

Frequently Asked Questions



- **Who is eligible?**

- All homeowners who are making qualifying improvements to their primary residence or vacation home (1 to 4 unit on permanent foundation).
- Good credit and the ability to repay are required. All income levels are eligible.

- **What improvements are eligible?**

- All makes and model are eligible
- Additional work can be included if at least 50% of the project is:
 - Heating & Cooling - gas, electric, oil, wood, pellet heating and air conditioning systems
 - Windows, Doors, Siding & Roofing
 - Air Sealing & Insulation
 - Electrical, Plumbing, Kitchens & Baths including lighting and controls, generators, water heaters, water treatment
 - Home Performance with ENERGY STAR®
 - Geothermal, Solar & Other Energy Projects

- **May the contractor assist the homeowner to apply?**

All loans are direct loans to the homeowner but we encourage NEIF-Approved Contractors to utilize their custom portal link on their phone, tablet or laptop to make the process faster and more efficient for their customers.

Frequently Asked Questions



- **How long does the initial approval take?**

Applications are decisioned instantly. Customer and Contractor are notified on-screen and via email and the application status is available immediately in the contractor's portal. Typically, applications require no further information from the customer, and final approval is issued once the contractor has provided us with their contract or proposal showing qualifying improvements and final price. Our Energy Lending Specialists work to assist consumers and contractors in expediting applications to final funding.

- **What are the credit standards?**

The program has broader approval standards than most home equity, mortgage or traditional bank guidelines. Borrowers require an average or above average minimum credit score and the ability to repay. Typically our "True Fixed Rate" program appeals to a more energy and credit-savvy borrower, regardless of income level. Our average credit score is in the 680 to 720 range and we work to maximize approvals. Contractors who market to energy-aware consumers, and who don't "self select" (they offer a monthly payment option to all customers rather than just those they "think" need financing – similar to the way cars are sold) generally experience a higher approval percentage.

- **How long is the credit approval good for?**

Homeowners have 120 days to have the work completed and loan funded before their credit and application would need to be updated. We do need to hear from the contractor or consumer within 30 days from approval that the job is progressing and active, otherwise the application will be withdrawn.

Frequently Asked Questions



- **How do customers sign the loans document and what is in the loan document package?**

Customers will receive an eSign packet from NEIF via the email address provided on the loan application. The Note, Notice of Right to Cancel, loan application, and privacy policy are sent for electronic signature. Loan documents expire at midnight EST and if not signed, new documents will need to be issued by NEIF.

- **How are contractors paid?**

Contractors are paid directly by ACH. Funds are transferred two business days after we receive the signed completion certificate, but no sooner than three days from the date initial loans documents are issued (seven days in Maryland because of Right to Cancel law).

- **What does the NEIF Home Energy Improvement Plan program cost the contractor to use?**

NEIF is 100% committed to fair lending principles, proper compliance and alignment with contractors who operate with the highest integrity. That's why we don't offer high-fee programs to contractors which can sometimes be viewed as non-compliant hidden finance charges, or charge customers additional fees.

NEIF Home Energy Improvement Plan has two simple contractor plans: 1) a Ten Year Fixed Low Payment Plan (which is the standard plan that all contractors are approved to offer and 2) an optional One Year Zero Percent Plan. There is no buydown charge to the contractor for the Ten Year Fixed Loan Payment Plan. There is a \$149 per loan funding fee (similar to a credit card processing fee) that will be deducted from payment to the contractor. If a contractor opts to offer the One Year Zero Percent Plan there is an interest rate buydown charge (the cost of reducing the interest rate from our standard rate to zero percent) of 5.99% of the loan amount and the \$149 funding fee that will be deducted from payment to the contractor.

Frequently Asked Questions



- **Can the contractor collect deposit money up-front?**

Absolutely. Many of our Approved Contractors require deposit money to purchase material or to address other cash flow needs. NEIF can finance the entire job and the contractor can refund the customer deposit upon our payment or just have the customer finance a portion of the job. It's your and the customer's choice. NEIF will verify a refund has been issued before releasing funds if the customer is borrowing the full project amount and you have requested a down payment.

- **What if the amount of the job changes?**

The Contractor uploads the revised contract to our portal and notifies us via the portal message center of the change and we will redo the loan documents if necessary.

- **What makes the NEIF Home Energy Improvement Plan different from traditional dealer financing?**

The NEIF Home Energy Improvement Plan is an easy-to-explain monthly payment plan based on fair lending principles, designed specifically for energy related home improvements. At its core is "True Fixed Rate" pricing. Many competitive lending options are adjustable rates (even some that appear to be fixed rate but can change to a higher default rate after a promotional period or under certain circumstances), similar to credit cards. NEIF Home Energy Improvement Plans are simple interest, fixed rate installment loans with no fees to the borrower and no pre-payment penalties. The interest rate is locked in for the full term of the loan.

NEIF also follows fair lending practices of the same rate for all qualifying borrowers. Most market-based consumer lending products involve risk-based pricing where interest rate is determined by credit score. All borrowers who are approved for a NEIF Home Energy Improvement Plan receive the same rate and term options. This mitigates fair lending concerns and also presents a simpler sales presentation for the contractor.

Frequently Asked Questions



- **What is the advantage of offering the NEIF Home Energy Improvement Plan vs. a Home Equity Loan?**

Home Equity Loans are a good option if a homeowner already has a line of credit in place or if time is NOT of the essence ...and if the homeowner actually has equity in their home, and if their bank or credit union is actually lending above 75% loan to value. The NEIF Home Energy Improvement Plan is quick and easy with no costs to the homeowner, no home equity required and no penalty for pre-payment. Even brand new homeowners are eligible.

- **Can the Homeowner pay off their loan early?**

Yes, there is no pre-payment penalty with our programs. Any amount paid above the regular monthly payment goes directly to principal.

- **Are non-owner co-applicants permitted?**

Yes, however co-applicants not on the deed must be occupants of the property. Non-occupant co-applicants are not permitted.

- **What happens if a homeowner stops paying NEIF?**

There is never any obligation or recourse to the contractor for a delinquent customer except, of course, in the extremely rare case where the payment default is the result of contractor employee deception or related issues.

- **How does the homeowner pay NEIF?**

Borrowers will receive a notification from the NEIF Loan Servicing Team with information on how to make their monthly payments (mail a check or make a payment on-line) and how to set up their on-line account. The NEIF customer portal allows the customer to check their account balance and payment history at anytime. They may also set up recurring payments and elect to receive monthly statements electronically or by mail.

Contact NEIF

Peter Krajsa

Co-Chair and Founder
pkrajsa@neifund.org

Laura Nelson

Chief Operating Officer
lnelson@neifund.org

Tessa Shin

Vice President, Lending & Programs
tshin@neifund.org

Heather Braithwaite

Vice President, Strategic Development & Rebate Bridge
hbraithwaite@neifund.org

Jeremy Epstein

Vice President, Commercial Finance
jepstein@neifund.org

Teri Stoffey

Vice President, Accounting & Servicing
tstoffey@neifund.org

Matthew Brown

Co-Chair and Founder
mbrown@neifund.org

Randy Bak

Senior Director,
Business Development
rbak@neifund.org
(978) 766-7348

Greg Burns

Director, Business Development
gburns@neifund.org
(207) 451-5012

Brandy Miller

Brittany Heller

Contractor Specialists
contractors@neifund.org

National Energy Improvement Fund, LLC

Allentown PA • Denver, CO
(484) 838-5460