



FAQs about our Green Loan Program

Second Mortgage Energy Efficiency Loans for Maine's Nonprofits

What type of nonprofit organization is eligible?

Maine nonprofits (501(c) 3) that provide affordable, supportive, elderly housing or own facilities that provide social services for underserved people and communities are eligible.

What type of renovation is eligible?

Renovations and upgrades that directly increase energy efficiency as well as environmental quality and safety related to those improvements are eligible. Items such as new insulation, replacement windows and doors, energy efficient furnaces, exhaust fans, CO2 alarms and similar improvements are covered.

How does the process work?

The Genesis Fund has established a partnership with an experienced energy audit provider, Horizon Energy of South Portland. The cost of the audit - \$500 to \$700 or higher for multi-unit properties – is the responsibility of your organization.

After Horizon Energy conducts the audit on your building(s), it will provide a thorough report with detailed recommendations and multi-year projected cost-savings to be gained if the recommendations are carried out.

The audit report can be used to provide specifications to obtain bids from a list of recommended, experienced contractors.

The Genesis Fund will review the audit report and if significant cost savings can be achieved by making the recommended upgrades and if your organization meets our lending criteria, the Genesis Fund will provide a loan to finance the renovation.

When the work is completed, there is a follow-up review by Horizon Energy to confirm that the work was performed to specifications.



What is the cost of borrowing from the Genesis Fund?

There is a 1% origination fee to the Genesis Fund and a recording fee usually under \$50. There will be no legal fees as we will use simple and standardized mortgage documents. Currently our rates on these loans are 6.5% fixed for 10 years. This will allow you to lock in your savings through a reasonable pay back period. The cost of the audit is based on the square footage of the evaluated buildings.

What if HUD has restrictions on the property that do not allow a second mortgage?

If you have multiple buildings that qualify, the Genesis Fund will put the second mortgage on another non-HUD financed building, thereby allowing your organization to address the energy efficiency on the HUD financed property.

Do we have to get an appraisal and provide extensive documentation?

No. With our simple energy loan application and your completed energy audit, you just need to submit your last audited financial statements, the town's tax valuation statement, year-to-date financial statements, evidence of insurance and the legal property description.

What kind of savings do you anticipate?

Here is an example of how this program might work: A small, supportive housing building built ten or more years ago without energy efficiency measures is currently paying \$3.00 per gallon oil. The energy audit indicates



with remediation your organization will realize a savings of between \$250 to \$500 a year on energy costs after paying the cost of the loan. Additionally you will have better air quality and safety. If oil prices go beyond \$3.00 per gallon, you will save even more. You also may save money on maintenance if you currently have any problems with freezing pipes and ice dams. The money your organization saves by achieving energy efficiency allows you to increase your net income.

Can the Genesis Fund help if our facility needs improvements beyond those that boost our energy efficiency?

The Genesis Fund anticipates that most green loans will be in the range of \$8,000 to \$15,000 and no greater than \$50,000. If your organization's need includes additional work – roofs, foundation work – or if you have need of other financial assistance such as working capital or refinancing of existing loans, we encourage you

to contact us about a customized loan package beyond the green loan program. Such a loan would be handled through our regular underwriting and approval process.

Where does the Genesis Fund get funds to make green loans?

The Genesis Fund is a community loan fund with more than \$4,000,000 in its pool of lending capital. The funds come from individual investors and institutions as well as government and private foundation grants. Our investors are motivated by their concern about safe, stable and affordable housing and community development in Maine. Learn more about the work of the Genesis Fund at www.genesisfund.org.