedback indicated that there was uncertainty about whether a single unit rented or owned in a building with more than four units was allowed. This definition was updated to clarify that owned, rented or leased units in townhomes, condominiums and apartment buildings qualify. Language regarding the number of units was moved to the definition of “Borrower” and reference to IOU service was struck as it is more appropriately located in the definition of “Eligible Improvements.”
- *§10091.1(x)(formerly): “Finance-Only Project” was removed*  
With the removal of the “net-of-rebate” process (see the former §10091.8(l)(1)(E)), the Finance-Only Project distinction was rendered obsolete and was removed.
- *§10091.1(bb), (kk), (ll) (formerly): “Loss Reserve Reservation,” “Program Reservation Account,” “Project Pre-Approval” were removed*  
These definitions were removed as they directly refer to the “Project Pre-Approval and Optional Loss Reserve Reservation” process (formerly 10091.7). This section was removed from the regulations because Lenders were not utilizing these features, and CAEATFA believed a better process can be achieved operationally.
- *§10091.1(bb): “Microloan” was added as a defined term*  
A new type of loan, with a Total Loan Principal Amount of \$5,000 or less, was defined as a Microloan. There is value in a faster, more streamlined pathway for Lenders to offer smaller amounts of financing to customers, which also allows for a scalable financing product.

Smaller amounts of financing pose less risk to customers, Lenders and ratepayers. The Microloan product is thus subjected to slightly different requirements than larger loans.

- *§10091.1(ee) and §10091.1(ff): PFI and PFL definitions updated*  
The definitions of a PFI and PFL were updated to reflect and clarify that the Channel Partner is considered a co-applicant on the Lender’s application.
- *§10091.1(pp): Total Loan Principal Amount updated*  
With the addition of the lease/service agreement as a new type of Eligible Loan, distinctions must be made regarding ongoing service and maintenance costs for a lessee. This definition has been updated to reflect that the Total Loan Principal Amount does not include charges for ongoing service and/or maintenance, as well as any interest payment or ongoing finance charges; the Total Loan Principal Amount does not reference new charges after loan execution. This aligns GoGreen Home with the other CHEEF programs.

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

This section outlines the processes by which an Eligible Financial Institution (“EFI”) or Eligible Finance Lender (“EFL”) applies to become a Participating Financial Institution (“PFI”) or Participating Finance Lender (“PFL”), describing the information it must provide in its application and responsibilities under REEL. This section was extensively reorganized to reduce confusion and improve readability (e.g. new subsections for describing the proposed loan programs, underwriting criteria, certifications, acknowledgements and agreements); substantive changes or additions are detailed below. Throughout this document, staff use the term “Lender” to refer to either PFIs or PFLs.

- *§10091.2(b)(3): The authority of Lender staff named on the application clarified*  
Language was added clarifying that only loan officers and staff who are authorized to provide, certify and submit loan data should be named in the Lender’s application. This clarification ensures that CAEATFA has the necessary information for the appropriate personnel at the company. References to “reservations” and “pre-approvals” were struck because CAEATFA is removing the pre-approval and loan loss reservation process (see the former Section 10091.7).
- *§10091.2(b)(4): GoGreen Home indication requirement removed*  
A requirement that the Lender indicates that they are applying to enroll in GoGreen Home was removed; this is something that can be managed operationally.
- *§10091.2(c): Channel Partner co-applicant details added to Lender application*  
A new requirement for the Lender to name any applicable Channel Partner co-applicant(s) has been added. This addition is necessary to identify and link Lenders and Channel Partners applying together (see Sections §10091.1(l) and §10091.1(4) for details).
- *§10091.2(d)(3): Requirement for sample transaction documentation added*  
This addition allows CAEATFA to understand how the Lender will communicate their loan program and capture data from customers. As GoGreen Home evolves to accommodate different lending models and support scaling, CAEATFA wants to provide flexibility with regard to Lender operations but still ensure adherence to requirements.

- *§10091.2(d)(5): Requirement for Lenders to indicate what they will finance added*  
A new requirement for Lenders to list what they will be financing with their loan program was added. For GoGreen Home marketing and communication, CAEATFA needs to understand to what degree Lenders will finance items not covered by the credit enhancement (e.g. solar and storage) as well as to ensure that the “additional related” measures (the 30%) are in alignment with the scope and purpose of GoGreen Home.
- *§10091.2(d)(8): Requirement for description of the Lender’s processes added*  
A new requirement for Lenders to describe their loan program’s operational and compliance processes was added. This addition allows CAEATFA to understand how the Lender will position the product and conduct its transactions and operations to ensure compliance with GoGreen Home rules. As GoGreen Home evolves to accommodate different lending models and support scaling, CAEATFA wants to provide flexibility with regard to Lender operations but still ensure adherence to GoGreen Home requirements.
- *§10091.2(d)(9): Requirement for Lender to disclose post-enrollment intent for a loan added*  
A new requirement for Lenders to disclose their intention for a loan after enrollment (e.g. sell, transfer, etc.) was added. It is important that CAEATFA understands 1) what entity(ies) will be benefiting from the Loan Loss Reserve and 2) the degree to which GoGreen Home is facilitating a secondary market for EE loans. It also aligns with the GoGreen Business Program regulations.

### **§10091.3. Additional Requirements for Finance Lenders.**

This section outlines the additional requirements for an Eligible Finance Lenders to include in the application to become a Participating Finance Lender. This section was extensively reorganized to reduce confusion and improve readability (e.g. new subsections for demonstrating the Lender’s experience and key operations, and making representations, warranties and covenants to CAEATFA).

- *§10091.3(a)(2) (formerly) Motor vehicle liability insurance requirement removed*  
A requirement for Lenders to have motor vehicle liability insurance has been removed to bring the regulations up to current industry practice.
- *§10091.3(c) New option for Lenders who don’t require a California Finance Lenders (“CFL”) license to prove company capacity to participate in GoGreen Home*  
This addition provides alternative eligibility requirement for Lenders who are not legally required to get a CFL license, such as Lenders who will provide retail installment contracts or lease/service agreements. This alternative pathway provides consumers with more financing options while verifying company capacity in order to protect consumers.

### **§10091.4. Channel Partner.**

This section was created as part of the emergency regulations modifications and outlines the processes by which an Eligible Channel Partner (“ECP”) applies to become a Participating Channel Partner (“PCP”). It describes the information and certifications it must provide in its application with a Lender and its responsibilities under GoGreen Home. This section outlines the required enrollment information (contact information, Lender co-applicant details and the precise role the Channel Partner will provide), certifications, acknowledgements, and agreements that

the Channel Partner must make in its application with the Lender. Many of the requirements are borrowed, as applicable, from the Lender's requirements in Sections §10091.2 and §10091.3.

- *§10091.4(a): Channel Partner / Lender enrollment application relationship clarified*  
In response to stakeholder feedback, this subsection specifically clarifies that there is one enrollment application that the Channel Partner and Lender complete and submit together, each with their own information requirements.

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

This section details the types and characteristics of loans that are eligible for GoGreen Home, how loan proceeds are to be allocated and relevant limits, refinancing requirements, Borrower underwriting eligibility, and information that must be disclosed to the Borrower.

- *§10091.5(a)(1): Details of an Eligible Loan updated*  
Based on stakeholder feedback, the details of a loan were updated with additional clarity on its structure in order to differentiate from a retail installment contract and lease/service agreement.
- *§10091.5(a)(2): Details of a Retail Installment Contract added*  
The details of a retail installment contract were added with additional details about this loan type's legal structure to provide more information for existing and potential Lenders and to differentiate from a loan and lease/service agreement.
- *§10091.5(a)(3): Lease/service agreement added as new Eligible Loan type*  
The list of eligible financial products has been expanded to include a lease/service agreement product that provides the Borrower with use of equipment, such as an HVAC system or water heater, in exchange for payments over a specified term. This is a relatively new business model in the residential sector, and this addition allows us to provide more options to customers who may want the accompanying service and maintenance options that these products offer. For consumer protection, functionality of the equipment must be guaranteed if the customer is paying an ongoing service and maintenance fee.
- *§10091.5(c)(2): New refinancing option added*  
An existing Enrolled Loan can now be refinanced by the original Lender. This allows the Borrower to take advantage of better interest rates or undertake additional improvements for their property.
- *§10091.5(d): Lease/service agreement disclosure requirements added*  
CAEATFA wants the Borrower to have visibility into all charges associated with a lease/service agreement, but they can sometimes be difficult to distinguish due to lease providers tendency to publish monthly payment amounts rather than interest rates. Therefore, specific disclosure requirements were added for lease/service agreement providers that either the APR or the total project cost for each agreement must be disclosed.
- *§10091.5(j): Debt-to-income requirement modified*  
The debt-to-income ("DTI") eligibility requirement (55%) was changed to be optional if the loan is a Microloan (under \$5,000.) A DTI check requires a Lender to collect several data points on a Borrower, including income and monthly expenses. In order to support lending at

scale and at high volume, processes must be automated, which means allowing Lenders to rely on information efficiently obtained through a credit check. Lenders continue to have a financial incentive to prevent defaults even if they do not perform a debt to income check on smaller loans.

**§10091.6. Contractor Qualification and Management.**

This section outlines the processes by which an Eligible Contractor applies to become a Participating Contractor (referred to as “Contractor” throughout this document), describing the information they must provide in their application and their responsibilities under GoGreen Home.

- *§10091.6(a): Contractor trainer removed*  
The Center for Sustainable Energy was removed as it is no longer performing training.
- *§10091.6(a)(2)-(7): Contractor application requirements updated*  
Contractors will be asked to clarify the types of services they offer and affirmation of the appropriate licenses, the geographic area(s) they serve, the languages they speak, their preferred method of contact and the best way for customers to contact them. Contractors who wish to have their logo published on CAEATFA’s customer-facing website, [gogreenfinancing.com](http://gogreenfinancing.com), will also be required to grant this permission to CAEATFA. This change brings the regulations up to date with current practice and provides useful information for customers.
- *§10091.6(a)(9): Requirement to reporting the location of GoGreen Home training removed*  
The requirement for Contractors to note the location of their training for GoGreen Home enrollment was removed, as training is now online
- *§10091.6(a)(12): Liability insurance requirement updated*  
A requirement about the limits of commercial general liability insurance policy aggregates has been removed. CAEATFA requires that Contractors have insurance and utilizes the industry standard of \$1 million/occurrence. Many contractors also have a higher aggregate amount but the current requirement that any aggregate coverage must be two times their occurrence coverage produced an incident where a contractor had \$2 million occurrence and \$2 million aggregate and was denied GoGreen Home entrance until they reduced occurrence to \$1 million. This change focuses the Regulations on the original intent of the initial \$1 million requirement.
- *§10091.6(a)(17): Additional enrollment indemnification added*  
CAEATFA is adding an additional indemnification requiring the Contractor to hold CAEATFA harmless from any and all damages the Contractor may produce. This provides additional protection for CAEATFA and aligns GoGreen Home with the GoGreen Business Financing Program.
- *§10091.6(f): New training requirement added for Contractors*  
A new training requirement was added, noting that CAEATFA may require up to 1 hour of GoGreen Home-related, online training for Contractors annually. This provision gives CAEATFA the option to provide safety testing training, or refresh/update Contractors on current/new GoGreen Home requirements.

- *§10091.6(g) Reasons for Contractor removal clarified*

This text was modified to reflect that CAEATFA can remove, not just suspend, a Contractor from GoGreen Home for fraud or misrepresentation, even if the misbehavior was not revealed in an audit or field inspection.

**§10091.7 (formerly). Optional Loss Reserve Reservation and Project Pre-Approval.**

This section, which detailed an optional reservation and project pre-approval process for Lenders, has been removed from GoGreen Home. The pre-approval process is burdensome, and no Lenders have utilized the pre-approval or reservation option since 2017. CAEATFA is exploring operational avenues to help provide assurance to Lenders of the eligibility of projects and loans.

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

This section outlines the process by which each Lender's Loss Reserve Account(s) are established and funded under GoGreen Home by the Trustee Bank.

- *§10091.7(a): Up to three additional Loss Reserve Accounts now available*  
In response to stakeholder feedback, CAEATFA added the option to establish up to three Loss Reserve Accounts for a Lender or Successor Servicer upon request. This adjustment enables a secondary market by allowing Lenders to maintain separate pools of loans for separate purchasers. This aligns GoGreen Home with other CHEEF programs.
- *§10091.7(b): Loss Reserve Contribution sub-section moved to this section*  
Details about how the Loss Reserve Contribution is calculated and made was moved from the Loan Enrollment section (10091.8) to this section. It is more appropriate for the details of the Loss Reserve Contribution to be in the same section as the credit enhancement details and aligns with other CHEEF programs.
- *§10091.7(b)(1): Loss Reserve Contribution calculation details updated*  
Language detailing how the Loss Reserve Contribution is calculated was modified to clarify that the contribution will be 11% or 20% of the Claim-Eligible Loan Amount, not the Credit Enhancement Basis. As CAEATFA is removing the net of rebate calculation, the Credit Enhancement Basis is no longer relevant.

**§10091.8. Loan Enrollment.**

This section describes the documentation and data required for a loan to be enrolled in GoGreen Home and CAEATFA's timeframe for reviewing the loan. Modifications were made to allow GoGreen Home Financing to be offered at the point of sale for online retail purchases and to support varied lender business models. More specifically CAEATFA made strategic changes to allow the receipt of electronic data and certifications in order to help scale GoGreen Home while still ensuring data integrity and compliance.

- *§10091.8(c): New data table displays flexibility as to who supplies data points for loan enrollment; some data points added, removed, or made voluntary.*  
The new table allows for flexibility as to which party submits some data points. Current regulations are overly prescriptive as to which party provides what data, and this change



allows GoGreen Home to accommodate different business models and alleviate the data burden on Lenders whenever possible.

The following data points were removed for enrollment as they were not needed or could be obtained elsewhere by GoGreen Home: “Building Type”, “Utility Commodity Service ID (CSAID)”, “Replacement or new” (regarding the EEEM), “Permit number” (will be sought during the post enrollment quality assurance process), “Rebate or incentive amount, applicability, anticipated or actual”, “Monthly payment amount”, “Date of first payment”. This change also reduces and/or streamlines the amount of data required from Lenders, reducing their operational burden.

The following data points were added for enrollment to bring the Regulations in-line with current practice: “Borrower Phone #,” “Borrower email,” “Borrower name,” “Whether customer enrolled in autopay” was also added; sometimes Borrowers do not elect to enroll in autopay, which affects their interest rate. It is useful for CAEATFA to understand whether or not they are enrolled.

- *§10091.8(c)(10)-(11): Utility information changed*  
Current Regulations require the name of, and a bill for, each IOU servicing the property for loan enrollment. This rule was changed to require proof of utility service for the property, whether or not the utility is an IOUs because with the addition of Section 10091.16, projects may include non-IOU utility fuels. If the loan is a Microloan, only the name of the utility and proof of service for the utility that corresponds to the fuel source for the EEEM(s) is required.
- *§10091.8(c)(18): “Fuel Switch” updated*  
In row 18 of the loan enrollment data table, “fuel switch” was corrected to “fuel substitution”. Pursuant to CPUC D.19.-08-009, “fuel switching” refers to a customer changing from a CPUC-regulated fuel to a non-regulated fuel and “fuel substitution” is changing from one CPUC-regulated fuel to another CPUC-regulated fuel.
- *§10091.8(e): Borrower and Self-installer certifications combined*  
This change results in a single set of project certifications that can be utilized for both Borrowers with Contractor-installed projects and for Self-Installers. A universal project certification is simpler for Lenders to supply to Borrowers.
- *§10091.8(f)(1)(G) (formerly): Permit verification moved from pre-enrollment to post-enrollment*  
Currently, any permits associated with a project are submitted in loan enrollment documents, and then further reviewed and in some cases verified post-enrollment by the Contractor Manager. Capturing and verifying permit numbers is an administrative burden for Lenders and causes problems for Contractors and Lenders without effectively leading to permit closure compliance. CAEATFA is removing the requirement for Contractors to supply permit numbers at loan enrollment. Instead, the Contractor Manager’s post-enrollment permit verification duties will be expanded to allow for more verification and enforcement.
- *§10091.8(f): Utility bill fuel source requirements changed*  
References to utility bills for IOU’s “servicing the property” were changed to proof of electric or gas “delivery.” The word “delivery” has a broader meaning and reflects the fact that Community Choice Aggregation (CCA) may be offering “service” of energy that is then

delivered by an IOU. With the addition of Section 10091.16, if non-ratepayer funding is available to better credit enhance financing for non-IOU fuel measures, customer's non-IOU utility information will be needed.

- *§10091.8(f)(1)-(4): New options to prove electric or gas delivery at the project address*  
New options were added for confirming utility service for Borrower eligibility. This change provides Lenders and Borrowers with additional flexibility (e.g. when utility service is new) and removes unnecessary paperwork submission.
- *§10091.8(l)(1)(E) (formerly): “Net of rebate” calculation removed*  
When GoGreen Home was first created, there was a concern that customers who received a rebate that was not applied to the project cost would benefit from both the rebate and the credit enhancement. The credit enhancement was, therefore, reduced by the amount of the rebate. This required collecting extra data points and setting up a process for calculations when 1) customers rarely did not apply the cost of rebates to their projects, 2) rebates have become increasingly uncommon, and 3) the amount was de minimis. This process was removed from the Regulations.

#### **§10091.9. Claims.**

This section outlines the process and requirements for Lenders to file a claim through GoGreen Home.

- *§10091.9(a): What is/not included in outstanding Claim-Eligible Principal Amount clarified*  
The outstanding Claim-Eligible Principal Amount was clarified to not include unpaid interest, unpaid late fees, or other unpaid charges. This clarifies the intent of the Regulations and removes ambiguity.
- *§10091.9(c): Data points added and removed from the claim application*  
The following data points were removed from the claim application: “Program Participation ID” and “Address.” They have not been needed as part of GoGreen Home’s claim processing.  
  
The following data points were added: “Lender internal loan ID,” “Amount of any inchoate losses,” and “Whether any acceleration notices have been sent.” These data points are useful for claim processing and if any recoveries are made.
- *§10091.9(d): Methodology by which post-claim recoveries are applied clarified*  
The methodology by which Lenders’ post-claim recoveries are applied was clarified. This modification clarifies the intent of the Regulations and removes ambiguity.
- *§10091.9(f): CAEATFA’s ability to request documentation expanded*  
Updated language allows CAEATFA to request additional information related to a charged-off loan in response to receiving a claim, such as payment history, application of payments, and history of collection attempts. This brings the Regulations in line with current practice in which CAEATFA sometimes requests to see additional data, such as a history of collection attempts, or backup documentation showing non-payment.

**§10091.10. Project Requirements.**

This section describes measure and project eligibility for GoGreen Home, installation, safety testing requirements, and field verifications and inspections of projects.

- *§10091.10(b) (formerly): Language re: the requirement of rebates or incentives removed*  
Language stating that rebates and incentives do not need to be sought for EEEMs was removed. This was legacy language from GoGreen Home’s early days when most projects had a rebate or incentive attached and simply served to reassure participants that they were not required.
- *§10091.10(b): Self-installer proof of purchase options changed*  
Previously, Lenders were required to capture and submit a Self-Installer's proof of purchase for each financed EEEM. This produced an operational burden on the Lender. CAEATFA removed the requirement that Lender’s submit these documents and instead will let the Lender deem on its own that proof has been provided “to its satisfaction.”
- *§10091.10(c): Exception for Contractors attached to Microloan projects added and deadline for Contractor to enroll in GoGreen Home clarified*  
The requirement for projects to use a GoGreen Home-enrolled Contractor was modified to allow projects financed with Microloans that include EEEMs not eligible for self-install instead be performed by Contractors-State-License-Board-licensed contractors, whether they are enrolled in GoGreen Home or not.  
  
The Regulations were clarified to specify that Contractors must be enrolled by the date the Lender approves the project. This change will allow Contractors time to enroll in GoGreen Home while the Lender is reviewing customer credit and eligibility prior to approval. The previous requirement that Contractors must be enrolled prior to starting work on the project created some ambiguity, depending on the Contractor's processes.
- *§10091.10(d)(2) (formerly): Identification of self-installable EEEMs moved*  
Previously this subsection listed out the EEEMs that were allowed to be self-installed. CAEATFA moved this information by updating the EEEMs table with a new column identifying the EEEMs that are self-installable. This improves readability and brings the Regulations into alignment with the GoGreen Business Program.
- *§10091.10(e): Supplier of Bill Impact Estimate to Borrower clarified*  
With the addition of the Channel Partner and new options for data to be shared and submitted between parties, the Contractor is no longer the only entity that can supply the Bill Impact Estimate to the Borrower.
- *§10091.10(f): Safety test triggers and tester qualifications modified*  
The triggers for a safety test were refined so that it is required when measures are most likely to present a combustion safety issue. The original requirement to test when a third EEEM was installed meant that an arbitrary measure such as a pool pump could trigger a combustion safety test. These rules were frustrating and confusing for Contractors. The qualifications for a Contractor to conduct safety tests were modified to include training that is proficient in the generally accepted standards for combustion safety and ventilation testing.

- *§10091.10(g): Field verifications processes modified*  
Descriptions of how projects will be verified were simplified and new text added to clarify that as part of reviews, GoGreen Home may request project-related documentation from Contractors. The current inspection process is overly detailed and prescriptive as to exactly how many onsite inspections occur, and does not allow for photo or video review, which has become the norm during the pandemic and is efficient and effective. This change provides needed flexibility and allows GoGreen Home to prioritize certain types of projects for onsite inspections. It also clarifies that all projects may undergo a desktop review and that the Contractor will likely be asked to provide certain documents. This change aligns GoGreen Home with GoGreen Business Program.
- *§10091.10(j): EEEMs table has been updated to improve readability; some measures removed, modified, and added*  
*Dual listings for hot water-saving measures consolidated*  
Previously water-saving EEEMs were broken into two duplicative rows in the EEEMs table based on whether the water was heated using gas or electricity. CAEATFA consolidated these dual listings into a single measure to reduce confusion and errors for Contractors and Borrowers and operational burdens for Lenders to verify the Borrowers' hot water fuel source for these self-installable items. About 90% of Californians currently heat water with gas, so the chance of customers using a POU for water heating is small, even with the push toward heat pump water heaters. Additionally, customers may convert their water heating to electric immediately after they purchase these items.

*References to Titles 20 & 24 removed from EEEMs table*

All references to Title 20 and Title 24 of the California Code of Regulations eligibility standards for unique EEEMs were removed from the EEEMs table, and new language was added in §10091.10(j) clarifying that all projects must comply with Title 20 and/or Title 24. This improves readability, allows CAEATFA to draw attention to measures that are specifically above code (e.g. Energy Star), and aligns the table with the GoGreen Business Program.

*EEEM eligibility based on IOU/REN/CCA “rebate” and “incentive” modified*

All mentions of EEEM eligibility based on an IOU/REN/CCA “rebate” and “incentive” were changed to “energy efficiency program.” It is possible for one of these programs to offer energy-efficient technology without having a rebate or incentive attached, and CAEATFA intends for GoGreen Home to support these other ratepayer funded programs. “Energy Efficiency” is necessary to distinguish from other IOU and state programs for solar, etc.

*The self-installability of several EEEMs was modified*

Gas Dryers and Window Film were changed to allow for self-install. Water Heaters were changed to require professional installation. While customers can choose to hire contractors to install gas dryers and window film, they are appropriate for customers to choose to self-install. Given the complexity and safety risks of installing water heaters, and the risk of reduced savings if installed incorrectly, CAEATFA now requires professional installation.

*Fuel source eligibility modified*

The word “IOU” was removed as an eligibility qualifier for fuel sources for EEEMs in this subsection and in the EEEMs table. This change will allow EEEMs fuel source eligibility to

potentially expand beyond IOUs, should CAEATFA access additional non-IOU ratepayer funding and apply it as described in Section 10091.16.

*New Eligible Energy Efficiency Measures (EEEMs) added and removed*

New EEEMs were added in response to stakeholder requests and to provide more options to Borrowers.

New EEEMs	
Water heating - Tank and pipe insulation	HVAC - Air filter upgrade (with fan motor)
Appliances - Range hoods	HVAC - Air filter alarm or sensor
Appliances - Induction range or cooktop	HVAC - Ventilation Fan ENERGY STAR
Building envelope - Insulated siding	HVAC - Diagnostic or fault detection alert
Pool Products - Pool cover	HVAC - Duct sizing or optimization
Appliances - Convection Oven (electric)	HVAC - Fan or motor control
Lighting - LED tape lighting	HVAC - HVAC tune-up
Lighting - LED light bulbs	HVAC - ECM furnace fan motor
Demand Response – Thermal energy storage (TES) System	Other - Other Measures Qualifying Through IOU/REN/CCA Programs – Self-Install

**§10091.11. Reporting.**

This section describes the reporting requirements for Lenders in GoGreen Home.

- §10091.11(a): Data points removed from and added to reporting requirements*

Loan performance data requirements were updated to allow lenders to generate reports automatically from their systems. The following data points were removed from the monthly loan performance reporting requirement because they were not needed: “Program Participation ID,” “Original Total Loan principle,” and “Updated Payment Amount.” The data points of “Inchoate losses or acceleration notices” and “Date(s) of charge-off for any charge-offs and if enforcement proceedings have begun” were moved to be collected as part of lenders making a claim.

The loan status data point was updated to add “120 days past due” to align with Lender reporting practices. New data points were added to distinguish the reporting period, date the report was issued, and updated interest rate, if applicable. Lenders are already supplying these data points so this change brings the Regulations in alignment with current practice.
- §10091.11(b): GoGreen Home activity data points added to reporting requirements*

Lenders are now required to make a “good faith effort” to provide GoGreen Home with several loan program activity and marketing data points upon request from CAEATFA (but not more than monthly). This brings the Regulations in-line with current practice and the other CHEEF programs; the data is valuable for CAEATFA’s marketing efforts. These changes also allow CAEATFA to capture information on promotions, such as delayed first payments, etc., as they occur. The data captured in §10091.11(b)(4) in particular has been important for CAEATFA to demonstrate the value of the credit enhancement to customers.

- *§10091.11(c): Annual reporting requirements clarified*  
The requirement that Lenders must annually report any material changes to their original application was clarified to reference not only the original application but also any updated certifications or modifications to their approved product. This change clears a small gap in the directions on reporting.
- *§10091.11(d)(5): Timing of and data required for recovery reporting modified*  
The requirement that Lenders must continue to report recovery data was removed from the monthly performance report because recoveries do not happen frequently; instead Lenders will report recoveries as they occur. When they do report recoveries, Lenders will report the gross recovery amount and the net amount reimbursable to their loss reserve account because in practice, CAEATFA has found it necessary to understand both gross and net recoveries.

**§10091.13. Termination and Withdrawal.**

This section describes the processes and requirements by which a Lender or Successor Servicer may withdraw or be terminated from GoGreen Home.

- *§10091.13(b): Post-withdrawal use of Loss Reserve funds clarified*  
If a Lender withdraws from GoGreen Home, this update clarifies that the remaining loss reserve funds in that Lender's account can transfer to another Lender, Successor Servicer, or CAEATFA's Program Holding Account as was the original intent of the GoGreen Home regulations.

**§10091.15. California Hub for Energy Efficiency Financing Privacy Rights Disclosure.**

This section describes the CHEEF Privacy Disclosure that advises the Borrower of their privacy rights under the CHEEF, informing them that certain information may be shared with utility companies and other state or federal agencies.

- *§10091.15(a)(1)(G): Loan information updated*  
Language has been added clarifying that data may be disclosed related to the equipment or improvements funded with the proceeds of the loan, including costs, permit information, and shipping dates. This change accommodates data potentially available to GoGreen Home via a new online marketplace and lending business models.
- *§10091.15(a)(1)(H): Utility service agreement number replaced*  
The customer service agreement identification number ("CSAID") on the Borrower's utility bill was replaced with "utility account" number as utilities are able to provide energy usage data to Staff using the utility account number without also receiving a CSAID.
- *§10091.15(a)(1)(J): Post-project consumer survey added*  
Language has been added clarifying that CAEATFA may come into contact with data provided by the Lender or Channel Partner as part of their own quality assurance process or via satisfaction surveys. This change accommodates data potentially available to GoGreen Home via a new online marketplace and lending business models.

**§10091.16. Conditional Eligibility Expansion.**

This section was newly added as part of the May emergency rulemaking. It details the process and rules for incorporating non-IOU-ratepayer funding to fund credit enhancements when measures do not save IOU fuel or there is a fuel substitution to a non-IOU fuel source (e.g. heat pumps in SMUD territory). This addition allows GoGreen Home to dramatically simplify eligibility rules for projects and will help scale the Program. Californians that have IOU gas providers but POU electricity providers will be allowed to make energy efficiency and decarbonization upgrades in line with the state’s goals.

**REGULATORY PROCESS TIMELINE**

*All of the future dates below are tentative and subject to change.*

January 6, 2022	GoGreen Home Regulations Readoption workshop.
January 9 – 14, 2022	GoGreen Home Regulations Readoption workshop public comment period.
February 15, 2022	CAEATFA Board reviews and approves proposed modified Regulations.
Second half of February 2022	CAEATFA posts the Finding of Emergency and begins the 5-day notice period.
Late February/Beginning of March 2022	Emergency regulations for Readoption are submitted to Office of Administrative Law (OAL) for review. OAL has 10 calendar days to review the Emergency regulations.
Mid-March 2022	OAL decision for approval of readoption of emergency regulations with modifications. Emergency regulations become effective for 90 days upon filing with the Secretary of State.

**RECOMMENDATION**

Staff recommends the adoption of Resolution No. 22-04-4.C to authorize the Chair and the Executive Director to re-adopt the emergency regulations for the GoGreen Home Program (Article 5 (Commencing with Section 10091.1) of Division 13 of Title 4 of the California Code of Regulations) that initially became effective on May 24, 2021.

**Attachment:**

Attachment A: Proposed Modified Regulations for Readoption.

**RESOLUTION OF THE CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED  
TRANSPORTATION FINANCING AUTHORITY APPROVING MODIFICATIONS TO  
REGULATIONS AND OTHER RELATED ACTIONS TO IMPLEMENT THE  
RESIDENTIAL ENERGY EFFICIENCY LOAN ASSISTANCE PROGRAM**

February 15, 2022

WHEREAS, Section 26009 of the Public Resources Code authorizes the California Alternative Energy and Advanced Transportation Financing Authority (the “Authority”) to adopt regulations to implement the California Alternative Energy and Advanced Transportation Financing Authority Act (Division 16 (commencing with Section 26000) of the Public Resources Code) and declares the adoption, amendment, repeal, or readoption of a regulation by the Authority as deemed to be an emergency for the purposes of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Title 2 of the Government Code); and

WHEREAS, the Authority has determined that, under its Memorandum of Agreement with the Public Utilities Commission and its contract with the investor-owned utilities to serve as the manager of the California Hub for Energy Efficiency Financing, it is necessary to adopt modifications to the current program regulations (the “Regulations”) to implement the Residential Energy Efficiency Loan Assistance Program (the “Program”) (Article 5 (Commencing with Section 10091.1) of Division 13 of Title 4 of the California Code of Regulations).

NOW, THEREFORE, BE IT RESOLVED by the California Alternative Energy and Advanced Transportation Financing Authority as follows:

Section 1. The proposed modified Regulations, on file with the Authority, are hereby approved. The Chair and Executive Director are hereby authorized to file the Regulations, with the supporting documentation required by law, with the Office of Administrative Law as regulations in the form currently on file with the Authority.

Section 2. The Chair and Executive Director are hereby authorized to proceed with the public notice and comment procedures required by the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) prior to submitting emergency and regular regulations to the Office of Administrative Law and completing the rulemaking process.

Section 3. The Chair and Executive Director are hereby authorized to take the actions necessary for the adoption of the Regulations, including making any necessary changes to the Regulations to secure approval by the Office of Administrative Law, and to execute and deliver any documents and take any steps the Chair and Executive Director may deem necessary or advisable to effectuate the purposes of this resolution.

Section 4. This resolution shall take effect immediately upon its approval.



**ATTACHMENT A – TEXT OF REGULATIONS**

Blue text are newly proposed modifications. Red text are modifications included in the originally proposed regulation text.

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

**CALIFORNIA ALTERNATIVE ENERGY AND ADVANCED  
TRANSPORTATION FINANCING AUTHORITY REGULATIONS  
IMPLEMENTING THE GOGREEN HOME ENERGY FINANCING  
PROGRAM**

**Table of Contents**

**ARTICLE 5. GoGreen Home Energy Financing Program**

**§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 Participating Financial InstitutionPFI or Participating Finance LenderPFL 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 ~~reservation, pre-approval, or~~ enrollment of an Eligible

Loan in the Program. The CHEEF Loan ID will be used to identify the corresponding Eligible Loan in all subsequent correspondence between the PFI, PFL, PCP or Successor Servicer and the Authority.

- (f) “Claim-Eligible Principal Amount” means the principal amount of an Enrolled Loan ~~which that~~ qualifies for reimbursement in the event of a charge-off, pursuant to Section 10091.95(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” ~~is~~ has the same meaning as defined in Section 331.1 of the ~~California~~ Public Utilities Code.
- (i) “Credit-Challenged Borrower” means a Borrower with no credit score or FICOa credit score below 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(bd), to receive higher ~~Loan~~ Loss Reserve ~~contributions~~ Contributions described in Section 10091.847(b)(1)(B) for Credit-Challenged Borrowers.
- ~~(k) — “Credit Enhancement Basis” means the original Claim Eligible Principal Amount of the loan less the actual or anticipated amount of any IOU, REN or CCA rebate or incentive amount not applied to the cost of the project.~~
- ~~(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 ~~he, she, or it performs.~~ Disciplinary they perform and who has not had disciplinary action ~~must not have been~~ taken against ~~the contractor’s~~ their CSLB license within the previous ~~twelve~~ 12 months.
- (n) “Eligible Energy Efficiency Measures” or “EEEMs” means energy efficiency measures eligible for financing under the Program. ~~The Authority establishes allowable measure categories and efficiency standards, 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 ~~rebate~~ energy efficiency or ~~incentive~~ demand response program and is not on the EEEMs list is eligible for financing ~~as long as the rebate or incentive is being sought.~~

- (o) “EEEMs ID” means the unique identification number associated with an individual EEEM as assigned by the Authority.
- (p) “EEEMs Measure Name” means the name associated with a particular EEEM as assigned by the Authority.
- (q) “Eligible Finance Lender” or “EFL” means a finance ~~lender licensed by the California Department of Business Oversight~~company that meets the requirements specified in Section 10091.2 and Section 10091.3 ~~of these regulations~~.
- (r) “Eligible Financial Institution” or “EFI” means any insured depository institution, insured credit union, or ~~community development financial institution~~Community Development Financial Institution, as those terms are each defined in Section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. ~~4702~~ Sec. 4701 et seq.).
- (s) “Eligible Improvements” means improvements made to Eligible Properties.
  - ~~(1) — Eligible Improvements must be installed by Participating Contractors, except as set forth in Sections 10091.10(b) and (c).~~
  - (12) Eligible Improvements may include:
    - (A) The installation of EEEMs that ~~provide~~ correspond to gas ~~savings~~ where an IOU ~~provides~~ delivers gas ~~service~~ to the Eligible Property and ~~or electric savings that correspond to electricity~~ where an IOU ~~provides electric service~~ 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).
  - (23) 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 ~~or~~ 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.
  - ~~(1) — The Eligible Loan that is being enrolled must meet the requirements specified in Section 10091.4 of these regulations. The proceeds of an eligible loan may be used to fund improvements beyond Eligible Improvements, however, the portion of the Eligible Loan proceeds so used shall not be Claim Eligible.~~
  - ~~(2) — An Eligible Loan does not include any of the following:~~

- ~~(A) — A loan secured by an interest in real property, except for a UCC 1-  
fixture filing.~~
- ~~(B) — Open end loans (e.g., line of credit, home equity line of credit).~~
- ~~(C) — A loan for the construction or purchase of residential housing.~~
- ~~(D) — A loan for the refinancing of existing debt unless both loans are made  
within three (3) months by the same lender for the same project.~~
- (u) “Eligible Property” means a residential property ~~of no more than four (4) units that  
receives gas and/or electric service from one or more Investor in California. Eligible  
Property includes any of the following:~~
  - ~~(1) — Owned Utilities, or Community Choice Aggregators. Rented, rented or leased  
properties are eligible; measures 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.~~
  - ~~(4)2) — Building types, including, but not limited to, single-family detached homes,  
townhomes, condominiums and apartment buildings.~~
  - ~~(3) — Manufactured and mobile homes are considered Eligible Properties if the  
mobile or manufactured or mobile home is anchored to a permanent, site-built  
foundation constructed of durable materials (i.e., material, including, but not  
limited to, concrete, mortared masonry, or 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 ~~her or his~~their  
designee.
- (x) ~~“Finance Only Project” means an Eligible Loan financing Eligible Improvements for  
which no IOU, REN or CCA rebate or incentive will be sought.~~
- ~~(y) — “Investor-Owned Utility” or “IOU” (collectively referred to as “IOUs”) means Pacific  
Gas and Electric Company, San Diego Gas & Electric Company, Southern California  
Edison Company, or Southern California Gas Company.~~
- ~~(z)(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.
- ~~(aa)(z)~~ “Loss Reserve Contribution” ~~or “Loan Loss Reserve Contribution”~~ means the financial  
assistance provided to the Loss Reserve Account ~~pursuant to these regulations~~ for the  
benefit of a PFI or PFL for each Eligible Loan ~~it enrolls~~enrolled in the Program as  
described in Section 10091.8; or for the benefit of a Successor Servicer for each  
Enrolled Loan ~~it purchases~~purchased pursuant to Section 10091.12.
- ~~(bb) — “Loss Reserve Reservation” means funds set aside in a Program Reservation Account at  
the request of a PFI or PFL in accordance with Section 10091.7.~~

- ~~(ee)~~(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 ~~(AMI)~~of Borrower’s~~the~~ census tract of the property address does not exceed 120% of ~~AMI~~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 ~~who~~that has been approved to participate in the Program by the Authority pursuant to Section 10091.56.
- (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” ~~refers to~~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 Account~~IOU~~” means ~~the~~ accounts established and maintained by the Trustee at the Authority’s direction to hold funds allocated by funders of the Program ~~the IOUs~~ for the Program Loss Reserve Contributions in separate accounts.
- (jj) “Program Identifier” or “Program ID” means a number assigned by ~~CAEATF~~the Authority or its agents that represents a ~~pilot program~~Program administered by the Authority. The Program ID will be used to track in which ~~pilot or pilots a PFI, PFL, or Successor Servicer is participating, and in which pilot~~Program(s) a particular loan is enrolled.

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

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

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

~~(nn)~~(kk) “Regional Energy Network” or “REN” means a Regional Energy Network authorized by the ~~California Public Utilities Commission~~CPUC.

~~(oo)~~(ll) “Self-Installer” means a Borrower who installs any Eligible Improvement that may be self-installed pursuant to Section 10091.10~~(eb)~~.

~~(pp)~~(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.

~~(qq)~~(nn) “Title 20” means the Appliance Efficiency Regulations described in ~~Title 20, Article 4~~ (commencing with Section 1601) of Chapter 4 of Division 2, ~~Chapter 4, Article 4 of~~ Title 20 of the California Code of Regulations, as applicable to the Eligible Improvements ~~and as amended from time to time~~.

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

~~(ss)~~(pp) “Total Loan Principal Amount” means the total principal of an Enrolled Loan. ~~This principal amount, 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.

~~(tt)~~(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 ~~following~~ 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 ~~Eligible Financial Institution or Eligible Finance Lender~~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 ~~will be submitting reservations, pre-approvals, or loan~~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) An indication that the Eligible Financial Institution or Eligible Finance Lender is applying to enroll in the REEL Assistance Program.~~
- ~~(5)~~(4) Type of ~~financial institution or finance lender~~company, denoting insured depository institution, insured credit union, ~~community development financial institution, or finance lender~~Community Development Financial Institution, Financial Development Corporation, California Finance Lender or other.
- ~~(6)~~(5) A list of the counties in California where its ~~loan program~~product may be available, or an indication that the ~~loan program~~product may be available statewide.
- ~~(7)~~(6) Names of the regulatory agency and the insuring agency to which the ~~Eligible Financial Institution or Eligible Finance Lender~~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:

- ~~(8)~~(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 (~~including maximums and whether~~ fixed or variable and for each term and credit tier), loan terms, ~~property type (owner-occupied vs. leased or rented), a~~fees and eligibility for renters and manufactured homes.
- (2) A description of underwriting criteria, ~~with reference to~~including any minimum credit score ~~or requirements~~, maximum total debt-to-income ratio, and intent for the Enrolled Loans after origination, e.g., holding on the balance sheet, selling in whole or in part, assignment of associated payments and expected purchasers, if known, bankruptcy limitations and other disqualifying criteria.
- (3) Sample transaction documentation.
- (4) An indication of what may be financed through the Program.

- ~~(9) — A description of the transactional activities associated with the loan issuance, including any fees that will be assessed to the Borrower or the contractor.~~
- ~~(10)(5) An indication as to whether the Eligible Financial Institution's or Eligible Finance Lender's participation in the Program will result in~~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 the Borrower in one or more of the following ways:
- ~~(A) Lower interest rates.~~
  - ~~(B) Longer loan terms.~~
  - ~~(C) More inclusive underwriting criteria.~~
  - ~~(D) Any other advantageous features.~~
- ~~(11)(6) For an EFI or EFL that wishes to participate in the Credit-Challenged Program,~~Aa detailed description of the additional benefits to Credit-Challenged Borrowers resulting from the Eligible Financial Institution's or Eligible Finance Lender's~~EFI's or EFL's participation in the Program as indicated in subsection (a)(10) above.~~Credit-Challenged Program consistent with Section 10091.2(d)(6). This description should~~must~~include a comparison between the terms, underwriting criteria, interest rates, or other critical features of the loan program(s) described in subsection (a)(8) above and any existing,~~EFI's or EFL's similar loan product offered by products and the Eligible Financial Institution or Eligible Finance Lender.~~proposed loan program with and without access to the Credit-Challenged Program.
- ~~(12) — An acknowledgement and agreement that these regulations constitute a lender-services agreement.~~
- ~~(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:~~
- ~~(13)(1) Certification that the Eligible Financial Institution or Eligible Finance Lender~~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, which that would impair its~~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.
- ~~(14)(2)~~ The Eligible Financial Institution's or Eligible Finance Lender's agreementThe PFI or PFL agrees to follow the Program ~~regulations~~rules as set forth in this Article.
- ~~(15)(3)~~ The Eligible Financial Institution's or Eligible Finance Lender's agreement to permit anThe Authority is permitted to audit, ~~by the Authority,~~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 ~~such~~ other information concerning Enrolled Loans as shall be requested by the Authority.
- ~~(16)(4)~~ The Eligible Financial Institution's or Eligible Finance Lender's acknowledgment that theThe 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.
- ~~(17)~~ The Eligible Financial Institution's or Eligible Finance Lender's agreement to include in its loan documentation the following documents in a form approved by the Authority, as applicable to each Eligible Loan submitted for enrollment in the Program: utility bill(s), California Hub for Energy Efficiency Financing Disclosures, REEL Borrower Form, Itemized Invoice, Self Installer Project Submission, and the Certificate of Completion described in Section 10091.8 to be signed by the Participating Contractor.
- ~~(18)~~ The Eligible Financial Institution's or Eligible Finance Lender's agreement to and acknowledgement of the following, upon enrollment in the Program:
- (5) To include the required information and certifications as described in Section 10091.8.
- ~~(A)(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.
- ~~(B)(7)~~ The PFI or PFL~~shall,~~ to comply with all applicable laws, ~~possess~~possesses and ~~maintain~~maintains all required state and federal licenses, and ~~remain~~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.
- (C)(g) Indemnifications: The EFI or EFL as a ~~The~~ PFI or PFL shall indemnify, defend and hold harmless CAEATFA ~~the Authority,~~ each of the IOUs, ~~their~~the IOUs' affiliates, and each of ~~their~~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:
- (i)(1) ~~resulting~~ Resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct of the PFI or PFL, including any failure of the PFI or PFL, or its agents, to comply with applicable laws in connection with Enrolled Loans;
  - (ii)(2) ~~resulting~~ Resulting from any error or omission by the PFI or PFL or any of its agents in the calculation or presentation of principal repayments or interest with respect to an Enrolled Loan agreement, fees and charges, the receipt and processing of payments received from Borrowers, or any collection or enforcement action;
  - (iii)(3) ~~alleging~~ Alleging any breach of a representation, warranty or covenant by ~~such~~that PFI or PFL;
  - (iv)(4) ~~alleging~~ Alleging any misrepresentation by the PFI or PFL or its agents with respect to the energy savings to be achieved in connection with an Enrolled Loan, or any failure or deficiency in the products, materials or work supplied to a Borrower in connection with an Enrolled Loan; ~~and/or,~~
  - (v)(5) ~~arising~~ Arising from the PFI's or PFL's breach or alleged breach of ~~these~~the regulations and/or its confidentiality or privacy obligations under these regulations or with respect to the Program.
- (D) ~~The PFI or PFL acknowledges that the IOUs are not responsible for, and shall have no liability for:~~
- (i) ~~the energy efficiency improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts,~~
  - (ii) ~~the assessment of potential benefits and costs associated with those improvements,~~
  - (iii) ~~the qualification of PFIs or PFLs,~~
  - (iv) ~~the PFI's or PFL's marketing and lending policies and practices, or~~
  - (v) ~~CAEATFA's educational and outreach activities.~~
- (19) ~~The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.~~
- (20) ~~The application shall include certification that for all forthcoming Project Pre-Approvals or Loan Enrollment Applications submitted by the PFI or PFL to the Authority:~~

- ~~(A) — The loans will be Eligible Loans for Eligible Improvements at an Eligible Property, and that the Borrowers receiving the Eligible Loans will meet the Minimum Underwriting Criteria set forth in this Article, and~~
- ~~(B) — The Claim-Eligible Principal Amounts will not finance distributed-generation.~~
- ~~(21) — The application shall include certification that for all forthcoming Loss Reserve Reservations, Project Pre-Approvals or Loan Enrollment Applications submitted by the PFI or PFL to the Authority:~~
  - ~~(A) — All of the information provided will be true and accurate to the best of the signatory's knowledge.~~
- ~~(22) — The application shall be signed by a person authorized to legally bind the Eligible Financial Institution or Eligible Finance Lender, and shall include the signatory's printed name, title and date.~~
- ~~(23) — Eligible Finance Lenders will also submit evidence of compliance with, or a certification that the Eligible Finance Lender meets, the additional requirements specified in Section 10091.3.~~
- ~~(b) — A PFI or PFL who wishes to participate in the Credit Challenged Program shall also submit the following:~~
  - ~~(1) — A detailed description of its loan program and products to finance Eligible Improvements resulting from participation in the Credit Challenged Program. The description shall include, but is not limited to, anticipated loan product details, such as collateral required (if any), maximum and minimum loan amounts, interest rates (including maximums and whether fixed or variable), loan terms, property type (owner occupied vs. leased or rented), and a description of underwriting criteria, with reference to any minimum FICO score or maximum total debt to income ratio.~~
  - ~~(2) — A detailed description of the additional benefits to Credit Challenged Borrowers, resulting from the Eligible Financial Institution's or Eligible Finance Lender's participation in the Credit Challenged Program as indicated in subsection (a)(10) above. This description shall include a comparison between existing, similar loan products, and the proposed loan program with and without access to the Credit Challenged Program.~~
- ~~(e)(h)~~ (h) Upon receipt of a completed application, ~~the Authority will,~~ the Authority will and within ten- (10) business days, review and determine whether additional information is required, or whether the application is sufficient to permit the applicant to be a PFI or PFL. The Authority's decision regarding enrollment shall be final. The Authority will notify the PFI or PFL of its decision and provide a Program-~~assigned identification number~~ Participation ID for the PFI or PFL. ~~The Authority shall provide the PFI or PFL with a signature sheet for authorizing officials, who are authorized by the PFI or PFL to sign documents binding the PFI or PFL. The PFI or PFL shall complete, sign, and return the signature sheet to the Authority within 10 business days, or at the time the PFI's or PFL's first loan is enrolled, whichever is first.~~
- ~~(d)(i)~~ (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 ~~subsections~~

~~(a)(1)-(7)~~Section 19901.2(b)(1)-(6) above. Changes to the information referenced in subsections ~~(a)(6) and (8)-(11)~~Section 10091.2(b)(5) and Section 10091.2(d)(1)-(2) and Section 10091.2(d)(4)-~~(87)~~ 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 ~~Participating Finance Lender, Eligible Finance Lenders~~PFL, EFLs must meet the following requirements in this section in a form to be specified by the Authority:.

~~(a)(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 ~~Eligible Finance Lender's~~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)~~ ~~Motor vehicle liability with limits of not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of a motor vehicle owned, hired, and non-owned motor vehicles.~~
- ~~(3)(2)~~ ~~Statutory~~Statutorily required workers' compensation and employer's liability coverage for all ~~its~~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.
- ~~(4)(3)~~ All insurance coverage ~~shall~~must be in force for the complete term during which the ~~Eligible Finance Lender~~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.
- ~~(5)(4)~~ The PFL is responsible for ensuring that coverage will not be cancelled without thirty (30) days' prior written notice to the Authority.
- ~~(6)(5)~~ The PFL is responsible for any deductible or self-insured retention contained within the insurance program.
- ~~(7)(6)~~ In the event the PFL fails to keep in effect at all times the specified insurance coverage, the Authority ~~may~~, in addition to any other remedies it may have, may terminate the PFL's participation in the Program on the occurrence of ~~such~~that event, subject to the provisions set forth in these regulations.

- ~~(8)~~(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:
- ~~(b)~~(1) Have~~Provide~~ evidence of net worth in excess of ~~one million five hundred~~ thousand dollars (\$1,050,000) and assets that exceed 0.5% of ~~the~~ assets under servicing pursuant to these regulations.
- ~~(e)~~ Unless seeking to become a Successor Servicer, demonstrate in writing a proven ability to originate consumer loans or retail installment contracts in accordance with all applicable laws, including related expertise and experience, trained and qualified personnel, and suitable systems, processes, and facilities to support the business.
- (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) ~~Demonstrate, in writing, experience with home improvement financing and the coordination of such financing with home improvement contractors and consumers.~~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.
- ~~(e)~~(5) Maintain quality~~Quality~~ control and management systems to evaluate and monitor the overall quality of ~~its~~the EFL's ~~loan or, retail installment contract, or lease/service agreement~~ financing-related activities, including, where applicable, underwriting reviews and consumer complaint resolution processes.
- ~~(f)~~ Hold a California Finance Lender license in good standing with the California Department of Business Oversight.

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

- (1) Organization and Good Standing. The ~~Eligible Finance Lender~~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 ~~such~~those properties are currently owned and ~~such~~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 ~~Eligible Finance Lender~~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 ~~such~~those qualifications.
- (3) Power and Authority. The ~~Eligible Finance Lender~~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 ~~nor for~~ other governmental instrumentality having jurisdiction over the ~~Eligible Finance Lender~~EFL or its properties involving any of the following:
  - (A) ~~asserting~~Asserting the invalidity of these regulations,;
  - (B) ~~seeking~~Seeking to prevent the consummation of any of the transactions contemplated by these regulations, ~~or,~~
  - (C) ~~seeking~~Seeking any determination or ruling that might materially and adversely affect the performance by the ~~Eligible Finance Lender~~EFL of its obligations under these regulations.
- ~~(5) Due Experience. The Eligible Finance Lender has the experience and expertise to underwrite, originate, and service loans in accordance with all applicable regulations and laws.~~
- ~~(6)~~(5) Qualified Staff and Adequate Facilities. The ~~Eligible Finance Lender~~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 ~~Eligible Finance Lender~~EFL is seeking to become a Successor Servicer, ~~such~~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 ~~Eligible Finance Lender~~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. ~~Eligible Finance Lender~~The EFL shall allow the Authority, at no additional cost, to inspect its disaster recovery plan and facilities.
- ~~(7)~~(6) Bad Acts. ~~Eligible Finance Lender~~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.



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

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

**§10091.4. 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 and lending 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

**§10091.45. 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.
- ~~(a)~~(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~~(a)~~(8)~~(9)~~(d), or any revised program details provided in a report to the Authority pursuant to Section 10091.11~~(b)~~(c)(1).
- ~~(b)~~(f) The Claim-Eligible Principal Amount of the ~~Loan~~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)(~~12~~)(A), other necessary and related costs, such as installation, permitting, and other legally required improvements.  
~~(A) Where a measure~~When an EEEM is removed from the list of EEEMs or its specification is revised, that ~~measure~~EEEM and specification will continue to be eligible for inclusion under this subsection where the ~~Loan Enrollment Application~~loan enrollment application is submitted within one-hundred and eighty (180) calendar days of ~~its~~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)(~~12~~)(B).
- ~~(e)~~(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 ~~subsection (e)(2) below~~Section 10091.5(i)(2), the Claim-Eligible ~~Loan~~Principal ~~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.
- (1) ~~Where an Eligible Loan is underwritten without a credit score, the \$35,000 cap shall apply to the Total Loan Principal Amount regardless of the Claim-Eligible Principal Amount.~~

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- ~~(d)~~(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~~Treasury bonds plus seven hundred ~~and~~ fifty (750) basis points as of the first business day of the applicable calendar quarter.
- ~~(e)~~(i) Borrower credit score requirements:
- (1) The Borrower must have a minimum credit score of 580 except as allowed pursuant to ~~subsection (2) below~~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 ~~they do~~the Borrower does not have any unexplained derogatory credit reports.
- ~~(f)~~(j) The Borrower's total debt-to-income ratio shall not exceed fifty-five percent (55%)~~.~~ unless the Eligible Loan is a Microloan.
- ~~(g)~~(k) In addition to the underwriting criteria described above, ~~Participating Financial Institutions~~PFIs and ~~Participating Finance Lenders~~PFLs may use a Borrower's utility billing and payment history to aid in underwriting an Eligible Loan.
- ~~(h)~~(l) A PFI or PFL may establish additional underwriting criteria beyond what is described in this ~~Section~~section. A PFI or PFL has the responsibility for underwriting decisions and legal compliance with respect to the Eligible Loans ~~it~~the PFI or PFL makes pursuant to these regulations.
- ~~(i)~~(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

**§10091.56. Contractor Qualification and Management.**

- (a) To participate in the Program as a Participating Contractor, an Eligible Contractor must complete a Program training regarding these regulations and the requirements set forth ~~herein these regulations~~ offered by the Authority, ~~the IOUs~~, or the ~~Center for Sustainable Energy, 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 ~~and, 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.
- ~~(3)(4)~~ CSLB license number. ~~(4) The name(s) of individual(s) who are authorized to sign loan enrollment documents on behalf of the Eligible Contractor. The list can be updated at any time by the signatory of the Program application.~~
- (5) Type(s) of CSLB licenses relevant to the work performed under the Program.
- ~~(6) The date, location, and provider of the mandatory training attended by the Eligible Contractor, or an attachment from the provider of the mandatory training containing this information.~~
- ~~(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.
- ~~(7)(10)~~ Certification that the Eligible Contractor has no outstanding judgments or liens.
- ~~(8)(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.
- ~~(9)(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. ~~If the policy maintains a policy aggregate, such aggregate shall not be less than twice the occurrence limit.~~ The Eligible Contractor shall submit proof of ~~such~~that insurance in its application to the Authority.
- ~~(10)(13)~~ The Eligible Contractor's agreement to permit ~~an audit, by~~ the Authority, ~~of to~~ audit any of ~~its~~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 ~~such~~any other information relating to those projects as shall be requested by the Authority.
- ~~(11)(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 ~~such~~being, or claim association or affiliation, with the Authority or any of the participating IOUs in any capacity. Further, the Eligible Contractor shall ~~not~~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.

~~(12)~~(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.

~~(13)~~(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.

~~(14)~~(198) 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~~The energy efficiency improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts~~;~~;
  - (ii) ~~the~~The assessment of potential benefits and costs associated with those improvements~~;~~;
  - (iii) ~~the~~The selection of Participating Contractors~~;~~;
  - (iv) ~~the~~The Participating Contractor's marketing policies and practices~~;~~~~or~~;
  - (v) ~~CAEATFA's~~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) — The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.~~

~~(d)~~(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.

- ~~(e)~~(d) The Authority will add Participating Contractors to a list that will be accessible from its website.
- ~~(f)~~(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 10091.56(a)(10)(13)-above.
- ~~(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 ~~an audit or post-project field verification by the Authority reveals~~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 ~~suspend~~remove the Participating Contractor. The Executive Director shall provide written notice of the ~~suspension~~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 ~~suspension~~removal shall have the right to submit information to the Authority ~~explaining the results of the post-project field verification~~ and asking that the Executive Director reconsider the ~~suspension~~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 ~~suspension~~removal. The Executive Director shall provide written notice of the decision and the right to appeal the decision to the ~~Authority~~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 ~~seek an~~ appeal to the ~~Authority~~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~~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

**§10091.67. Establishment and Funding of Loss Reserve Accounts.**

- (a) Upon the Authority's acceptance of an application from an ~~Eligible Financial Institution or Eligible Finance Lender~~ 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 ~~to~~ for the following:
- (1) Receive and hold Loss Reserve Contributions deposited by the Authority for the benefit of a PFI, PFL, or Successor Servicer; ~~and.~~
  - (2) Pay claims in accordance with Section 10091.9.
- (b) ~~For each of the PFI's or PFL's loan enrollments, the Authority shall direct the Trustee to transfer a Loss Reserve Contribution from the Program Holding Account to the Loss Reserve Account of that PFI or PFL pursuant to Section 10091.8(1)(1)-(2) below. Upon the enrollment of an Eligible Loan all of the following:~~
- (1) ~~Where an Eligible Loan is enrolled that previously received a Loss Reserve Reservation or Project Pre-Approval pursuant to Section 10091.7, the Authority shall direct the Trustee to transfer the Loss Reserve Contribution to Loss Reserve Account. If the Loss Reserve Contribution exceeds the Loss Reserve Reservation amount for the Eligible Loan, the remainder of the Loss Reserve Contribution will be transferred to the Loss Reserve Account, provided funds are available. 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 ~~IOU~~.
  - (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 10091.8(1)(1) (2) below.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)(c)~~ Annually based on the fiscal year ending June ~~30<sup>th</sup>~~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)~~IOU. The initial rebalance amount will be the sum of the original ~~Loan~~ Loss Reserve Contributions associated with enrolled loans that were paid off in full during the fiscal year.
- (1) If the PFI or PFL did not make any claims as provided under Section 10091.9 during the fiscal year, the initial rebalance amount will not be changed and the funds will be transferred from the PFI's or PFL's Loss Reserve Account to the appropriate Program Holding Account~~(s)~~IOU.
  - (2) If the PFI or PFL made one or more claims as provided under Section 10091.9 during the fiscal year, and the total claim amount is less than the initial rebalance amount, the final rebalance amount will equal the initial rebalance amount less the claim~~(s)~~ amount.
  - (3) If the PFI or PFL made one or more claims as provided under Section 10091.9 during the fiscal year, and the total claim amount is more than the initial rebalance amount, there will be no rebalance.

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

**~~10091.7. Optional Loss Reserve Reservation and Project Pre-Approval.~~**

- ~~(a) — A PFI or PFL may submit a request for a Loss Reserve Reservation to the Authority prior to enrolling an Eligible Loan so that loss reserve funds may be set aside. Funds reserved will be used as the Loss Reserve Contribution for the Eligible Loan upon the approval of a Loan Enrollment Application in accordance with Section 10091.8 below. A Loss Reserve Reservation request shall include the following information in a form to be specified by the Authority:~~
- ~~(1) — The PFI's or PFL's name and Program Participation ID.~~
  - ~~(2) — Loan officer name, business telephone number and e-mail.~~
  - ~~(3) — PFI's or PFL's internal loan identification number, the designation created by the PFI or PFL to refer to the Eligible Loan for its own reference. This number should not be identical to a Borrower's account number with the PFI or PFL.~~
  - ~~(4) — Indication of whether the Borrower qualifies as a Low to Moderate Income borrower as defined by Section 10091.1(cc) and methodology utilized to determine LMI qualification.~~
  - ~~(5) — The Program ID (Indication that Eligible Loan will be submitted for enrollment in the REEL Assistance Program).~~
  - ~~(6) — The anticipated Claim-Eligible Principal Amount.~~
  - ~~(7) — The anticipated Total Principal Amount.~~

- ~~(8) — The name of the utility providing gas service to the Eligible Property.~~
- ~~(9) — The name of the utility providing electric service to the Eligible Property.~~
- ~~(b) — In addition to requesting a Loss Reserve Reservation pursuant to subsection (a) above, a PFI or PFL may submit a request for a Project Pre-Approval to the Authority prior to enrolling an Eligible Loan to verify the eligibility of proposed measures and other proposed project characteristics. When requesting a Project Pre-Approval, a PFI or PFL shall submit the following information in a form to be specified by the Authority in addition to the information described in subsection (a) above:~~
  - ~~(1) — The Borrower's IOU account number(s).~~
  - ~~(2) — An estimate Itemized Invoice as specified in Section 10091.8(g).~~
  - ~~(3) — The Participating Contractor's name and CSLB License Number, or an indication that the Eligible Improvements will be installed by a Self-Installer.~~
  - ~~(4) — An executed California Hub for Energy Efficiency Financing Disclosure, as described in Section 10091.15.~~
- ~~(5) — Utility bills, for the IOU(s) servicing the Eligible Property for each meter and fuel provided, from within 60 days of the date of the PFI or PFL's loan approval.~~
- ~~(c) — Upon receipt of a request for Loss Reserve Reservation and/or Project Pre-Approval, the Authority will:~~
  - ~~(1) — Review the request for completeness and eligibility;~~
  - ~~(2) — Determine the Loss Reserve Reservation amount by calculating the Loss Reserve Contribution pursuant to Section 10091.8(i) below.~~
- ~~(d) — The Authority shall approve Loss Reserve Reservation and Project Pre-Approval requests from PFIs or PFLs if the Executive Director determines that the proposed Eligible Loan meets the requirements of this Article. The Authority shall notify the PFI or PFL of approval and reservation, the reservation amount(s) and the CHEEF Loan ID for the Eligible Loan within five (5) business days after receipt by the Authority of all documentation required by this Article. The Executive Director's determination to approve or deny a Loss Reserve Reservation or Loss Reserve Reservation and Project Pre-Approval request shall be final.~~
- ~~(e) — Where a Project Pre-Approval request is rejected, but the associated Loss Reserve Reservation request is valid, the Authority will approve only the Loss Reserve Reservation request. The Authority shall notify the PFI or PFL within five (5) business days of its decision. If, after receiving such notice from the Authority, the PFI or PFL does wish to maintain the Loss Reserve Reservation, the PFI or PFL must inform the Authority of its decision to accept the Loss Reserve Reservation within five (5) business days.~~
- ~~(f) — Upon approving a Loss Reserve Reservation request, the Authority will instruct the Trustee to transfer the Loss Reserve Reservation from the Program Holding Account to the Program Reservation Account, according to the process outlined in Section 10091.6(b)(1).~~
- ~~(g) — Funds reserved in the Program Reservation Account may be returned to the Program Holding Account under the following circumstances:~~
  - ~~(1) — If a PFI or PFL fails to enroll an Eligible Loan corresponding to a Loss Reserve Reservation or Project Pre-Approval in accordance with Section 10091.8 within one hundred eighty (180) calendar days of the reservation approval or Project Pre-Approval, the Executive Director may~~



- ~~allow a sixty (60) calendar day extension of a reservation or Pre-Approval upon a written request from a PFI or PFL. Such extension means the EEEMs that were submitted on the Itemized Invoice at the time of the Pre-Approval remain eligible for inclusion.~~
- ~~(2) Upon enrollment of an Eligible Loan that has received a Loss Reserve Reservation or Project Pre-Approval in accordance with this section, funds reserved for that Eligible Loan in excess of the final Loss Reserve Contribution shall be returned to the Program Holding Account.~~
- ~~(3) Upon rejection of the application to enroll an Eligible Loan that has received a Loss Reserve Reservation or Project Pre-Approval in accordance with this section.~~
- ~~(h) The Authority's approval for a Loss Reserve Reservation or a Project Pre-Approval request only remains valid if all other regulatory requirements from this Article are met upon final loan enrollment. Loss Reserve Reservations and Project Pre-Approvals are not valid beyond the program expiration.~~

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

**§10091.8. Loan Enrollment.**

- (a) The terms and conditions of Eligible Loans, including interest rates, fees and other conditions, shall be determined solely by agreement between the PFI or PFL and the Borrower.
- (b) A PFI or PFL shall be authorized to submit a loan enrollment application to enroll an Eligible Loan in the Program; ~~once that loan is closed;~~ by submitting~~providing~~ the documents~~information~~ described in subsection Section 10091.8(c)-(d) below~~(g)~~ in a form specified format approved by the Authority.
- (c) ~~To enroll an Eligible Loan for a project completed in whole or in part by a Participating Contractor, a PFI or PFL will submit the~~ The following documents ~~data points for the submitted loan will be provided~~ to the Authority:-
- ~~(1) a Loan Enrollment Application, as described in subsection (e) below;~~
  - ~~(2) a Certificate of Completion from each Participating Contractor certifying work on the project, as described in subsection (f) below;~~
  - ~~(3) an executed California Hub for Energy Efficiency Financing Disclosure as described in Section 10091.15;~~
  - ~~(4) an Itemized Invoice, as described in subsection (g) below; and~~
  - ~~(5) a utility bill, for each IOU servicing the Eligible Property covering each meter and fuel provided from within 60 days of the PFI's or PFL's loan approval.~~

<u>Data points</u>	<u>Data provided by:</u>	<u>Exceptions</u>
<u>Borrower Information</u>		

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-			
<u>1</u>	<u>Borrower first and last name</u>	<u>Any</u>	-
<u>2</u>	<u>Borrower email</u>	<u>Any</u>	-
<u>3</u>	<u>Borrower phone number</u>	<u>Any</u>	-
<u>4</u>	<u>Borrower's credit score range, denoting a score of 580-640, 641-700, 701-760, 761-820, 821 or higher, or no credit score</u>	<u>PFI or PFL</u>	-
<u>5</u>	<u>An indication as to whether bill payment history was used in making the underwriting decision</u>	<u>PFI or PFL</u>	-
<u>6</u>	<u>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%</u>	<u>PFI or PFL</u>	<u>Not required for Microloans</u>
<u>7</u>	<u>Borrower's relationship to property: 1) owner-occupier, 2) owner non-occupier, 3) renter or lessee</u>	<u>Any</u>	-
-			
<u>Eligible Property Information</u>			
-			
<u>8</u>	<u>Eligible Property address (Street address, city, and ZIP code)</u>	<u>Any</u>	
<u>9</u>	<u>Census tract of Eligible Property</u>	<u>Any</u>	<u>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</u>
<u>10</u>	<u>Name(s) of the utility delivering electricity and gas, if applicable, to the Eligible Property.</u>	<u>Any</u>	<u>For Microloans, only the name of the utility that corresponds to the fuel source for the EEEM(s) is required</u>
<u>11</u>	<u>The utility account number(s) for the Eligible Property, if applicable.</u>	<u>Any</u>	<u>For Microloans, only the account number that corresponds to the fuel source for the EEEM(s) is required</u>
<u>12</u>	<u>Number of units at the property being upgraded</u>	<u>Any</u>	-
-			
<u>Project Information (for each contractor or Self-Installer's scope of work)</u>			
-			
<u>13</u>	<u>Registered name or DBA of the Participating Contractor; or indication of</u>	<u>Contractor/Self-Installer</u>	<u>For Microloans, if the measure(s) are</u>

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	<u>Self-installer</u>		<u>installed by a licensed contractor who is not a Participating Contractor, this data point is not required</u>
<u>14</u>	<u>Participating Contractor CSLB license number</u>	<u>Contractor</u>	<u>For Microloans or Self-Installer projects, this data point is not required</u>
<u>15</u>	<u>EEEMs ID (For each EEEM)</u>	<u>Any</u>	-
<u>16</u>	<u>Measure name (For each EEEM)</u>	<u>Any</u>	-
<u>17</u>	<u>Quantity installed (For each EEEM)</u>	<u>Any</u>	-
<u>18</u>	<u>Indication of whether the installation resulted in a fuel substitution for the measure (For each EEEM)</u>	<u>Any</u>	-
<u>19</u>	<u>The total cost for each EEEM and its installation</u>	<u>Any</u>	-
<u>20</u>	<u>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).</u>	<u>Any</u>	-
<u>21</u>	<u>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.</u>	<u>Any</u>	-
<u>22</u>	<u>Total project cost</u>	<u>Any</u>	-
<u>23</u>	<u>Indication of whether the project added square footage to the home</u>	<u>Any</u>	-
<u>24</u>	<u>Date(s) the contractor(s) or Self-Installer completed the installation</u>	<u>Any</u>	-
<u>25</u>	<u>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.</u>	<u>Any</u>	-
<u>26</u>	<u>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.</u>	<u>Any</u>	-
<u>Loan Information</u>			
<u>27</u>	<u>PFI's or PFL's name and Program Participation ID</u>	<u>PFI or PFL</u>	-

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<u>28</u>	<u>Program ID (Indication that the Eligible Loan is being submitted for enrollment in the Program)</u>	<u>PFI or PFL</u>	-
<u>29</u>	<u>Loan officer name</u>	<u>PFI or PFL</u>	-
<u>30</u>	<u>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</u>	<u>PFI or PFL</u>	-
<u>31</u>	<u>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)</u>	<u>PFI or PFL</u>	-
<u>32</u>	<u>Total Loan Principal Amount</u>	<u>PFI or PFL</u>	-
<u>33</u>	<u>Claim-Eligible Principal Amount</u>	<u>PFI or PFL</u>	-
<u>34</u>	<u>Type of loan (e.g. term loan, retail installment contract, lease/service agreement)</u>	<u>PFI or PFL</u>	-
<u>35</u>	<u>Whether or not the loan is secured or unsecured</u>	<u>PFI or PFL</u>	-
<u>36</u>	<u>Term and maturity date</u>	<u>PFI or PFL</u>	-
<u>37</u>	<u>Date interest rate was finalized</u>	<u>PFI or PFL</u>	-
<u>38</u>	<u>Origination date</u>	<u>PFI or PFL</u>	-
<u>39</u>	<u>Interest rate, and whether it is fixed or variable</u>	<u>PFI or PFL</u>	-
<u>40</u>	<u>Whether Borrower has agreed to ACH auto pull</u>	<u>PFI or PFL</u>	-
<u>41</u>	<u>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.</u>	<u>PFI or PFL</u>	-

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

- ~~(e) The Loan Enrollment Application shall be in a form specified by the Authority and shall include the following information:~~
- ~~(1) Participating Financial Institution or Participating Finance Lender name and Program Participation ID.~~
  - ~~(2) Loan officer name.~~
  - ~~(3) An indication as to whether the Eligible Loan received a Loss Reserve Reservation or Project Pre-Approval.~~
  - ~~(4) CHEEF Loan Identification Number, if applicable (if the project received a reservation or pre-approval, a CHEEF Loan Identification Number will have been provided by the Authority).~~
  - ~~(5) Program ID (Indication that the Eligible Loan is being submitted for enrollment in the REEL Assistance Program).~~
  - ~~(6) PFI's or PFL's internal loan identification number, as described in Section 10091.7(a)(3).~~
  - ~~(7) Whether the Eligible Property is owner-occupied, or rented or leased.~~
  - ~~(8) The number of units for which Eligible Improvements were undertaken.~~
  - ~~(9) Name of the utility providing electric service to the Eligible Property, if applicable.~~
  - ~~(10) Name of the utility providing gas service to the Eligible Property, if applicable.~~
  - ~~(11) The IOU account number(s) for the Eligible Property.~~
  - ~~(12) Borrower's credit score range, denoting a score of 580-640, 641-700, 701-760, 761-820, 821 or higher, or no credit score.~~
  - ~~(13) An indication whether the Borrower qualifies as a Low to Moderate Income Borrower as defined in Section 10091.1(cc) and methodology utilized to determine LMI qualification.~~
  - ~~(14) Borrower's income range, denoting a range of less than \$25,000, \$25,000-\$34,999, \$35,000-\$49,999, \$50,000-\$74,999, \$75,000-\$99,999, \$100,000-\$149,999, or \$150,000 or more.~~
  - ~~(15) Borrower's total debt to income ratio, denoting a range of less than 25%, between 25 and 35%, between 36 and 45%, or between 46 and 55%.~~
  - ~~(16) An indication as to whether bill payment history was used in making the underwriting decision.~~
  - ~~(17) Claim-Eligible Principal Amount of the Eligible Loan.~~
  - ~~(18) Total Loan Principal Amount of the Eligible Loan.~~
  - ~~(19) Type of the Eligible Loan (e.g. term loan, retail installment contract).~~
  - ~~(20) Term and maturity date of the Eligible Loan.~~
  - ~~(21) Interest rate applicable to the Eligible Loan and whether it is fixed or variable.~~
  - ~~(22) Date the interest rate for the Eligible Loan was finalized.~~
  - ~~(23) Origination Date of the Eligible Loan.~~
  - ~~(24) First payment date.~~
  - ~~(25) Principal and interest payment amount.~~
  - ~~(26) Whether the Participating Contractor or Borrower has received or will apply for an IOU, REN or CCA energy efficiency rebate or incentive for the Eligible Improvements being installed. If the Participating Contractor or Borrower is seeking a rebate or incentive, identification of the rebate and/or incentive amount received or expected for the project, and whether the rebate and/or~~

- ~~incentive amount will be directly applied towards the cost of the project. In the case of incentives, the expected incentive amount should be the estimated amount as reported by the IOU or REN incentive program at the time of incentive program pre-approval or reservation.~~
- ~~(27) Whether the project included a Self-Installer component and/or more than one Participating Contractor.~~
- ~~(28) Census Tract of Borrower.~~
- (f) ~~The Certificate of Completion shall be in a form specified by the Authority and shall include the PFI's or PFL's name, PFI's or PFL's Program Participation ID, the Program ID, the CHEEF Loan ID for projects that have received a Reservation or Pre-Approval, and PFI's or PFL's internal loan identification number, as described in Section 10091.7(a)(3), as well as the following information:~~
- ~~(1) Project information to be provided by the Participating Contractor:~~
- ~~(A) The street address, city, and zip code of the Eligible Property.~~
- ~~(B) The name of the utility or utilities providing gas and/or electric service to the Eligible Property.~~
- ~~(C) Whether the Participating Contractor or Borrower has received or will apply for an IOU, REN or CCA energy efficiency rebate or incentive for the Eligible Improvements being installed. If the Participating Contractor or Borrower is seeking a rebate or incentive, identification of the rebate and/or incentive amount received or expected for the project, the name of the corresponding rebate and/or incentive program, the rebate/incentive project ID provided by the utility (if available at the time of enrollment), and whether the rebate and/or incentive amount will be directly applied towards the cost of the project. In the case of incentives, the expected incentive amount should be the estimated amount as reported by the IOU or REN incentive program at the time of incentive program pre-approval or reservation.~~
- ~~(D) The Participating Contractor's name.~~
- ~~(E) The Participating Contractor's CSLB License Number.~~
- ~~(F) The dates the project was started and completed.~~
- ~~(G) Permit numbers for all permits required by law for the installation of the Eligible Improvements.~~
- ~~(H) Where the Eligible Improvements require a safety test pursuant to Section 10091.10(h), the following information from the Participating Contractor or other individual performing the test:~~
- ~~(i) Entity name.~~
- ~~(ii) Contractors State License Board license type(s) and number, if applicable.~~
- ~~(iii) The Building Performance Institute certification type(s) and number, if applicable.~~
- ~~(iv) A list of IOU territories where the Participating Contractor or individual performing the test is approved to participate in the Energy Upgrade California Home Upgrade Program~~

- ~~and/or Advanced Home Upgrade Program, and/or other IOU whole house program, if applicable.~~
- ~~(v) — Certification and number for Natural Gas Appliance Testing (NGAT) as defined in Section 10091.10(i)(3), if applicable.~~
- ~~(f) — An indication of whether the Borrower became aware of the financing offered through the Program from the Participating Contractor, the PFI or PFL, the Energy Upgrade California website, or a description of another source.~~
- (2)(d) — The following ~~Certification~~certifications from an authorized signatory of ~~the~~each Participating Contractor ~~of the following~~, if any participated in the project, shall be provided to the Authority:
- ~~(A)(1) The contractor~~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.
- ~~(B)(2)~~ In addition to other project requirements, ~~that~~ the completed project also meets the following criteria:
- ~~(i)(A)~~ The improvements listed by the contractor on the invoice as Eligible Improvements comply with Program guidelines.
- ~~(ii)(B)~~ The Eligible Improvements listed on the Itemized Invoice were installed.
- ~~(C)(3)~~ The installation of the Eligible Improvements complies with all the applicable California building standards (~~all sections of Title 24 of the California Code of Regulations~~) and any additional laws, ordinances, regulations and standards applicable in the jurisdiction where the installation occurred.
- ~~(D)(4)~~ All permits required to install the Eligible Improvements have been secured or are in the process of being secured.
- ~~(E)(5)~~ The ~~Participating Contractor-Borrower was~~ provided ~~the Borrower~~ with a Bill Impact Estimate.
- ~~(F)(6)~~ Safety testing was completed and passed if required by the project ~~referred to as~~ specified in Section ~~10091.10(hf)~~.
- ~~(G) — Certification that all of the information provided is true and accurate to the best of the signatory's knowledge.~~
- (3)(e) Certifications from the Borrower of the following ~~in a form specified by~~will be provided to the Authority:
- (1) For all projects:
- (A) The ~~Eligible Improvements have been completed to his or her satisfaction~~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.
- ~~(B)(D) He or she understands~~I understand that ~~the Authority 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 Eligible Improvements equipment.

- (E) I acknowledge and agree to allow CAEATFA, or its representatives, access to verify the equipment meets Program requirements.
- ~~(C) The Eligible Loan proceeds will be used to pay for Eligible Improvements.~~
- ~~(D) Authorization for the Participating Contractor and Participating Financial Institution or Participating Finance Lender to share information with the Authority, except as required by these regulations, including contact information, data on work performed and Eligible Improvements installed, information regarding the Eligible Loan, and other information relating to or arising from participation in the Program.~~
- ~~(E) All permits required to install the Eligible Improvements have been secured or are in the process of being secured.~~
- ~~(F) The Participating Contractor provided the Borrower with a Bill Impact Estimate.~~
- ~~(G) The information regarding rebates and/or incentives provided pursuant to Section 10091.8(f)(1)(C) above, is accurate to the best of his or her knowledge.~~
- ~~(H) Acknowledgement and agreement to be subject to random post-project field verifications, as described in Section 10091.10.~~
- ~~(I) Certification that all of the information provided is true and accurate to the best of the Borrower's knowledge.~~
- ~~(g) The Itemized Invoice shall be in a form specified by the Authority and shall include the Participating Contractor's name, CSLB license number, and an indication as to whether the project was completed under the REEL Assistance Program, as well as the following information:~~
  - ~~(1) The PFI or PFL shall provide:~~
    - ~~(A) The PFI's or PFL's Program Participation ID.~~
    - ~~(B) The PFI's or PFL's internal loan identification number, as described in Section 10091.7(a)(3).~~
  - ~~(2) For each EEEM installed in the project, the Participating Contractor shall provide~~Additionally, for projects with equipment requiring professional installation per the Program rules:
    - ~~(A) The EEEMs ID.~~
    - ~~(B) The EEEMs Measure Name.~~
    - ~~(C) Indication of whether the measure is a replacement or new installation.~~~~(D) Indication of whether the installation resulted in a fuel switch for the measure.~~
  - ~~(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.
  - ~~(E) The quantity installed.~~
  - ~~(F) The total cost for the EEEM and its installation.~~
- ~~(3) A description of any additional alterations necessary to complete the project described in Section 10091.8(g)(2), but that are not associated with any~~



- ~~specific EEM described in Section 10091.8(g)(2), as well as the associated cost for these measures.~~
- ~~(4) An indication of whether any Distributed Generation was included in the project.~~
- ~~(A) If Distributed Generation was included in the project, the Participating Contractor must include a description and associated cost for the Distributed Generation measures installed.~~
- ~~(5) A description of other additional home improvement measures installed that are not listed as EEMs or included in Section 10091.8(g)(2), as well as the associated cost for these measures.~~
- ~~(6) Indication of whether the project added square footage to the home.~~
- ~~(7) The total project cost.~~
- ~~(h) The Self-Installer Project Submission shall be in a form specified by the Authority and shall include the PFI's or PFL's name, PFI's or PFL's Program Participation Identification Number, the Program ID, the CHEEF Loan ID if the project received a reservation or pre-approval, and the PFI's or PFL's internal loan identification number, as described in Section 10091.7(a)(3), as well as the following information:~~
- ~~(1) Project Information to be provided by the Self-Installer:~~
- ~~(A) The street address, city and zip code of the Eligible Property.~~
- ~~(B) The name of the utility or utilities providing gas and/or electric service to the Eligible Property.~~
- ~~(C) Indication of whether the Self-Installer has received or will apply for an IOU, REN or CCA energy efficiency rebate or incentive for the Eligible Improvements being installed. If the Self-Installer is seeking a rebate or incentive, identification of the rebate and/or incentive amount received or expected for the project, the name of the corresponding rebate and/or incentive program, the rebate/incentive project ID provided by the utility (if available at the time of enrollment), and whether the rebate and/or incentive amount will be directly applied towards the cost of the project. In the case of incentives, the expected incentive amount should be the estimated amount as reported by the IOU, REN or CCA incentive program.~~
- ~~(D) The dates the project was started and completed.~~
- ~~(E) Whether the Borrower became aware of the financing offered through the Program from the PFI or PFL, the Energy Upgrade California website, or a description of another source.~~
- ~~(2) Certification from the Self-Installer of the following:~~
- ~~(A) The improvements installed are Eligible Improvements.~~
- ~~(B) All self-installed improvements were either EEMs eligible for self-installation pursuant to Section 10091.10(c) or non-EEM, additional related home improvements.~~
- ~~(C) He or she understands that the Authority and its directors, officers, and agents, and the IOUs and their directors, officers and agents, do not guarantee the performance, quality, or workmanship of the Eligible Improvements.~~

- ~~(D) — The Eligible Loan proceeds were used to pay for EEEMs or additional related home improvements, in compliance with the Program rules.~~
  - ~~(E) — Authorization for the Participating Financial Institution or Participating Finance Lender to share information with the Authority, except as required by these regulations, including contract information, data on work performed and Eligible Improvements installed, information regarding the Eligible Loan, and other information relating to or arising from participation in the Program.~~
  - ~~(F) — The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.~~
- (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.
- ~~(i)(h)~~ The PFI or PFL shall be authorized to base the information requested in ~~subdivision (e) above~~ 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 ~~no such~~ the representation ~~may~~ 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)(i)~~ Where the Authority determines that a ~~Loan Enrollment Application~~ loan enrollment application is incomplete, a PFI or PFL shall be authorized to submit a revised and complete ~~Loan Enrollment Application~~ loan enrollment application.
- ~~(k)(j)~~ The Authority ~~shall~~, upon the receipt of the documentation ~~as required under~~ 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.
- ~~(l) — Upon enrollment of an Eligible Loan:~~

- ~~(1) — The Authority will determine the Loss Reserve Contribution:
  - ~~(A) — For Enrolled Loans to Borrowers with Low to Moderate Income, the Loss Reserve Contribution shall be twenty percent (20%) of the principal amount of the Credit Enhancement Basis.~~
  - ~~(B) — For Enrolled Loans to Credit Challenged Borrowers where the PFI or PFL is approved for participation in the Credit Challenged Program, the Loss Reserve Contribution shall be twenty percent (20%) of the principal amount of the Credit Enhancement Basis.~~
  - ~~(C) — In no circumstance will the contribution be more than twenty percent (20%).~~
  - ~~(D) — For all other Enrolled Loans, the Loss Reserve Contribution shall be eleven percent (11%) of the principal amount of the Credit Enhancement Basis.~~
  - ~~(E) — Where the Borrower or Self-Installer has indicated that she or he will seek an IOU, REN or CCA rebate or incentive for the EEEMs being installed, but will not be applying the rebate and/or incentive amount directly to the cost of the project, the Claim-Eligible Principal Amount shall be reduced by the anticipated or actual rebate or incentive amount as reported on the Certificate of Completion pursuant to Section 10091.8(f)(1)(C) or on the Self-Installer Project Submission pursuant to Section 10091.8(h)(1)(C) to derive the Credit Enhancement Basis.~~~~
- ~~(2) — The Authority will instruct the Trustee to transfer the Loss Reserve Contribution in accordance with Section 10091.6.~~
- ~~(3) — The Authority will notify the PFI or PFL of the enrollment, the CHEEF Loan ID corresponding to the Eligible Loan, and the Loss Reserve Contribution transferred.~~
- ~~(m) — Without regard to the term and maturity date of the Eligible Loan, the term of enrollment in the Program shall not exceed fifteen (15) years.~~
- ~~(n) — If upon review of the documentation provided by the PFI or PFL pursuant to this section, it appears that through inadvertence the loan does not comply with Program requirements concerning Eligible Improvements as set forth in Section 10091.4(b), the Authority in its sole discretion may reduce the Claim-Eligible Principal Amount to bring the Enrolled Loan into compliance with the requirements of Section 10091.4(b).~~

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

**§10091.9. Claims.**

- (a) A PFI, PFL, or Successor Servicer shall be authorized to make a claim for reimbursement for up to ninety percent (90%) of a loss from the outstanding Claim-Eligible Principal Amount prior to the liquidation of collateral, or realization on personal or other financial guarantees or from other sources. 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 ~~shall~~must include the following information ~~in a form to be specified by the Authority~~:
- (1) Name ~~and Program Participation ID~~ of the PFI, PFL, or Successor Servicer.
  - (2) Name, ~~address~~, business telephone number, and e-mail address of contact person.
  - (3) Lender internal identification number, as described in Section 10091.8(c).
  - ~~(3)~~(4) CHEEF Loan ID ~~number~~ of the Enrolled Loan.
  - ~~(4)~~(5) An indication as to whether the Enrolled Loan is enrolled in the Program.
  - ~~(5)~~(6) Original Claim-Eligible Principal Amount.
  - ~~(6)~~(7) Original Total Loan Principal Amount.
  - ~~(7)~~(8) Outstanding Claim-Eligible Principal Amount at the time of charge-off.
  - ~~(8)~~(9) Outstanding Total Principal Amount.
  - ~~(9)~~(10) Charge-off amount.
  - ~~(10)~~(11) Amount recovered.
  - ~~(11)~~(12) Claim amount.
  - (13) Beneficiary of the claim payment, if an entity other than the PFI, PFL, or Successor Servicer.
  - ~~(13)~~ Amount of any inchoate losses.
  - ~~(12)~~(154) Charge-off date.
  - ~~(13)~~(156) If the Enrolled Loan is secured, a statement of whether the PFI, PFL, or Successor Servicer has commenced enforcement proceedings.
  - ~~(167)~~ Whether any acceleration notices have been sent.
  - ~~(14)~~(187) If a PFI, PFL, or Successor Servicer files a claim while one or more claims are already pending the Authority's review, a statement of the priority of payment of the claim compared to the other claims in the event the balance of the Loss Reserve Account is ~~not sufficient~~insufficient to pay all the claims.
  - ~~(15)~~(198) Certification that the notice was filed with the Authority as required by Section 10091.9(b), and certification that ~~such~~the charge-off was made in a manner consistent with the PFI, PFL, or Successor Servicer's usual methods for taking action on loans ~~which~~that are not Enrolled Loans under the Program.
  - ~~(16)~~(2049) The claim ~~application information~~ shall be ~~signed~~executed by a ~~person~~authorized ~~to signatory, who can~~ bind the ~~Participating Financial Institution, Participating Finance Lender, PFI, PFL~~ or Successor Servicer, and shall include the signatory's printed name, title, and date.
  - ~~(17)~~(210) Certification that the PFI, PFL, or Successor Servicer will comply with reporting requirements on recoveries, as laid out in Section 10091.9(d)~~)-(e).~~

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

(d) All claims will be paid net of any recovery made by the PFI, PFL, or Successor Servicer prior to the filing of the claim. If, subsequent to the payment of a claim by the Authority, the PFI, PFL, or Successor Servicer recovers from the Borrower, from liquidation of collateral or from any other source, amounts for which the PFI, PFL, or Successor Servicer was ~~reimbursed~~paid by the Authority, the PFI, PFL, or Successor Servicer shall ~~promptly pay to the Authority or its agent, for deposit, apply the recoveries~~ in the ~~Program Holding Account, the amount received, net of following order:~~

~~(1) The PFI's, PFL's, or Successor Servicer's reasonable and customary costs of reasonable collection, that in aggregate exceeds the amount needed to fully cover 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) IQU.~~

~~(+)(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 ~~it is determined that 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 ~~where~~ the PFI, PFL, or Successor Servicer is not in compliance with its obligations, including reporting obligations, under these regulations. The Authority, upon providing written notice to the PFI, PFL, or Successor Servicer, may defer the approval of claims up to an additional thirty (30) calendar days if the Authority requires more information ~~in order~~ to determine if the claim shall be paid. Prior to authorizing a disbursement from a Loss Reserve Account, the Authority may request additional documentation from the PFI, PFL, or Successor Servicer ~~that related to the loan was an~~ Enrolled Loan.

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

(1) Where a PFI or PFL makes its first claim request within one (1) year of enrolling its first loan in the Program, the Authority will instruct the Trustee to withdraw the approved claim amount from the 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.

- ~~(A)~~ — Where a PFI, PFL, or Successor Servicer is participating in the Program and another pilot program administered by the ~~CHIEF~~ California Hub for Energy Efficiency Financing, the claim described ~~above~~ in Section 10091.9(f)(1); this section is not additive for that PFI, PFL, or Successor Servicer ~~is not additive~~.
- (2) Except as set forth in Section 10091.9~~(f)~~(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 ~~outlined~~ specified in this section.
- ~~(b)~~ — ~~IOU, REN or CCA rebates or incentives do not need to be sought for measures on the list of EEEMs.~~
- ~~(e)(b)~~ A Self-Installer may install or have installed the ~~following~~ 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 ~~as defined in Section 10091.1(n) listed in the table in Section 10091.10(j) that have been designated and labeled as available as eligible~~ for self-installation, and
- (2) ~~a~~ Additional related home improvements as described in Section 10091.1(s)~~(12)~~(B).
- ~~(B)~~ — ~~A smart thermostat containing a communications interface, a user display and interface, and an HVAC system interface (for heating systems using either gas or electricity, or electric cooling systems); or~~
- ~~(C)~~ — ~~A portable air purifier or air cleaner.~~
- ~~(e)(c)~~ ~~Except where work is performed by a Self-Installer or for a project funded by a Microloan, the contractor performing the work must be a Participating Contractor as of the date he or she began work on the Eligible Property as noted on the Certificate of Completion pursuant to Section 10091.8 they received approval to proceed with the project from a PFI or PFL, except for when: For projects financed with Microloans that include EEEMs not eligible for self install, work must be performed by a CSLB-licensed contractor.~~
- (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)(B).
- (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.
- ~~(f)(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.
- ~~(g)(e)~~ The ~~Participating Contractor-Borrower~~ must be provided ~~the Borrower~~ with a Bill Impact Estimate.
- ~~(f)~~ The Participating Contractor must ensure the following safety testing requirements are met:
  - ~~(h)(1)~~ Where a project includes ~~three or more EEEMs including at least one~~ either of the ~~measures~~ EEEMs described in ~~subsections (1) through (3) below 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.
    - ~~(1)(A)~~ Whole building air sealing.
    - ~~(2)(B)~~ Duct sealing and/or duct replacement.
    - ~~(3)~~ Attic insulation and air sealing.
  - ~~(i)(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 ~~performed~~ completed after the work is complete by a contractor who ~~is either~~ meets any of the following requirements:
    - ~~(1)(A)~~ a ~~Approved~~ to participate in an IOU, REN or CCA whole house retrofit program in the corresponding IOU territory; ~~or,~~
    - ~~(2)(B)~~ e ~~Certified~~ by the Building Performance Institute (BPI) as a Building Analyst, Envelope Professional, Heating Professional, Air Conditioning and Heat Pump Professional, or BPI GoldStar Contractor; ~~or,~~
    - ~~(3)(C)~~ e ~~certified through~~ 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).
  - ~~(j)(3)~~ ~~—In the event that~~ 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-~~(h)(1-3)(f)(1) shall~~ will arrange for the safety test, unless otherwise agreed upon by the Participating Contractors.

- ~~(k)(g)~~ ~~The Authority may conduct field verifications at the Eligible Property within one (1) year of enrolling the Eligible Loan to~~To ~~verify that the Eligible Improvements were installed in accordance with these regulations.~~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.
- ~~(l)(2)~~ The Authority shall notifyA field verification at the Eligible Property(ies) for which the Borrower shall be notified ~~at least ten-~~ (10) business days prior to conducting a ~~the~~ field verification.
- ~~(3)~~ Photo verification.
- ~~(m)~~ ~~Field verifications may be completed on a random sample of projects that have not received an IOU, REN or CCA energy efficiency rebate or incentive for each applicable EEEM installed. The frequency of the verifications shall depend on the Participating Contractor's participation in the Program and the type of Eligible Improvements installed:~~
- ~~(1)~~ ~~For projects that require a safety test pursuant to Section 10091.10(h), the Authority shall conduct field verifications according to the following tiers:~~
- ~~(A)~~ ~~Tier I: The Authority shall verify the Eligible Improvements of one hundred percent (100%) of projects performed by the Participating Contractor and funded by Enrolled Loans. Upon completing five (5) consecutive inspections with no substantive issues, the Authority will begin verifying the Participating Contractor's work according to Tier II as described in subsection (m)(1)(B) below.~~
- ~~(B)~~ ~~Tier II: The Authority shall verify the Eligible Improvements of twenty percent (20%) of projects performed by the Participating Contractor and funded by Enrolled Loans. Upon completing twenty (20) consecutive inspections with no substantive issues, the Authority will begin verifying the Participating Contractor's work according to Tier III as described in subsection (m)(1)(C) below.~~
- ~~(C)~~ ~~Tier III: The Authority shall verify the Eligible Improvements of five percent (5%) of projects performed by the Participating Contractor and funded by Enrolled Loans.~~
- ~~(D)~~ ~~If at any point the Authority finds substantive issues in the field verifications, the Authority shall provide written notice to the Participating Contractor of any issues that may need to be addressed. Upon the third such notice, the Authority shall begin verifying the Participating Contractor's work according to the previous tier.~~
- ~~(2)~~ ~~For projects that do not require a safety test, the Authority shall conduct field verifications on five percent (5%) of projects performed by the Participating Contractor and funded by the Claim Eligible Principal Amount of Enrolled Loans. If at any point the Authority finds substantive issues in the field verifications, the Authority shall provide written notice to the Participating Contractor of any issues that may need to be addressed.~~



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

~~(n)(h)~~ Except as set forth in subsection (1) below, Where Eligible Improvements are installed by a Participating Contractor, if the Authority finds that the Eligible Improvements were not installed in accordance with ~~these~~the requirements of this section or that the Participating Contractor misrepresented information related to the work, the Authority may ~~suspend~~remove the Participating Contractor from Program participation pursuant to the processes described in Section 10091.56 ~~of these regulations~~ and/or may notify other government agencies and ~~entities~~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 ~~entities~~utility providers.

~~(+)(j)~~ The following table designates the ~~Eligible Energy Efficiency Measures (EEEM)~~EEEMs for the Program ~~and the,~~ corresponding ~~minimum efficiency-~~ requirements ~~for each,~~ the fuel source eligibility and whether or not the measure. ~~In any situation in which the Title 24 requirement exceeds the specification in the table (for example certain climate zones with increased R-Value requirements) the EEEM is eligible for self-install. All measures must be installed to meet Title 20 or Title 24 requirements, when applicable.~~

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

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

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<u>Measure Category</u>	<u>Measure</u>	<u>Requirements</u>	<u>Fuel Source</u>	<u>Eligible for Self-Install</u>
<u>Appliances</u>	<u>Air Cleaner/Purifier</u>	<u>ENERGY STAR</u>	<u>Electric</u>	<u>Yes</u>
<u>Appliances</u>	<u>Clothes Dryer (Electric)</u>	<u>ENERGY STAR</u>	<u>Electric</u>	<u>Yes</u>
<u>Appliances</u>	<u>Clothes Dryer (Gas)</u>	<u>ENERGY STAR</u>	<u>Gas</u>	<u>Yes</u>
<u>Appliances</u>	<u>Clothes Washer</u>	<u>ENERGY STAR</u>	<u>Electric Gas</u>	<u>Yes</u>
<u>Appliances</u>	<u>Dishwasher</u>	<u>ENERGY STAR</u>	<u>Electric Gas</u>	<u>Yes</u>
<u>Appliances</u>	<u>Freezer</u>	<u>ENERGY STAR</u>	<u>Electric</u>	<u>Yes</u>
<u>Appliances</u>	<u>Induction Range or Cooktop</u>	-	<u>Electric</u>	<u>Yes</u>
<u>Appliances</u>	<u>Range Hood</u>	<u>ENERGY STAR</u>	<u>Electric</u>	<u>Yes</u>
<u>Appliances</u>	<u>Convection Oven (Electric)</u>		<u>Electric</u>	<u>Yes</u>
<u>Appliances</u>	<u>Convection Oven (Gas)</u>		<u>Gas</u>	<u>Yes</u>
<u>Appliances</u>	<u>Refrigerator</u>	<u>ENERGY STAR</u>	<u>Electric</u>	<u>Yes</u>
<u>Building Envelope</u>	<u>Air Sealing</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>Building Envelope</u>	<u>Attic Insulation</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>Building Envelope</u>	<u>Cool Roof</u>	-	<u>Electric</u>	<u>No</u>
<u>Building Envelope</u>	<u>Floor Insulation</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>Building Envelope</u>	<u>Heat Reflective Coatings</u>	<u>-Solar reflectance &gt; 0.5 as tested to ASTM C1549-16</u>	<u>Electric</u>	<u>No</u>
<u>Building Envelope</u>	<u>Insulated Siding</u>	<u>Siding panels with rigid foam insulation backing</u>	<u>Electric Gas</u>	<u>No</u>
<u>Building Envelope</u>	<u>Radiant Barrier</u>	<u>For attic installation only</u>	<u>Electric Gas</u>	<u>No</u>
<u>Building Envelope</u>	<u>Wall Insulation</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>Building Envelope</u>	<u>Window Coverings: Exterior</u>	<u>Solar screens, roller shade/shutters, louvered shutters, or awnings. Must be attached to the building structure.</u>	<u>Electric</u>	<u>No</u>
<u>Building Envelope</u>	<u>Window Coverings: Interior</u>	<u>Cellular shades, window quilts, or roman shades installed in a conditioned space and covering the entire window aperture. Not included: louvered blinds or shutters; drapes; curtains; sheer, roller, or pleated shades; solar screens.</u>	<u>Electric Gas</u>	<u>Yes</u>

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<u>Building Envelope</u>	<u>Window Film</u>	<u>May only be installed in conditioned spaces.</u>	<u>Electric Gas</u>	<u>Yes</u>
<u>Building Envelope</u>	<u>Windows</u>	<u>May only be installed in conditioned spaces.</u>	<u>Electric Gas</u>	<u>No</u>
<u>Demand Response</u>	<u>Thermal Energy Storage (TES) System</u>	<u>Must be used for the purpose of permanent load shifting (PLS)</u>	<u>Electric</u>	<u>No</u>
<u>HVAC</u>	<u>Air Filter Alarm or Sensor</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>HVAC</u>	<u>Air Filter Upgrade - MERV</u>	<u>MERV 13 air filter upgrade. Must be installed with an ECM fan motor and a filter sensor or alarm.</u>	<u>Electric Gas</u>	<u>No</u>
<u>HVAC</u>	<u>Central Air Conditioning Unit</u>	-	<u>Electric</u>	<u>No</u>
<u>HVAC</u>	<u>Central Heating and Air Conditioning System</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>HVAC</u>	<u>Diagnostic or Fault Detection Alert Systems</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>HVAC</u>	<u>Duct Insulation</u>	-	<u>Electric Gas</u>	<u>Yes</u>
<u>HVAC</u>	<u>Duct Sealing</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>HVAC</u>	<u>Duct Sizing or Optimization</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>HVAC</u>	<u>ECM Furnace Fan Motor</u>	-	<u>Electric</u>	<u>No</u>
<u>HVAC</u>	<u>Evaporative Cooling</u>	-	<u>Electric</u>	<u>No</u>
<u>HVAC</u>	<u>Fan or Motor Control</u>	-	<u>Electric</u>	<u>No</u>
<u>HVAC</u>	<u>Furnace - Residential</u>	-	<u>Gas</u>	<u>No</u>
<u>HVAC</u>	<u>Heat Pump</u>	-	<u>Electric</u>	<u>No</u>
<u>HVAC</u>	<u>HVAC Tune-up and Optimization</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>HVAC</u>	<u>Hydronic Radiant Heating</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>HVAC</u>	<u>Mini Split</u>	<u>18 SEER or greater</u>	<u>Electric</u>	<u>No</u>
<u>HVAC</u>	<u>Mini Split Air Conditioning System</u>	<u>18 SEER or greater</u>	<u>Electric</u>	<u>No</u>
<u>HVAC</u>	<u>Smart Thermostat</u>	<u>Programmable and communicating thermostat</u>	<u>Electric Gas</u>	<u>Yes</u>
<u>HVAC</u>	<u>Ventilation Fan</u>	<u>ENERGY STAR</u>	<u>Electric</u>	<u>No</u>
<u>HVAC</u>	<u>Wall Furnace</u>	-	<u>Gas</u>	<u>No</u>
<u>HVAC</u>	<u>Whole House Fan</u>	-	<u>Electric</u>	<u>No</u>

**Agenda Item – 4.C**  
**Resolution No. 22-02-4.C**

<u>Lighting</u>	<u>LED Lighting</u>	<u>LED lighting bulbs and fixtures. Must be ENERGY STAR Certified. Recessed light fixtures in insulated ceilings must be rated ICAT (insulation contact air tight)</u>	<u>Electric</u>	<u>Yes</u>
<u>Lighting</u>	<u>LED Tape Lighting</u>	-	<u>Electric</u>	<u>Yes</u>
<u>Other</u>	<u>Other Measures Qualifying Through IOU/REN/CCA Programs</u>	<u>Measure not elsewhere on this list that qualifies for an IOU/REN/CCA energy efficiency or demand response program.</u>	<u>Electric Gas</u>	<u>No</u>
<u>Other</u>	<u>Other Measures Qualifying Through IOU/REN/CCA Programs - Self Install</u>	<u>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.</u>	<u>Electric Gas</u>	<u>Yes</u>
<u>Pool Products</u>	<u>Pool Cover (Electric Heater)</u>	-	<u>Electric</u>	<u>Yes</u>
<u>Pool Products</u>	<u>Pool Cover (Gas Heater)</u>	-	<u>Gas</u>	<u>Yes</u>
<u>Pool Products</u>	<u>Pool Pump Motor</u>	<u>ENERGY STAR</u>	<u>Electric</u>	<u>Yes</u>
<u>Water Heating</u>	<u>Faucet Aerator</u>	-	<u>Electric Gas</u>	<u>Yes</u>
<u>Water Heating</u>	<u>Heat Pump Water Heater</u>	<u>ENERGY STAR</u>	<u>Electric</u>	<u>No</u>
<u>Water Heating</u>	<u>Pipe Insulation</u>		<u>Electric Gas</u>	<u>Yes</u>
<u>Water Heating</u>	<u>Shower Head - Low Flow</u>	-	<u>Electric Gas</u>	<u>Yes</u>
<u>Water Heating</u>	<u>Shower Thermostatic Valve</u>	-	<u>Electric Gas</u>	<u>No</u>
<u>Water Heating</u>	<u>Tank Insulation</u>	-	<u>Electric Gas</u>	<u>Yes</u>
<u>Water Heating</u>	<u>Tank Water Heater (Gas)</u>	<u>ENERGY STAR</u>	<u>Gas</u>	<u>No</u>
<u>Water Heating</u>	<u>Tankless Water Heater (Electric)</u>	-	<u>Electric</u>	<u>No</u>
<u>Water Heating</u>	<u>Tankless Water Heater (Gas)</u>	<u>ENERGY STAR</u>	<u>Gas</u>	<u>No</u>

Authority: Section 26009, Public Resources Code

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

**§10091.11. Reporting.**

- (a) PFIs, PFLs, and Successor Servicers ~~shall~~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.
- ~~(1) — These reports shall~~ The report will include the ~~name and Program Participation ID of the PFI, PFL, or~~ and Successor Servicer ~~and the 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 information for each Enrolled Loan:~~
- ~~(A)(1) The CHEEF Loan ID number.~~
  - ~~(B) — The Original Claim-Eligible Principal Amount.~~
  - ~~(C) — The original Total Loan Principal Amount.~~
  - ~~(D) — Any changes in maturity date.~~
  - (2) PFI, PFL, and Successor Servicer internal ID for the Enrolled Loan.
  - ~~(E)(3) The e~~C~~urrent~~ outstanding Total Loan Principal Amount.
  - ~~(F)(4) Loan status,~~ including whether a loan is current; 30, 60, ~~or 90,~~ or 120 days past due; paid in full; or charged off.
    - ~~(G) — Date(s) of charge-off, for any charge-offs and indication if enforcement proceedings have begun.~~
    - ~~(H) — Any inchoate losses or acceleration notices.~~
    - ~~(I) — Amount of any recoveries or proceeds from charged-off loans.~~
  - (5) Updated interest rate, if applicable.
  - ~~(J)(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.
  - ~~(2)(7)~~ Closed Enrolled Loans shall be reported in the month the Borrower pays or the PFI, PFL, or Successor Servicer charges off the loan ~~as a zero balance~~. Once the PFI, PFL, or Successor Servicer has reported the Enrolled Loan as ~~having a zero balance~~ paid-off or charged-off, it does not need to be included on future monthly reports.
- (b) ~~No later than January 15th of each year:~~ 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) PFI, PFL, and Successor Servicer ~~shall~~will provide ~~an annual~~ report to the Authority ~~on any 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 ~~indicating on any subsequent updated certifications or approved product modifications, or indicate~~ that all statements made ~~in the application~~ remain materially unchanged.
  - (2) ~~Reaffirm or note any change to licenses and insurance provided in the initial application to participate.~~
  - (2) ~~PFLs and Successor Servicers that are Eligible Finance Lenders shall also provide written evidence of current licenses and insurance.~~
- (d) ~~If a~~ PFI, PFL, and Successor Servicer ~~will report to the Authority when the~~ PFI, PFL, or Successor Servicer ~~becomes~~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 PFI, PFL, or Successor Servicer shall inform the Authority in writing. The report must be submitted within thirty (30) calendar days of~~ such that action.
  - (d)(2) ~~If a PFI, PFL, or Successor Servicer changes~~ Changes the ~~loan term~~terms of an Enrolled Loan within the allowed term of enrollment in the Program, ~~the PFI, PFL, or Successor Servicer. The report must notify the Authority be submitted in the subsequent monthly report. Under no circumstances shall the~~ The Authority will not provide additional Loss Reserve Contributions for an Enrolled Loan whose loan term has changed, ~~nor will the Authority or~~ extend the time for which a claim may be filed beyond the fifteen (15) years set forth in Section 10091.8(m)7(c).
  - (e)(3) ~~If a PFI or PFL has a change of~~ Changes the servicer of an Enrolled Loan, without selling the Enrolled Loan, ~~the PFI or PFL shall notify the Authority. The report must be submitted~~ at least ten (10) business days prior to the new entity assuming the servicing of the Enrolled Loan(s). ~~Such~~ The notification should include the date on which the change in servicing shall be effective and contact information for the new servicer.
  - (f)(4) ~~If a PFI, PFL, or Successor Servicer charges~~ Charges off an Enrolled Loan, ~~the PFI, PFL, or Successor Servicer shall notify the Authority. 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:
- ~~(a) In such cases, the PFI or PFL shall:~~
- (1) ~~retain~~Retain all reporting obligations relative to participation in the Program as set forth in Section 10091.11, unless a new servicer has agreed to do so pursuant to ~~subsection (b) below;~~Section 10091.12(b).
  - (2) ~~remain~~Remain the sole entity that can file a claim for reimbursement from the loss reserve pursuant to Section 10091.9; unless a new servicer has agreed to do so pursuant to ~~subsection Section 10091.12(b) below; and.~~
  - (3) ~~report~~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 ~~subsection Section 10091.12(c) below~~ may also assume new servicing responsibility for existing Enrolled Loans. In ~~such~~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. ~~Such~~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) ~~above~~, and prior to the transfer of Loss Reserve Contributions for all listed Enrolled Loans, the new servicer shall notify the Authority in writing that ~~it~~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 ~~in a form to be specified by the Authority:~~
- (1) Name and address of the Eligible Financial Institution or Eligible Finance Lender.
  - (2) Name, business address, business telephone number, e-mail address, and title of contact person.
  - (3) Type of Eligible Financial Institution or Eligible Finance Lender, denoting insured depository institution, insured credit union, community development financial institution, or California Finance Lender or other.



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- (4) Names of the regulatory agency and the insuring agency to which the Eligible Financial Institution or Eligible Finance Lender is accountable and license number(s), if applicable.
- (5) Certification that the Eligible Financial Institution or Eligible Finance Lender is not subject to a cease and desist order or other regulatory sanction from the appropriate federal or state regulatory body, ~~which~~ 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 ~~such~~ 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) ~~above~~.
- (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 ~~CAEATFA~~ the Authority or another IOU to pursue ~~such~~ 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 ~~CAEATFA~~ 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~~ 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~~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~~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; ~~and/or~~;
  - (iv) ~~arising~~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~~The energy efficiency improvements funded through the Enrolled Loans supported through the Loss Reserve Accounts;
  - (ii) ~~the~~The assessment of potential benefits and costs associated with those improvements;
  - (iii) ~~the~~The qualification of PFIs, PFLs, or Successor Servicers;
  - (iv) ~~the PFI, PFL~~The PFI's, PFL's, or Successor Servicer's marketing, and lending policies and practices; ~~or~~;
  - (v) ~~CAEATFA's~~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) — The application shall include a certification that all of the information provided is true and accurate to the best of the signatory's knowledge.~~
- ~~(13)~~(12) Eligible Finance Lenders seeking to enroll as a Successor Servicer must also submit evidence of compliance with ~~or a certification that the Eligible Finance Lender meets~~ the additional requirements specified in ~~Sections~~Section 10091.3(a), (b), (c), and (d)(4)-(5), as well as (e), (f), (g), and (h)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, ~~the Authority will,~~ 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-~~assigned identification number~~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. ~~Such~~That notice ~~shall~~will specify either of the following:
- (1) ~~That the~~The PFI, PFL, or Successor Servicer waives any further interest in the Loss Reserve Account(s) and the reason for the ~~PFI, PFL~~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, PFL~~PFI's, PFL's, or Successor Servicer's portfolio ~~or~~;
  - (2) ~~That the~~The PFI or PFL will not enroll any further loans under the Program, but that the Loss Reserve Account(s) shall continue in existence to secure all Enrolled Loans that were enrolled prior to ~~such~~that notice and the reason for the PFI's or PFL's withdrawal from the Program.
- (b) For any ~~such~~ notice received pursuant to Section 10091.13(a)(1), the remaining balance in the PFI, PFL, or Successor Servicer's Loss Reserve Account(s) shall be distributed to the appropriate ~~IOU-PFI, PFL or Successor Servicer Loss Reserve Account(s) or~~appropriate Program Holding Account(s) ~~(s)~~. ~~IOU.~~
- (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;~~ ~~or~~;
  - (2) Failure of the PFI, PFL, or Successor Servicer to abide by the Law or this Article ~~;~~ ~~or~~;
  - (3) Failure of the PFI or PFL to enroll any Eligible Loans under the Program for a period of one (1) year ~~;~~ ~~or~~;
  - (4) Failure of the Successor Servicer to undertake the servicing of any Enrolled Loans purchased pursuant to Section 10091.12 for a period of one (1) year ~~;~~ ~~or~~;
  - (5) Failure of the PFI, PFL, or Successor Servicer to report to the Authority pursuant to Section 10091.11 for sixty (60) calendar days.
  - (6) Provision of false or misleading information regarding the PFI, PFL, or Successor Servicer to the Authority, or the failure to provide the Authority with a notice of material changes in the submitted information regarding the PFI, PFL, ~~or Successor Servicer.~~
  - (7) ~~In the event of such~~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 ~~shall~~will continue to be covered by the Loss Reserve Account(s) until ~~they~~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, PFL~~PFI's, PFL's, or Successor Servicer's Loss Reserve Account(s) may be distributed to the appropriate ~~appropriate IOU~~-Program Holding Account~~(s)(s)-IOU~~.

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 ~~he or she~~ has they have read and ~~acknowledges~~acknowledged the following privacy rights disclosure in a ~~form to be specified~~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)~~(A) Information disclosing the fact that you are a customer of the lender.
- ~~(b)~~(B) The loan or account number associated with the loan.
- ~~(c)~~(C) Name, address, social security number, and contact information.
- ~~(d)~~(D) Financial status and underwriting criteria, including 2 but not limited to 2 credit scores.
- ~~(e)~~(E) The amount of and terms for the repayment of the loan.
- ~~(f)~~(F) Information regarding your loan payment history.
- ~~(g)~~(G) Details about your project, including contractor information and information regarding t~~The equipment or improvements funded with~~

- the proceeds of the loan, including costs, permit information, and shipping dates.
- ~~(h)~~(H) Service agreement Utility account number(s) on your utility bill,  
monthly energy use and utility account payment history.
- ~~(i)~~(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 contractor/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 ~~the~~ Investor Owned Utilities (IOUs), 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), The information provided to CAEATFA may will be released 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.
- ~~(ed)~~ 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, the ~~IOUs~~ your utility(ies) or CPUC or individuals acting on their behalf to contact Borrowers. The purpose of the release ~~of and~~ 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.
- ~~(fe)~~ The officials responsible for maintaining the information provided regarding your loan are program personnel at ~~the agency~~ CAEATFA or its contractors. You have the right of access to records established from the information provided to ~~the agency~~ 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 non IOU ratepayer funding becomes available from a non-IOU Energy Efficiency ratepayer source, the Authority shall do all of the following:
- (1) Establish one or more non IOU program holding account(s) to hold the additional funding allocated for the Loss Reserve Contributions.

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- (21) 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.
- (32) 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.
- (43) 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.
- ~~(5) Make Loss Reserve Contributions on a first-come, first-serve basis for loans that include equipment as described in Section 10091.16(a)(3) from the program holding account(s) described in Section 10091.16(a)(1)~~

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