

## 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.

## 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.

- **Should a home sell prior to a solar project being paid off and the new owner does not want to take on the loan, what protects the debt owed on the project?**

This process should be treated like any other loan and participating lenders should follow their standard processes. It is also anticipated that, like most other home improvement loans, the proceeds of the home sale could be used to pay off any outstanding debts.

- **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 (P&I) 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.

- **Is it the lender's responsibility to determine a loan's eligibility for the Loan Loss Reserve?**

Yes. It is the lender's responsibility to determine the borrower's FICO score (and corresponding class). Lenders should input a customer's loan category into the online application portal when they reserve loan support for a project.

- **If there is more than one applicant, or more than one credit score (for example two applicants, and/or credit reports and scores from each of three credit bureaus), what score is the lender required to use to determine eligibility for the Loan Loss Reserve (LLR)?**

The lender may choose which credit score to use in determining the class of the loan.

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

No. 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, however this would not count as the borrower's one-time amortization within 18 months.

- **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 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.