

## MASS SOLAR LOAN FREQUENTLY ASKED QUESTIONS

### General Program Questions

- **A system owner is not eligible to participate if the 'Authorization to Interconnect letter' has already been obtained from the Utility. What is this document?**

The **Authorization to Interconnect** is a document issued by the Utility during the interconnection process indicating that a net meter has been installed and the customer may energize the PV System. Please note this is not to be confused with the **Conditional Approval to Interconnect**, which is obtained earlier in the process and serves as indication from the utility to move forward with construction of the PV system.

- **Can I forfeit my Commonwealth Solar II rebate application and apply for that project under the Mass Solar Loan program?**

No. Solar PV projects that are not yet connected but have been approved for a rebate through the MassCEC Commonwealth Solar II program or through the Solarize Mass program are NOT eligible to participate under the Mass Solar Loan program (please see page 16 of the Program Manual). Approved rebates reserved public funds that would have otherwise been available to residents who wanted to move forward with solar, but could not because the program was fully subscribed. In efforts to best leverage public funding, residents would be only be eligible to participate in the program for a new, separate project under the following circumstances:

- An installation at a different property, or
  - An installation by a different installer, or
  - A project at the same site and with the same installer in which the solar loan technical application is received no earlier than six months after the forfeiture or completion of a CSII or Solarize rebate.
- **I have heard that the net metering cap has almost been met. Does that affect this program? Are they going to be increased?**

The net metering caps are being reached in certain utility territories, but residential systems under 10 kW are exempt from these caps. As a residential solar program, the majority of eligible systems under the Mass Solar Loan program will be below this threshold and will therefore be unaffected by the caps. More information about net metering caps can be found at: <http://www.massaca.org/>

- **What happens if a project takes more than 12 months and no extension has been requested and then is completed after the 12-month period?**

It is the responsibility of the system owner and installer to meet the 12 month deadline, or, in the event the deadline cannot be met, to request an extension. MassCEC will send automated communications to system owners and installers as unfinished projects near the 12-month deadline. Installers are encouraged to respond promptly to MassCEC emails regarding potential project extensions. If a project does reach the deadline and the installer has not communicated with MassCEC about an extension request, the project will no longer be eligible to receive program loan support.

- **How are installers vetted?**

Participating installers go through a process to become **Expedited Installers** under the program. Becoming an expedited installer requires new installers to complete the **Crawl Before You Walk** process, in which a technical consultant verifies that the installer follows industry standard system-design practices. The **Crawl Before You Walk** process also includes a final inspection of the installer's first installed system to ensure it meets program technical requirements. More details on Solar Installer Eligibility and this process can be found in Attachment D of the Program Manual.

- **Who would handle conflicts between the installer and the owner if they should come up?**

Conflicts between the installer and system owner would be handled outside of the program in the same fashion as a typical contractor-customer dispute. This could potentially include the customer's rights under the State Home Improvement Contracting law.

- **What are the timelines for review and approval of an application?**

MassCEC review timelines are as follows. Please note that these timelines are for complete applications not requiring any clarification or follow-up, and are subject to change based on program volumes.

- Technical Application Approval – Up to 15 Business Days
- Loan Support Application Approval – Up to 15 Business Days
- Project Completion Approval – Up to 15 Business Days

- **Can an application be approved that is pending tree removal or an updated shading analysis to be submitted at project completion?**

No. A technical application will be approved only if it demonstrates the 70% of optimal threshold requirement, validated by an approved and accurate shading analysis. All trees or obstructions as they currently stand must be included in that analysis. An application will not be approved if it is pending an Updated shading analysis at Project Completion. The analysis must meet the Minimum Technical Requirements as outlined in Attachment D of the Program Manual upon submittal of the Technical Application.

Customers who are hesitant to remove trees prior to securing financing are welcome to talk to participating lenders regarding a 'pre-approval,' however Technical Confirmation cannot be issued and the lender cannot fully underwrite and close on the loan until after the production threshold has been demonstrated.

- **I live in a Municipal Light Plant territory. Can I take advantage of the Mass Solar Loan program?**

Yes. Because of the funding source for this program, Municipal Light Plant (MLP) territories are eligible to participate. Residents and installers should ensure that the MLP allows solar to interconnect to their grid and should familiarize themselves with net metering and other incentives specifically available in the MLP territory.

- **Who is considered a 'Household Member' and/or should be counted in the 'Household Size'?**

The Household Member definition is based on the US Census bureau definition and would include any person occupying (living in) the system owners household. If you would include the person when filling out a US Census form they should be included here.

As part of the Income Verification application, system owners will indicate the number of 18+ Household Members, as well as the number of Under 18 Household Members. The total of these two values will determine your total Household Size, and income from all 18+ Household Members will be included in the verification.

- **How can I check on the status of an Income Verification application?**

Using the log-in information created when first stating the Income Verification process at <http://masscecoverify.com/>, system owners can log in to that system to view the current status of their verification. Installers wondering about the status of a particular customer should contact that customer directly for them to check their status within <http://masscecoverify.com/>.

Please note that it usually takes 5-10 business days for the IRS to return the system owner's income.

- **How does the Income Based Loan Support Payment work, when will the customer see that benefit?**

At project completion, when the documentation is reviewed and approved by MassCEC, the Project Completion notice will indicate the IBLs and other loan support payments reserved for this project. The IBLs payment is paid directly to the Lender, who applies the payment to the principal of the loan. For the majority of lenders, when they receive the IBLs payment, they will reach out to the customer to determine if the customer would like to use that payment to re-amortize to a lower monthly payment or simply lower the principal and keep payments the same.

Payments to lenders occur on a monthly cycle, based on projects that received their project completion approval email in the prior month. Payments usually take around 1 full month to process. For example, for projects where project completion was approved in May, the associated payments would be sent around the end of June, and allowing time for mail and processing would likely be applied to the loan in early July. This means the IBLs payment for a project approved May 1<sup>st</sup> would be received by the lender approximately 8-10 weeks after approval (4-6 weeks for a project approved May 30<sup>th</sup>).

- **Can I use Aurora for a solar shade analysis?**

Yes, as of July 25<sup>th</sup> 2016, Aurora is an accepted shading analysis tool for the Mass Solar Loan program, **provided the project site has LIDAR data available**, and that the built in shading analysis from Aurora is provided. Sites lacking LIDAR data will still have to provide an analysis from an on-site based tool.

Please note that MassCEC still recommends conducting a site visit for system design purposes before submitting a technical application. Having accurate anticipated project information is an important piece of the Technical Application and once the loan has been closed any changes to the system design that result in an increased project cost cannot be added to the program loan amount.

- **What is the historical usage field, and when do I need to submit a customer Attestation to Oversized System and Intent Not to Sell Net Metering Credits?**

The historical usage field in the portal should be the installer's estimate of the customer's annual electricity load. This is often based on the historical electricity usage shown on the customer's utility bill. When submitting an application, the portal uses this field and the proposed system size to determine the proposed-electricity-generation to historical-electricity-used ratio. If this ratio is over 125%, an attestation is required.

For new construction or newly purchased homes without much historical data, the installer should still enter their estimate of the customer's anticipated annual load. If the system is tied to one meter but will be serving multiple accounts, the full estimated annual load should be listed. For example, if a system is tying to a garage meter but virtual net metering to the main home, the estimated annual load should include both the garage and main home.

- **Is there an example “Attestation to Oversized System and Intent Not to Sell Net Metering Credits”?**

When applicable an attestation/signature from the customer will be required on the Technical Application Summary document. If needed, a template of a standalone attestation can be found [here](#).

- **Are projects located on new construction eligible?**

Yes, systems being purchased for new construction are eligible. If the customer does not yet have a utility bill for the site, they must provide documentation from the utility that service has been obtained for that site (preferably noting the meter number), or that a service request has been granted approval. A copy of the utility bill verifying the meter number and rate code will be required at completion. You must also be able to produce an accurate shade analysis for the new construction site at the time of Technical Application.

Please note that all projects must be completed within one year of the Loan Support Approval date. System owner and installer should be confident with new construction projects that the system can be installed and interconnected within that timeframe. Construction delays would not guarantee that the project is eligible for an extension of that timeline.

- **What if the project will cost more than \$60,000?**

The program was designed to support smaller residential scale systems. Therefore, projects that cost more than \$60,000 for any reason are not eligible to receive a loan under the program. In the event that you submit an application with a project cost of greater than \$60,000, it will not be approved. If you submit an application with project cost of \$60,000 or lower, and then once approved, you submit a Turnkey Contract for over \$60,000, the project will no longer be eligible for a loan and the system owner will have to remit any funds already dispersed even in those instances when system owner is willing to pay the difference out of pocket. As noted in the Program Manual, we use the Turnkey Contract as proof of total cost of a project.

## Lender Related Questions

- **How will a lender know if a potential borrower is in fact participating in the Mass Solar Loan program and is eligible for loan support?**

Borrowers who are participating in the program will provide lenders with a *Technical Confirmation* document. This document will have basic project parameters and will indicate that the project meets program requirements.

- **If lenders establish a construction period of 12 months and the project is completed in 6 months, do loan payments change from interest only to principal and interest then or at the end of the 12-month period?**

Loans would change to full principal and interest whenever the project is completed and the second loan disbursement is released.

- **Lenders have to offer at least one ten-year term. If a lender sets the interest only period at 12 months is it 9 years for full amortization or is it actually an 11 year loan?**

The 12-month interest only period is not considered part of the ten-year loan term.

- **Is it possible for Lenders to secure interest of a loan through lien on the property?**

Yes, lenders have the option to offer secured and unsecured loans, including loans secured on personal property or real property.

Lenders are not permitted to require any contract or hold any security interest in a PV system for a period longer than the term of the loan or that cannot be terminated by the customer when the loan is paid off in full.

- **Can the lender decide to not participate in Community Shared Solar (CSS) projects and only offer the loans to on-site installations?**

Yes. Lenders are free to determine if they are willing to loan to customers participating in a Community Shared Solar project.

- **Does the required “one-time re-amortization” of the loan apply to the Income Based Loan Support principal buy down?**

The customer should check with the lender. It is anticipated that once the Income Based Loan Support payment has been made, that the borrower would have the option to re-amortize based on that reduced principal, and this would not count as the borrower’s one-time amortization within 18 months. However, the program only requires lenders offer one free re-amortization, so customers should confirm this when deciding which lender to work with.

- **Can I get a Mass Solar Loan to refinance a loan that I already have on an existing project?**

No. The Mass Solar Loan program is for new projects only—those that have not been installed and interconnected to the grid.

- **As a system owner receiving a Mass Solar Loan, am I eligible to receive other incentives, such as the state and federal tax credits?**

Yes. We encourage system owners to take advantage of all financial incentives available for solar.

- **Can lenders work with third parties (loan originators) to facilitate their participation in the program?**

Participation of third parties serving as loan originators is not prohibited under the program. Any entity or individual acting as a loan originator under the program is required to be in compliance with all relevant state and federal laws and regulations.

It is expected that lenders will consider all resident applications (with Technical Confirmations) that are presented to them regardless of whether they originate from a specific third party. In the interest of having an open and inclusive program, lenders are discouraged from having **exclusive** relationships with particular solar installers, groups of installers, loan originators or other entities. All lenders participating in the program will be listed on the Mass Solar Loan website and will be expected to accept loan applications for review in a non-discriminatory manner.

Participating lenders are responsible for ensuring that any costs directly or indirectly associated with Mass Solar Loan program loans are clearly disclosed to participants. Direct or indirect fees or charges paid by borrowers associated with third parties, along with any fees imposed by the lender, may not exceed \$500 per program loan. Please note, charges paid by solar installers to third party financial facilitators that are included in system or financing costs must be disclosed by lenders to residents. Failure to disclose such charges will be grounds for removal from the program.

- **Can Financing Costs be included as Eligible Project Cost?**

No, any costs associated with financing should not be included as eligible project costs. This would include fees charged by third party loan facilitators. All closing costs and other fees cannot exceed \$500.

- **Can a lender compensate installers for directing customers to their product?**

No. In the interest of maintaining an open and competitive market for participants of the program, Lenders are not permitted to provide benefits in the form of payments or otherwise to installers in exchange for directing customers to use that lender’s product or promoting that lender’s product in any way.