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Request for Qualifications from Interested Lenders to Participate in the Smart-E Loan Program

September 2024

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Purpose

As administrator of the Smart-E Loan program, the Connecticut Green Bank (“Green Bank”) is issuing this open rolling Request for Qualifications (RFQ) seeking new lenders interested in participating in the program to help its expansion, which includes:

- Reaching more homeowners across Connecticut, especially low-and-moderate income homeowners and communities of color.
- Continuing to increase the program’s offerings beyond clean energy and energy efficiency into home resilience.
- Evaluating potential opportunities created by the Greenhouse Gas Reduction Fund (GGRF).

Green Bank Background

The Green Bank is a quasi-public state agency established by the Connecticut General Assembly in 2011. As the nation’s first state-level green bank, it is leading the clean energy finance movement by leveraging public and private funds to scale-up renewable energy deployment and energy efficiency projects across Connecticut. The Green Bank’s successful model has helped Connecticut create jobs, increase economic prosperity, promote energy security and address climate change. In 2021, the Green Bank’s charge was expanded to include new areas of environmental infrastructure, related to climate adaptation and resiliency, land conservation, parks and recreation, agriculture, water, waste and recycling, and environmental markets, including carbon offsets and ecosystem services.

Since its inception, the Green Bank and its private investment partners have deployed over \$2.43 billion in capital for clean energy projects across the state. [Projects recorded through FY 2023](#) show that for every \$1 of public funds committed by the Green Bank an additional \$6.70 in private investment occurred in the economy.

For more information about the Green Bank, please visit <https://www.ctgreenbank.com/about-us/>.

Smart-E Loan Background

Launched in 2013, the Smart-E Loan is an unsecured residential loan designed for homeowners seeking capital for improvements related to energy efficiency, renewables, health and safety, and environmental resilience. Smart-E requires no down payment and features low rates and flexible terms that allow the improvements to be “cash flow positive.” The loan is available to 1–4-unit residential owner-occupied homes. The Smart-E Loan currently offers terms of 5, 7, 10, 12, 15, and 20 years with rates from 5.99% to 7.49%. (Rates are expected to increase on Sept. 1, 2024). Loans range from \$500 to \$50,000 and up to \$75,000 on an exception basis determined by the lenders.

The Smart-E Loan can be used for projects such as:

- Home performance and efficiency (i.e. air sealing, insulation, windows)

- Heating and cooling (i.e. HVAC projects, heat pumps, air conditioning)
- Water heating
- Renewable energy sources (i.e. solar systems)
- Resiliency (i.e. battery storage systems, water related improvements, residential wells, landscaping)
- Health and safety (i.e. asbestos abatement and mold remediation)

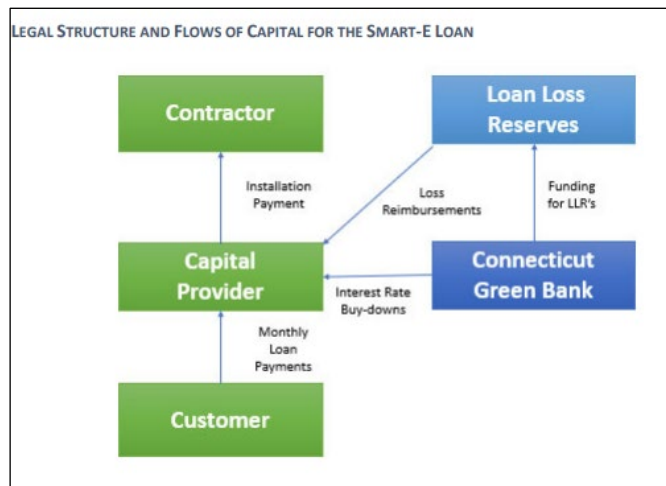
A full list of eligible improvements can be found here: <https://www.ctgreenbank.com/home-solutions/smart-e-loans/eligible-upgrades/>

The program has been successful thanks to our [lending partners](#) and network of hundreds of [vetted local contractors](#). Between 2013 and 2023, the Smart-E Loan has financed nearly 9,000 projects for homeowners across the state with 1,243 loans in 2023 (the second most in a year). The total investment of these loans is more than \$170 million.

For lenders, the program offers a credit enhancement through a loan loss reserve support them in providing below-market rates and longer terms for this unsecured. See Appendices for model legal agreements that outline the LLR.

The Smart-E Loan portfolio loan performance is consistently strong due to qualified applicant pool. While the loan is unsecured, it behaves like a secured loan performance standpoint. The typical reason for a charge off is a major life event (i.e., death, divorce). The average FICO score on outstanding loans is 745.

Loan delinquency and charge-offs are also low. Overall, out of 8,806 loans, 90 are delinquent and there have been 214 charge-offs. It's worth noting that one lender is responsible for 159 of these charge offs (3.8 times higher than all other lenders) and 74 of the delinquencies.



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Key Benefits to Lenders

Smart-E provides a no-cost way for lenders to engage with new and existing customers by offering a product that can help them reduce energy costs and improve the comfort and resilience of their home. In addition, when loan applicants choose a lender through our Find a Lender web[page](#), it also provides the lender with quality leads driven to their website for potential upsell to other products. Partnering with the Green Bank is also a way for lenders to distinguish themselves to their customer base by aligning with a program that helps consumers save on energy bills and make their homes more resilient while protecting our environment.

Lenders also often form working relationships with the local contractors providing the energy- and resilience-related upgrades.

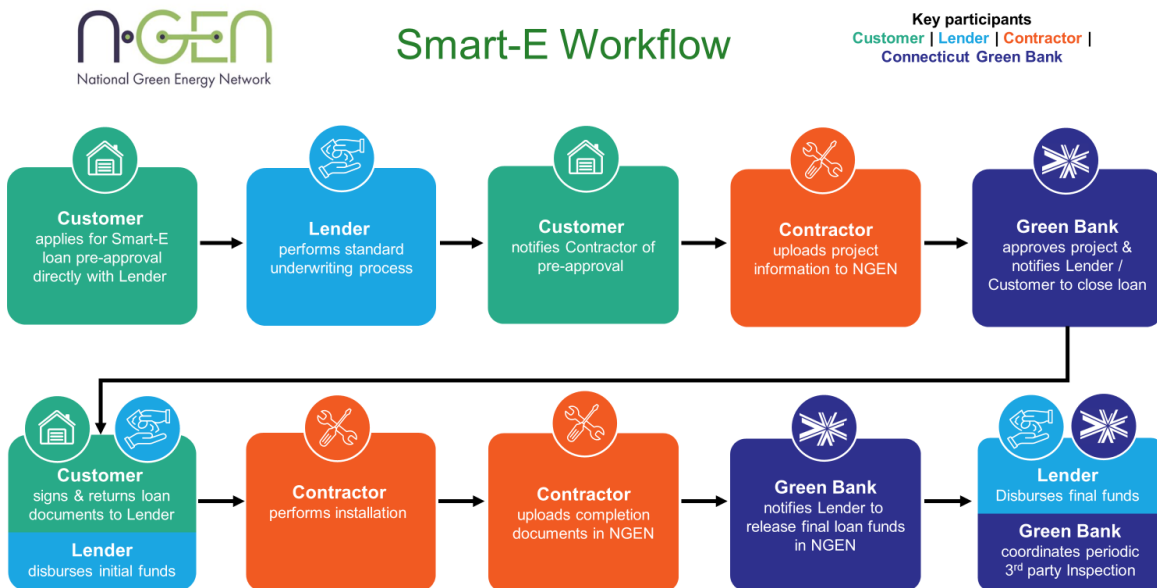
Other key benefits include:

- Access to a new market
 - Large “Share of pocket” addressable via Smart-E home performance market and emerging smart home
 - Opportunity to diversity loan concentration with new asset class
- Cost & risk mitigation
 - Loan Loss Reserve (LLR)
 - Lead Gen primarily comes from contractors
 - Income stream cost is lower
 - Acts like an indirect channel
 - Save on the cost of placing a lien
 - Low default rate, long payoffs
- Significant value to customers
 - Program offers lender flexibility for product positioning
 - Customers enjoy positive cash flows in month one with many measures
 - Potential tie into credit and savings builder products
 - Technical project approval by industry experts
 - Impact reporting to help quantify your role in green lending
 - Partnering with Green Bank, as a quasi-public state agency, provides added credibility to the program.
- Access new members/customers
 - Marketed by Green Bank using paid media channels including paid search and digital display ads
 - Lenders report that over 90% of loan volume is from new members
 - Lenders interact regularly with eligible contractors without having to manage them
 - Contractors directly market the loan to customers

Who are Smart-E borrowers?

The borrower qualifications must meet a minimum 580 FICO, 50% debt-to-income (DTI) maximum (however, DTI may be waived for FICO over 680), and no bankruptcies or foreclosures for 7 years. All final underwriting decisions are made by the lender and lenders become the loan servicer.

- Homeowners who need a personal loan or equivalent for unexpected expense or home upgrade
 - For example, home's air conditioning or heating equipment unexpectedly stops working and needs replacement, or the homeowner is planning to add solar panels to their home
- Homeowners with high loan-to-value on their home
 - Smart-E does not require a minimum loan-to-value
- First-time homebuyers or individuals in the process of moving (home equity not required)
- Homeowners making renovations or looking to save on energy bills or “go green”
 - If the homeowner qualifies, Smart-E can be used in conjunction with other loan products
- Homeowners expressing a concern over selecting a contractor
 - Smart-E vets all contractors in the program, reviews the scope of the project, and has a post-installation inspection protocol



Smart-E Lender Agreement, Role, and Expectations

Please see Appendices for the model lender agreements.

Smart-E lenders are expected to

- Learn how to use the National Green Energy Network (NGEN) platform (or other program platform), which is used to manage the transaction process
- Process loan applications promptly (applying program criteria to underwriting)
- Communicate with applicants as soon as a decision is made
- Partner with contractors to ensure project communication and processing is clear and prompt
- Provide ACH payments directly to contractors
- Allow for on-line loan closing
- Work with Green Bank marketing to promote Smart-E Loans to their existing customer or members
- Administer the program including disbursements, reporting, and training staff to understand and promote the Loan
- Communicate and meet with Green Bank staff regularly

The Green Bank and its administrative partner, Inclusive Prosperity Capital (IPC), oversee the onboarding, vetting, and management of contractors. This includes:

- Ensuring contractors participate in trainings
- Verifying contractor license, insurance, and standing with the Better Business Bureau (must have a positive rating)
- Handling paperwork on improvement projects
- Ensuring equipment meets technical and efficiency standards

RFQ Submission Process

Interested lending partners may submit their information by email to rfp@ctgreenbank.com..

Content of Information Responses: The following prescribes the content for requested information responses. The response should have a transmittal letter from appropriate officer of your institution which (i) confirms interest and motivation for participating in the Smart-E Loan program as a lending partner, and (ii) indicates the key point of contact for your institution for follow-up discussions.

All responses must include:

1. Background on your institution (such as years in business, market focus, locations/counties served, and total assets) that demonstrate capabilities and interest to provide financing for Smart-E Loans.
2. Cite the principal regulator(s) of your institution (such as FDIC, NCUA, Federal Reserve Board, the OCC, etc.). If not a regulated firm or financial institution, provide the names, titles, emails, and direct telephone numbers of three professional references for the firm or, if recently formed, for the firm's principal partners.
3. Staffing and personnel that can be devoted to these transactions.
4. Amount of capital your institution would be willing to use to fund Smart-E Loans. This number will be non-binding.
5. Evidence of compliance with applicable regulations, licensing, and other requirements. Capital Providers should provide a recent certificate of good standing or comparable evidence from your primary regulator.

Following review of the final response submissions, the Green Bank will contact respondents to schedule and undertake discussions about the Smart-E Loan program and participation.

General Terms and Conditions

If a lender elects to respond to this RFQ, submission of a proposal assumes the acceptance of the following understandings:

- a. The Green Bank reserves the right to reject any or all of the submissions received in response to the RFQ, to waive irregularities or to cancel or modify the RFQ in any way, and at any time the Green Bank chooses, in its sole discretion, if the Green Bank determines that it is in the interest of the Green Bank.

Submissions will be opened at the Green Bank's convenience. Note that all the information submitted in response to this RFQ is subject to Connecticut's Freedom of Information Act.

All questions regarding this RFQ must be submitted in writing to the Green Bank at rfp@ctgreenbank.com.

b. The Green Bank further reserves the right to make selections under this RFQ without discussion of the proposals received.

c. Submissions must be signed by an authorized officer of the lending institution. Submissions must also provide name, title, address and telephone number for individuals with authority to negotiate and contractually bind the lending institution, and for those who may be contacted for the purpose of clarifying or supporting the information provided in the submission.

d. The Green Bank will not be responsible for any expenses incurred by any entities in conjunction with the preparation or presentation of any submission with respect to this RFQ.

e. The Green Bank's selection of Smart-E lenders through this RFQ is not an offer and the Green Bank reserves the right to continue negotiations on any given project.

f. SMART-E LENDERS WILL EXECUTE A FINANCING PROGRAM AGREEMENT (AGREEMENT) AS SET FORTH IN THE ATTACHED EXHIBIT A. IF THE CONTRACTOR DOES NOT AGREE WITH ANY OF THE SPECIFIC TERMS SET FORTH IN THE AGREEMENT, THE RESPONDENT MUST SET FORTH SUCH TERMS AND RATIONALE IN YOUR RESPONSE TO THIS RFQ.

Appendix A: Model Lender Agreement

FINANCING PROGRAM AGREEMENT

This Financing Program Agreement (“Agreement”), dated as of [INSERT DATE], 20__ (the “Effective Date”) is entered into by and between [INSERT NAME] (“Lending Institution”), a Connecticut Credit Union with an address at [INSERT ADDRESS], and the Connecticut Green Bank (“Green Bank”), a public instrumentality and political subdivision of the State of Connecticut

WHEREAS, Green Bank requires partnerships with lending institutions in order to implement a financing program (“Financing Program”) to eligible residential customers for the financing of qualifying oil to gas conversions and other clean energy improvements as defined by Connecticut General Statutes Section 16-245n, which are approved at the sole discretion of Green Bank (“Qualified Projects”);

WHEREAS, the objective of the Financing Program is to encourage the funding of Qualified Projects by providing third party financing to eligible residential customers of Connecticut (“Customers”) within the parameters set forth in Exhibit A (“Requirements”); and,

WHEREAS, Green Bank desires to provide a loan loss reserve account (the “Reserve Account”) in connection with loans for Qualified Projects made by Lending Institution (“Program Loans”) to reduce the cost of financing and to provide an interest rate buy-down program to encourage Customers to obtain funding for Qualified Projects.

NOW THEREFORE, Lending Institution and Green Bank wish to record the terms and conditions upon which Lending Institution will provide financing program services (the “Services”) for Green Bank’s Financing Program.

1. Lending Institution’s General Duties

(a) Establish Loan Intake. The Lending Institution shall establish and implement a loan application intake system. The intake system shall include data collection including applicant information, project costs, Program Contractor (as defined in Exhibit A) name and identification number, utility name(s) and account information, loan amount, and a brief description of targeted Qualified Projects. Customers may be referred by Program Contractors to the Lending Institution or vice-versa. The Lending Institution shall provide Customers the option to apply for the loans using an application form, via the Lending Institution’s website (if available), or by telephone.

(b) Loan Processing and Underwriting. The Lending Institution shall process and underwrite the loan applications based on standard underwriting procedures. Program Loans must satisfy the minimum underwriting criteria specified in Exhibit A. The Lending Institution shall accept applications from Customers and review them, perform credit checks and reply with an approval or denial within the time frame set forth in Exhibit A. Lending Institution understands and agrees that Green Bank’s Financing Program is solely intended to provide Customers with the opportunity, but not the obligation, to seek to finance certain Qualified Projects. Accordingly, the Lending Institution understands and agrees that the option to seek financing for Qualified Projects lies solely with each Customer and once any Customer proceeds with seeking such financing from Lending Institution, Customer shall be Lending Institution’s customer with respect to all aspects of the Program Loan; provided, however, Lending Institution shall have no obligation or responsibility with respect to any aspect of the construction, completion or performance of the Eligible Projects funded by Program Loans it makes to Customers.

(c) Loan Financing. The Lending Institution will have sole responsibility for loan funding upon receipt of verification by the Customer that the Qualified Project has been completed; provided, however, that the Lending Institution, depending upon the cost of the Qualified Project and in its reasonable judgment, may in its sole discretion advance loan funds before completion of the Qualified Project. The Lending Institution will be solely responsible for coordinating a loan repayment schedule with the Customer as well as for receiving and processing all loan repayments made under the Financing Program.

(d) Defaults. The Lending Institution will have sole responsibility for all aspects of servicing and origination of the Program Loan, including Customer loan defaults (which are Lending Institution's sole risk and responsibility) as well as actions Lending Institution deems necessary or required in connection with defaults of secured loans. Under no circumstances shall Green Bank be responsible for Customer defaults on Program Loans provided under the Financing Program, except for the Reserve Account established by Green Bank for the benefit of the Lending Institution as provided for in Section 3 of this Agreement.

(e) Compliance with Laws. The Lending Institution shall ensure that the Lending Services provided hereunder comply with all applicable federal, state and local laws, rules and regulations.

(f) Verification. Green Bank shall establish a process to verify that the Program Loan was used for the intended purpose. The Lending Institution will reasonably cooperate with Green Bank for such verification.

(g) Monthly Reporting. The Lending Institution shall provide Green Bank a monthly report of certain financing related activities related to the Services ("Monthly Report"). The Monthly Report shall include, but not be limited to, a monthly list of transactions funded through the Financing Program. The Lending Institution will also work with Green Bank to define and provide all reporting statistics on the Financing Program to include at minimum (a) the number of Customers applying for loans under this Financing Program, including both Class A and Class B Loans, (b) the loan amount sought by each Customer and minimum property, Customer and underwriting characteristics, (c) a breakdown of approvals and denials, and (d) Customer payment data including delinquencies and defaults. Upon termination or expiration of the Agreement, Lending Institution shall provide Green Bank a written wrap up report similar in the format to the monthly report provided and with such information as may be reasonably requested by Green Bank no later than the 5th day of the month immediately following the month in which the termination or expiration took place.

(h) Marketing Support.

i. Marketing Support. The Lending Institution shall provide marketing support for the Financing Program. Marketing support includes website postings, and attendance at Green Bank organized meetings (upon request). Green Bank shall provide uniform Financing Program marketing materials that the Lending Institution shall incorporate in their marketing campaigns for the Financing Program.

(i) Risk Assessment. Lending Institution shall (i) notify Green Bank within five (5) business days upon any material corporate change (contact personnel, organization or legal); (ii) provide quarterly financial statements if requested; and (iii) notify Green Bank immediately if a Lending Institution believes that a change in the Lending Institution's financial status, business plan or strategic initiatives would have a material impact on its ability to sustain the active support for the Financing Program.

(j) Subcontracting. No portion of Lending Institution's obligations under this Agreement may be subcontracted or assigned without the prior written consent of Green Bank, which shall not be unreasonably withheld. The creation of any such subcontracting relationship shall not relieve Lending Institution of its obligations under this Agreement. Any applicable obligation imposed by this Agreement on Lending Institution shall be equally binding upon, and shall be construed as having application to, any such subcontractor. The Lending Institution will be jointly and severally liable for any such subcontractor or assignee for the obligations of the Lending Institution set forth in this Agreement.

(k) Nonexclusive relationship. Lending Institution acknowledges and agrees that Green Bank's engagement for such Services is on a non-exclusive basis, and that Green Bank retains the right to engage other lenders for similar services.

2. Financing Program Procedures

(a) Payment Procedures. Customer payment procedures for Program Loans shall be consistent with the Lending Institution's standard consumer based loan payment procedures and shall be based on a level payment, fixed rate of return, and a fully amortized loan schedule with no penalty for early payment.

(b) Records. During the term of this Agreement and for the three (3) year period following termination of this Agreement, Lending Institution shall maintain books and records pertaining to all transactions related to this Financing Program in accordance with Lending Institution's normal accounting procedures. Upon reasonable notice, Green Bank shall have the right, but not the obligation, to access and review such books and records.

(c) Cooperation. Lending Institution shall cooperate in providing to Green Bank information or records in its possession related to all transactions, in the event that any regulatory or legislative body, requests or requires such information. Lending Institution expressly agrees to cooperate fully with Green Bank and to provide any assistance necessary in connection with any investigation of any illegal or fraudulent activities or similar situations related to the Agreement which may involve Lending Institution, its employees, subcontractors or agents, including the Personnel (hereinafter defined).

3. Green Bank General Duties

Green Bank General Duties

(a) Loan Loss Reserve.

- i. Reserve Account. Green Bank agrees to designate a reserve , a portion of which shall be designated in Green Bank's financial statements as "Restricted Cash" or such similar term (such portion, the "Cash Reserve Account" and the balance outstanding of such reserve, the "Cash Reserve Account Balance") and the balance of which shall be designated as a contingent liability (financial guarantee) and accounted for in accordance with accounting principles generally accepted in the United States of America (such balance, the "Guarantee Reserve Account," and the balance outstanding of such reserve, the "Guarantee Reserve Account Balance" and together with the Cash Reserve Account, the "Reserve Account") for the benefit of Lending Institution and such other lenders as Green Bank may enter into agreements with from time to time. Green Bank will designate a portion of the Reserve Account as the Reserve Account balance available to Lending Institution on the terms of this Agreement ("Lending Institution's Reserve Account Balance"). Green Bank may utilize federal funds including but not limited to Greenhouse Gas

Reduction Funds or the American Recovery and Reinvestment Act of 2009 - State Energy Program (collectively, "Federal Funds") to fund a portion of the Cash Reserve Account to encourage funding for Qualified Projects. This Agreement will be subject to the federal requirements and restrictions imposed by Federal Funds to the extent Federal Funds are utilized.

ii. Lending Institution's Reserve Account and Reserve Account Balance will be governed and administered as provided in **Exhibit B**.

iii. Requirements. Only Program Loans meeting all the criteria set forth in this Agreement are eligible for recovery from the Reserve Account. Lending Institution agrees to comply with the Requirements set forth in Exhibit A. Green Bank may modify the Requirements and its contents from time to time by modifying the Requirements on the Green Bank website, provided that Green Bank gives thirty days written notice prior to making the change, via email or US Mail to the Lending Institution's contact person for purposes of the Program. All Program Loans shall be originated by Lending Institution in conformity with the Requirements.

iv. Payments Limited to Reserve Account. Except as specifically provided in Sections 1.2, 1.3 and 1.4 of **Exhibit B**, the aggregate liability of Green Bank to Lending Institution shall not under any circumstances exceed the Lending Institution's Reserve Account Balance and the Lending Institution shall not have any additional recourse against Green Bank for any losses, including Eligible Losses (as defined below) in excess of the Lending Institution's Reserve Account Balance at the time. The Lending Institution acknowledges and agrees that its losses on Program Loans may exceed the funds available from the Lending Institution's Reserve Account. This Agreement is not a guarantee of the full amount of Program Loans. Except as explicitly provided in this Agreement, Green Bank is under no obligation to further contribute to or supplement the Lending Institution's Reserve Account.

v. Subsequent Collection Activities. Lending Institution agrees to use its commercially reasonable efforts to collect any delinquent Program Loan, even after it has collected such funds from the Lending Institution's Reserve Account with respect to such Program Loan. As an incentive to the Lending Institution to encourage subsequent collection of any delinquent Program Loan, for any recovery on a Program Loan, net of expenses, Lending Institution shall retain twenty percent (20%) of such net recovery and eighty percent (80%) of such net recovery shall be paid to Green Bank and shall not be contributed to or supplement the Lending Institution's Reserve Account. "**Eligible Losses**" means any outstanding principal loss incurred by a Lending Institution participating in the Financing Program due to non-payment by a borrower on an Program Loan made on the terms set forth herein, whereby the borrower on such Program Loan has defaulted and the Lending Institution has pursued all normal collection practices and has written off such Program Loan in accordance with their lending policies, collection practices, and financial accounting policies. The amount of the unpaid principal written-off is the Eligible Loss. Unpaid interest on a Program Loan will not constitute Eligible Losses and unpaid interest is excluded from the calculation of Eligible Losses.

(b) Eligible Improvements: Green Bank shall be responsible for the review and approval of all Eligible Improvements as defined in **Exhibit A** that are recommended by the Program Contractor.

4. Term and Termination

(a) Either Green Bank or Lending Institution may terminate this Agreement at any time, for its convenience by giving the other party at least thirty (30) days written notice of termination of this Agreement, which shall terminate on the effective date specified in such notice. Prior to the effective date of such termination, each party shall continue to abide by the terms and conditions of this Agreement and comply fully with its obligations hereunder and it shall not in any way hinder or interrupt the performance of this Agreement during any period between the date of a termination notice and the effective termination date (and/or Wind-Up Period, as applicable).

(b) In the event either party is in material breach of this Agreement, the other party may terminate this Agreement thirty (30) days after written notice of such breach is given to the party in breach of the Agreement if said party fails to cure such breach within such thirty (30) day period.

(c) This Agreement shall terminate in the event that any regulatory or legislative action so directs or requires. Termination shall also be effective as such regulatory or legislative action directs, and if no such specific direction is provided, then promptly, but no later than fifteen (15) days after such regulatory or legislative action.

(d) Upon termination of this Agreement pursuant to Section 4, Green Bank shall only be liable to Lending Institution for the Reserve Account Balance for each Program Loan already approved and in place on or before the termination of the Wind-Up Period. The Wind-Up Period is the period of time from the date of termination or expiration of the Agreement for a period of ten business days from such termination. The purpose of the Wind Up period is to permit Lending Institution to process loan applications received as of the termination or expiration date. All processed loan applications that have resulted in a Program Loan by the end of the Wind-Up Period and those already approved and in place on or before such termination or expiration date shall continue in accordance with their terms as agreed to by and between the Customer and the Lending Institution.

(e) Termination shall be without prejudice to any rights or remedies either party may have against each other in respect to any antecedent breach of the terms of this Agreement; provided, however, that except as otherwise required by Section 7, neither party shall be liable for any claim for loss of profit or loss of contract if either party terminates this Agreement prior to expiration of the Term or any Extended Term.

5. Proprietary Rights

Consent to Information Sharing. Lending Institution shall share information about the account with Green Bank for the purpose of confirming the Program Loan meets the requirements of this Agreement and for purposes of any Loan Loss reserve .

6. Confidentiality

(a) Lending Institution acknowledges that it may, in the course of performing its responsibilities under this Agreement, be exposed to or acquire information which is confidential to Green Bank or its affiliates or their customers or to third parties to whom Green Bank owes a duty of confidentiality. The term “**Confidential Information**” shall mean any and all confidential or non-public information in any form obtained by Lending Institution or its Personnel, employees, subcontractors or agents in the performance of this Agreement, including, without limitation, any and all personally identifiable Green Bank customer information. Lending Institution

shall hold the Confidential Information in strict confidence and shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give or disclose such information to third parties or to use such information for any purposes other than the performance of this Agreement.

(b) Confidential Information shall not include information that is: (i) in or becomes part of the public domain other than by disclosure by Lending Institution in violation of this Agreement; (ii) demonstrably known to Lending Institution previously, without a duty of confidentiality; (iii) independently developed by Lending Institution outside of this Agreement; (iv) rightfully obtained by Lending Institution from third parties without a duty of confidentiality; or (v) required to be publicly disclosed by law, statute or regulation, including but not limited to information subject to the Freedom of Information Act.

(c) Financial Institution shall not provide to Green Bank any Customer (i) bank and/or credit card numbers, (ii) Social Security numbers, (iii) names of spouses or other relatives, and (iv) birth date. The parties agree that Green Bank shall hold as secret and confidential any information belonging or relating to individual Customers, including any list of Lending Institution's individual Customers, Customer name, Customer address, Customer phone number, name of Customer's spouse or other relatives, Customer citizenship, Customer bank and/or credit card numbers, Customer Social Security numbers, and Customer date of births (hereinafter "Customer Information") that has been provided by the Lending Institution to Green Bank. Green Bank also agrees it shall not use Lending Institution's Customer Information for any purpose outside the scope of services identified by the Lending Institution. Any Customer Information provided by Lending Institution to Green Bank shall at all times, including after termination of this Agreement, remain the property of the Lending Institution.

(d) Green Bank represents and warrants that it shall restrict access to Customer Information in its possession to those employees who need to know such information to perform services requested by Lending Institution and that it shall maintain physical, electronic, and procedural safeguards designed to (i) ensure the security and confidentiality of Customer Information, (ii) protect against any anticipated threats or hazards to the security or integrity of Customer Information, (iii) protect against unauthorized access to or use of such records or information, and (iv) ensure the proper disposal of Customer Information and consumer information. To that end, Green Bank represents and warrants that it maintains appropriate security in place to limit physical access to the Green Bank's data center and network components. Green Bank represents and warrants that it maintains appropriate controls in place to limit user access to Lending Institution confidential information on its network and applications. Green Bank represents and warrants that it maintains appropriate technical security layers access to use such as authentication of system users, firewalls, and virus and worm scanning. Green Bank represents and warrants that it maintains appropriate software and procedures for detecting security breaches and appropriate software and procedures to respond to breaches. Green Bank represents and warrants that it maintains appropriate internal and/or third party testing procedures to evaluate the effectiveness of its security program, the executive summary of which will be provided to the Lending Institution.

(e) Green Bank agrees to disclose breaches in security resulting in unauthorized access to Customer information or systems where Customer information is maintained. When such intrusions occur, Green Bank will report to Lending Institution, the nature of the intrusion, the effect on Lending Institution information, identify Customers and consumers whose information may have been compromised, and any corrective and responsive actions taken by Green Bank in response to the intrusion within 24 business hours of the identification of the breach.

(f) Green Bank will indemnify Lending Institution for claims arising as a result of the gross negligence of Green Bank.

(g) Upon completion of the work contracted, Green Bank agrees return to the Lending Institution all Customer Information, including any list of the Lending Institution's Customers, as well as any reproductions of such information made by any means.

7. Indemnification

(a) Lending Institution at its own expense, shall indemnify, defend with counsel reasonably acceptable to Green Bank, and hold harmless Green Bank, its affiliates, successors, assignees and each of its and their shareholders, directors, officers, employees, and agents from and against any claim, loss, demand, cause of action, debt or liability, including attorneys' fees (collectively, "Loss"), arising out of or related to any claim, action or proceeding arising out of or relating to Lending Institution's non-compliance with any and all applicable federal, state and local laws, rules and regulations. Green Bank may, at its expense, assist in such defense provided Lending Institution shall control such defense and all negotiations relative to settlement of any such claim. Green Bank shall promptly notify Lending Institution in writing of any claim which Green Bank believes falls within the scope of this Section 7, but failure to give such notice shall not relieve Lending Institution of the obligations described in this Section 7, unless and to the extent that Lending Institution is materially prejudiced by Green Bank's failure to timely provide notice.

(b) Green Bank at its own expense, shall indemnify, defend with counsel reasonably acceptable to Lending Institution, and hold harmless Lending Institution, its affiliates, successors, assignees and each of its and their shareholders, directors, officers, employees, and agents from and against any claim, loss, demand, cause of action, debt or liability, including attorneys' fees (collectively, "Loss"), arising out of or related to any claim, action or proceeding arising out of or relating to Green Bank's non-compliance with any and all applicable federal, state and local laws, rules and regulations. Lending Institution may, at its expense, assist in such defense provided Green Bank shall control such defense and all negotiations relative to settlement of any such claim. Lending Institution shall promptly notify Green Bank in writing of any claim which Lending Institution believes falls within the scope of this Section 7, but failure to give such notice shall not relieve Green Bank of the obligations described in this Section 7, unless and to the extent that Green Bank is materially prejudiced by Lending Institution's failure to timely provide notice.

(c) In no event will Lending Institution or Green Bank be liable to each other, whether in contract, tort, under any warranty or any other theory of liability, for any special, incidental or consequential damages, including, but not limited to, lost business profits except in connection with a third party claim for which Lending Institution has an obligation to indemnify Green Bank or for which Green Bank has an obligation to indemnify Lending Institution.

8. General

(a) Limitation of Relationship. Only those personnel who are employees or bona fide subcontractors of Lending Institution for federal tax purposes may provide services under this Agreement (the "Personnel"). Personnel supplied by Lending Institution hereunder are not Green Bank employees or agents and Lending Institution shall, to the extent required by law, continue to be fully and solely responsible for their acts, for the payment of compensation of the Personnel, and any associated taxes assessed by any relevant taxing authority. To the extent required by law, Lending Institution shall inform the Personnel that they are not entitled to any Green Bank employee benefits. To the extent required by law, Lending Institution shall be solely responsible for payment of worker's compensation, disability benefits and unemployment insurance or for withholding and paying employment taxes for the Personnel. Lending Institution shall have no right, power or authority to create,

and shall not represent to any person that it has any such power, to create any obligation, express or implied, on Green Bank's behalf without the express prior written consent of Green Bank.

(b) Applicable Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut without regard to principles regarding the choice of law. The parties hereto consent to the exclusive jurisdiction of any State or Federal court of competent jurisdiction located within the State of Connecticut, for the adjudication of all and any lawsuits, claims, controversies or proceedings arising out of or in connection with any rights, obligations or interests under this Agreement. Lending Institution and Green Bank each irrevocably waive all right to trial by jury of any such lawsuits, claims, controversies or proceedings.

(c) Notices. Any notice required or permitted to be given by the provisions hereof shall be delivered to a party at the address indicated below (or at such other address as a party shall specify to the other party in writing) by courier or by registered or certified mail, return receipt requested. Proof of sending such notice shall be the responsibility of sender. Any notice shall be deemed given on the date delivered.

If to Lending Institution:

If to Green Bank:

Attn: General Counsel
Connecticut Green Bank
75 Charter Oak Avenue
Suite 1-103
Hartford, CT 06106

(d) Amendments. This Agreement constitutes the entire agreement between Lending Institution and Green Bank concerning the subject matter hereof, and may not be contradicted by evidence of prior, contemporaneous or subsequent oral discussions, negotiations or agreements of the parties. There is no understanding, oral or written, which is not contained herein. This Agreement may not be amended except by a written instrument signed by Lending Institution and Green Bank, except as otherwise permitted herein.

(e) Successors; Survival. This Agreement shall be binding on and inure to the benefit of the parties hereto and their permitted successors and assigns. The following sections shall survive termination of this Agreement: 1(c), 1(d), 1(e), 2(c), 4, 5, 6, 7 and **Exhibit B**.

(f) Severability. If one or more of the provisions of this Agreement and/or the documents incorporated herein by reference is determined to be invalid, illegal or unenforceable in any respect, such provisions shall be reformed to the minimum extent necessary to cause such provision to be valid, legal or enforceable. If no such reformation is possible, then such provisions shall be deemed omitted and the balance of the Agreement shall be valid and enforceable.

(g) No Promotion. Other than as supplied to Lending Institution by Green Bank pursuant to Section 1(h), Lending Institution agrees that it and its employees, subcontractors and agents, including the Personnel, shall not, without the prior written consent of Green Bank in each instance, (a) use in advertising, publicity or otherwise (i) the name of Green Bank or its affiliates, or any of their managing directors, partners, officers, employees, representatives or agents or (ii) any trade name, trademark, trade device, service mark, symbol or any abbreviation, contraction or simulation thereof owned by Green Bank or its affiliates, or (b) represent, directly or indirectly, that any product or any service provided by Lending Institution is approved or endorsed by Green Bank, its

affiliates or any persons listed in subsection (a)(i) above. Written consent may be obtained via email to Green Bank program manager.

(h) Headings for Convenience. The headings of this Agreement are intended solely for convenience of reference and shall be given no effect in the interpretation or construction of this Agreement.

9. Non-Discrimination.

- a. For purposes of this Section, “Contractor”, “contractor” and “Consultant” shall have the same meaning, “Contract”, “contract” and “Agreement” shall have the same meaning and other otherwise undefined terms have the meaning ascribed to them in Connecticut General Statutes § 4a-60g.
- b. Pursuant to Connecticut General Statutes § 4a-60:
 1. The Contractor agrees and warrants that in the Performance of this Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status of a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents Performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut; and the Contractor further agrees to take affirmative action to ensure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, status of a veteran, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by the Contractor that such disability prevents performance of the work involved;
 2. the Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action equal opportunity employer" in accordance with regulations adopted by the Commission on Human Rights and Opportunities (the “Commission”);
 3. the Contractor agrees to provide each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which the Contractor has a contract or understanding, a notice to be provided by the Commission, advising the labor union or workers’ representative of the Contractor's commitments under this Section and to post copies of the notice in conspicuous places available to employees and applicants for employment;
 4. the Contractor agrees to comply with each provision of this Section and Connecticut General Statutes §§ 46a-68e and 46a- 68f and with each regulation or relevant order issued by said Commission pursuant to Connecticut General Statutes §§ 46a-56, 46a-68e and 46a-68f; and
 5. the Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the

employment practices and procedures of the Contractor as relate to the provisions of this Section and Connecticut General Statutes § 46a-56.

c. Pursuant to Connecticut General Statutes § 4a-60a:

1. The Contractor agrees and warrants that in the performance of this Contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation;
2. the Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining Contract or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under this Section, and to post copies of the notice in conspicuous places available to employees and applicants for employment;
3. the Contractor agrees to comply with each provision of this Section and with each regulation or relevant order issued by said commission pursuant to Connecticut General Statutes §46a-56; and
4. the Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this Section and Connecticut General Statutes §46a-56.

d. Pursuant to subsection (c) of section 4a-60 and subsection (b) of section 4a-60a of the Connecticut General Statutes, the Contractor, for itself and its authorized signatory of this Contract, affirms that it understands the obligations of this section and that it will maintain a policy for the duration of the Contract to assure that the Contract will be performed in compliance with the nondiscrimination requirements of such sections. The Contractor and its authorized signatory of this Contract demonstrate their understanding of this obligation by either (A) having provided an affirmative response in the required online bid or response to a proposal question which asks if the contractor understands its obligations under such sections, or (B) initialing this nondiscrimination affirmation in the following box:

10. Consulting Agreements Representation. Pursuant to section 4a-81 of the Connecticut General Statutes, the Consultant makes the representations set forth in the Consulting Agreements Representation (OPM Form 2) attached hereto.

11. Campaign Contribution Restriction and Certification. For all state contracts, defined in section 9-612 of the Connecticut General Statutes as having a value in a calendar year of \$50,000 or more, or a combination or series of such agreements or contracts having a value of \$100,000 or more, the authorized signatory to this Agreement represents that they have received the State Elections Enforcement Commission's notice advising state contractors of state campaign contribution and solicitation prohibitions, and will inform its principals of the

contents of the notice. See https://seec.ct.gov/Portal/data/forms/ContrForms/seec_form_10_final.pdf. The Consultant makes the representations set forth in the Campaign Contribution Certification (OPM Form 1) attached hereto.

12. Occupational Safety and Health Act Compliance. Consultant certifies it (1) has not been cited for three or more willful or serious violations of any occupational safety and health act or of any standard, order or regulation promulgated pursuant to such act, during the three-year period preceding the date of the Agreement, provided such violations were cited in accordance with the provisions of any state occupational safety and health act or the Occupational Safety and Health Act of 1970, and not abated within the time fixed by the citation and such citation has not been set aside following appeal to the appropriate agency or court having jurisdiction or (2) has not received one or more criminal convictions related to the injury or death of any employee in the three-year period preceding the date of the Agreement.

13. Large State Contract Representation for Contractor. Pursuant to section 4-252 of the Connecticut General Statutes and Acting Governor Susan Bysiewicz Executive Order No. 21-2, promulgated July 1, 2021, the Consultant, for itself and on behalf of all of its principals or key personnel who submitted a bid or proposal, represents:

- a. That no gifts were made by (A) the Consultant, (B) any principals and key personnel of the Consultant, who participate substantially in preparing bids, proposals or negotiating State contracts, or (C) any agent of the Consultant or principals and key personnel, who participates substantially in preparing bids, proposals or negotiating State contracts, to (i) any public official or State employee of the State agency or quasi- public agency soliciting bids or proposals for State contracts, who participates substantially in the preparation of bid solicitations or requests for proposals for State contracts or the negotiation or award of State contracts, or (ii) any public official or State employee of any other State agency, who has supervisory or appointing authority over such State agency or quasi-public agency;
- b. That no such principals and key personnel of the Consultant, or agent of the Consultant or of such principals and key personnel, knows of any action by the Consultant to circumvent such prohibition on gifts by providing for any other principals and key personnel, official, employee or agent of the Consultant to provide a gift to any such public official or State employee; and
- c. That the Consultant is submitting bids or proposals without fraud or collusion with any person.

14. Large State Contract Representation for Official or Employee of Quasi-Public Agency. Pursuant to section 4-252 of the Connecticut General Statutes and Acting Governor Susan Bysiewicz Executive Order No. 21-2, promulgated July 1, 2021, the Green Bank official or employee represents that the selection of the most qualified or highest ranked person, firm or corporation was not the result of collusion, the giving of a gift or the promise of a gift, compensation, fraud or inappropriate influence from any person.

15. Statement of Compliance

(a) Green Bank acknowledges the responsibility to comply with applicable Federal laws and regulations governing the privacy and security of Lending Institution Customer Information, including, the Gramm-Leach-Bliley Act and NCUA regulations (12 CFR Part 748.0, Appendix A - Safeguarding Member Information and 12 CFR Part 748.0, Appendix B - Guidance on Response Programs for Unauthorized Access to Member Information and Member Notice).

(b) Specifically, applicable Federal regulations require that Green Bank implement and maintain an information security program designed to: (1) Ensure the security and confidentiality of Customer records and information; (2) Protect against any anticipated threats or hazards to the security or integrity of such records and information; (3) Protect against unauthorized access to or use of such records or information that could result in substantial harm or inconvenience to any Customer, and (4) Ensure the proper disposal of Customer information and consumer information. Appropriate measures could include burning, pulverizing, or shredding papers so that the information cannot practicably be read and destroying or erasing electronic media so that the information cannot practicably be read or reconstructed.

(c) Green Bank maintains an information security program in compliance with these laws and regulations, and will continue to maintain an information security program in compliance with these laws and regulations. Green Bank will adjust its information security program as necessary, due to changes in technology, changes in the sensitivity of the information Green Bank maintains or has access to, or changes in law or regulation, during the term of Green Bank's contractual agreement with Lending Institution.

(d) Green Bank will provide to Lending Institution any required papers, test results, or other information to document the efforts by Green Bank to implement an information security program designed to meet the objectives of the regulations.

IN WITNESS WHEREOF, the parties, each acting under due and proper authority, have executed this Agreement as of the Effective Date.

[INSERT NAME]

CONNECTICUT GREEN BANK

By: _____

Name: _____

Title: _____

By: _____

Name: Bryan T. Garcia

Title: President and CEO

**EXHIBIT A
REQUIREMENTS**

Loan Product Details	Structure/Minimum Standards
Loan type	Unsecured
Program Contractor	<p>Program Contractors are authorized and approved by the Connecticut Green Bank.</p> <p>Program Contractors are residential contractors who:</p> <ol style="list-style-type: none"> 1. Provide program staff with proof of proper licensing and insurance; 2. Do not have a negative Better Business Bureau rating or any open consumer protection investigations; and 3. Maintain good standing with respect to third party inspection protocols.
Eligible Measures	<p>Residential “Clean Energy” and “Environmental Infrastructure” improvements as defined by Connecticut General Statutes Section 16-245n and ,consistent with the Smart-E Eligible Measures List, which may be updated from time to time:</p> <p>https://www.ctgreenbank.com/contractor-solutions/home-solutions/smart-e-loans/resources</p> <p>Such eligible measured must be recommended by a Program Contractor and approved by the Green Bank or its administrator.</p>
Additional Improvements	<p>25% of the loan amount may be used for directly related residential construction and home improvements. For example, (1) roof replacement/repair is eligible to the extent that such replacement/repair is necessary to support the energy efficiency or renewable measure, or (2) asbestos must be addressed in order to complete an energy efficiency upgrade to meet code requirements and the energy efficiency upgrade must be the primary use of loan funds.</p> <p>For additional details, please see the Eligible Measures list.</p>
Loan amounts	\$500 to 50,000; \$50,001-\$75,000 available by exception
Loan term	<p>For loan amounts up to \$3,000, max term 84 months. For loan amounts up to \$20,000, max term 144 months. For loan amounts \$20,001 to \$50,000, \$50,001 to \$75,000 exception lengths up to 240 months. Borrowers can select shorter terms.</p>
Loan rates	<p>(Not to exceed)</p> <p>5 Years - 6.99% 7 Years - 6.99% 10 Years - 6.99% 12 Years - 7.49% 15 Years – 7.99% 20 Years – 7.99%</p> <p>Lending Institutions may offer rates below those shown. Fixed rate with no prepayment penalty.</p>

	Loan rates are subject to change through the prior approval of the Connecticut Green Bank Board of Directors.
Eligible properties	Single-family (1-4 unit) homes, primary residence and one individual owns all the units (i.e., no corporate or L.L.C. structures permitted). Condominiums are eligible only if they are individually metered.
Minimum FICO (credit score)	Minimum 580 680 and Above – CLASS A LOANS 580-679 – CLASS B LOANS
Bankruptcy, foreclosure, repossession	None in last 7 years
Unpaid collection accounts	Judgment of Lending Institution
Judgments and tax liens	Must be paid or in repayment
Income verification requirements	Subject to Lending Institution’s usual underwriting requirements Required for maturities >84 months
Salaried employment income	One pay stub with YTD earnings dated within 30 days of the application.
Retirement income	<ul style="list-style-type: none"> • Award/benefit letter for SSI or pension showing income amount, payment frequency, and start and end dates; or • A copy of a bank statement showing direct deposit of retirement income.
Self-employment income	Two most recent federal income tax returns (first two pages of 1040) plus Schedule C, if applicable.
Other income (if applicable)	When income other than primary income is being used to qualify for the loan, such as rental, alimony, or investment income, verification is required.
Debt to Income Ratio	
Total monthly obligations to total monthly income	<ul style="list-style-type: none"> • All qualifying FICO scores – 50% or less, except in cases where the Customer has a FICO score greater than 680, in which case the DTI ratio constraint is waived
Total monthly obligations	<ul style="list-style-type: none"> • Any loan that has a remaining term of less than six months may be excluded from the calculation. • When revolving accounts do not show a minimum payment, use the greater of 3% per month or \$10. Real estate taxes and homeowners insurance (if not included in the mortgage payment) must be included in ratio.
Application Processing and Loan Closing	
Application	<ul style="list-style-type: none"> • The Lending Institution shall establish and implement a loan application intake system. The Lending Institution shall provide Customers the option to apply for the loans using an application form, via the Lending Institution’s website (if available), or by telephone. • Once a Customer’s Application is complete, the Lending Institution shall either approve or deny the application within three business days.

	<ul style="list-style-type: none">• If the Program Loan is approved and accepted by the Customer, Lending Institution shall make available a closing date for the Program Loan within five business days.
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LENDING INSTITUTIONS MAKE ALL FINAL UNDERWRITING DECISIONS. LOANS MAY BE APPROVED, DECLINED, OR SUBJECT TO FURTHER REVIEW IF UNDERWRITER DETERMINES THAT FICO SCORE OR OTHER FACTORS ARE INCONSISTENT WITH ACTUAL CREDIT PROFILE.

EXHIBIT B
LOAN LOSS RESERVE PROCEDURE

1. The Reserve Account

1.1 Initial Loan Loss Reserve Amount. Within five business days following the Green Bank being provided written notice of a Lending Institution closing a Smart-E Loan, Green Bank shall designate \$22,500.00 (the “Initial Loan Loss Reserve Amount”) as the Lending Institution’s initial Reserve Account Balance. The Lending Institution’s initial Cash Reserve Account Balance shall be equal to the Initial Loan Loss Reserve Amount.

1.2 Quarterly Adjustment of Reserve Account. Within fifteen days following receipt by Green Bank from Lending Institution of the Report following the end of each quarter, the Lending Institution’s Reserve Account Balance will be reset to an amount equal to the sum of:

- (i) seven and one-half percent (7-1/2%) of the aggregate amount of all Class A Loans made by the Lending Institution during the lending period; and
- (ii) fifteen percent (15%) of the aggregate amount of all Class B Loans made by the Lending Institution during the lending period; LESS
- (iii) the sum of any and all amounts paid by Green Bank to Lending Institution for Eligible Losses pursuant to Section 3 of this **Exhibit B**

provided, however, that the Lending Institution’s Cash Reserve Account Balance shall not, at any time, exceed the lesser of (a) two and one-half percent (2-1/2%) of the aggregate amount of all Class A Loans and Class B Loans made by the Lending Institution and (b) the sum determined by Section 1.2 (i), (ii) and (iii) above (such amount so determined being the “Cash Reserve Account Requirement”).

If the reset amount of the Lending Institution’s Reserve Account Balance shall exceed the balance standing to the Lending Institution’s Reserve Account Balance prior to determining the reset amount, such excess shall be credited by Green Bank to the Lending Institution’s Reserve Account. Such excess shall be credited first to the Cash Reserve Account to the extent required, if any, to meet the Cash Reserve Account Requirement, with any balance of such excess not used to meet the Cash Reserve Account Requirement being credited to the Guarantee Reserve Account. If the lending period has ended and the balance standing to the Lending Institution’s Reserve Account prior to determining the reset amount shall exceed the reset amount of the Lending Institution’s Reserve Account Balance, such excess shall be refunded to Green Bank and shall no longer be part of the Lending Institution’s Reserve Account. Such refund, if any, first shall be applied as a reduction in the Guarantee Reserve Account until such account no longer has a positive balance and, thereafter, to the Cash Reserve Account. The contribution to the Lending Institution’s Reserve Account for Program Loans made after the lending period, if extended by Green Bank and Lending Institution, will be determined by mutual agreement between Green Bank and Lending Institution.

1.3 Additions to Lending Institution’s Reserve Account Balance. Except as provided for in Section 1.2, after the lending period, Green Bank shall have no obligation to make additional

contributions to the Lending Institution's Reserve Account.

1.4 Reductions to Lending Institution's Reserve Account Balance.

- (i) Losses paid to Lending Institution. The Lending Institution's Reserve Account Balance shall be reduced by any and all amounts paid by Green Bank to Lending Institution for Eligible Losses pursuant to Section 3 of this **Exhibit B**.
- (ii) Repayment of Program Loans. Whenever a Program Loan is repaid in full at maturity or upon early repayment in full, the Lending Institution shall notify Green Bank in writing in the Monthly Report.

1.5 Maximum Total Net Contribution. The contributions of Green Bank to the Lending Institution's Reserve Account over the term of this Agreement, net of any repayment to Green Bank pursuant Section 1.4 of this **Exhibit B**, shall in no event exceed the "Maximum Total Net Contribution." The Maximum Total Net Contribution shall be \$275,00,000. Green Bank will maintain available funds to enable it to contribute the Cash Reserve Account Requirement portion of the Maximum Total Net Contribution according to the terms of this Agreement. The parties may by mutual written agreement change the amount of the Maximum Total Net Contribution at any time during the term of this Agreement.

1.6 Re-evaluation. The parties agree that the terms and conditions of the Reserve Account have been established pursuant to certain assumptions agreed to by the Parties concerning loan performance and default. Actual loan losses may be different than what the parties anticipate. If it appears to the Parties after two years of administration of the Agreement and funding of the Reserve Account that in fact the losses on the Program Loans are fewer in number or less in amount than were projected by the parties at the time of the execution of this Agreement, the parties may, but are not required to, agree upon a reduction in the amount of contribution that must be made by Green Bank to the Reserve Account upon origination of each Program Loan.

2. Administration of the Reserve Account.

2.1 Administration. Green Bank shall administer and invest the Cash Reserve Account (which includes Lending Institution's Cash Reserve Account Balance) in accordance with the terms of this Agreement. Green Bank shall account for the Cash Reserve Account as a separate line on its balance sheet and shall maintain appropriate records related to that portion of the Reserve Account which is the Lending Institution's Cash Reserve Account Balance and Guarantee Reserve Account Balance. Green Bank shall provide written confirmation to the Lending Institution of the designation and amount of the Reserve Account and the Lending Institution's Reserve Account Balance. The moneys designated by Green Bank as the Lending Institution's Cash Reserve Account Balance within the Reserve Account shall be held in a Green Bank depository account at an institution to be selected by Green Bank. Contributions made to the Cash Reserve Account on account of Lending Institution shall be deposited jointly with contributions made on account of all Program Loans. The Lending Institution's Reserve Account Balance will be used solely for the purposes provided in this Agreement and the Requirements. Interest or other earnings on the Cash Reserve Account shall accrue to and be payable to Green Bank not later than each calendar quarter. Green Bank will maintain records and accounts on the Lending

Institution's Reserve Account Balance, which will be available for reasonable inspection by the Lending Institution. Green Bank will provide Lending Institution with a quarterly report of the balances of the Reserve Account and the Lending Institution's Reserve Account Balance. Lending Institution shall not have any lien on, security interest or pledge on any amount on deposit from time to time in the Cash Reserve Account (which includes the Lending Institution's Cash Reserve Account Balance) or the proceeds thereof.

3. Recovery from the Reserve Account.

3.1 Eligible Loss. Lending Institution shall be entitled to payment from the Lending Institution's Reserve Account Balance on unrecovered losses on a Program Loan only after the loan is:

- at least 180 days past due and no payment has been made by the Customer on the Program Loan for the previous 90 days, and
- only if Lending Institution has exercised commercially reasonable efforts to collect the Program Loan or bring the Program Loan current in a manner consistent with its practices for other business loans that are not Program Loans as reasonably determined by Green Bank.

Lending Institution may claim from the Lending Institution's Reserve Account as unrecovered losses in accordance with the following:

- (i) With respect to the Class A Loans, ONE HUNDRED percent (100%) of the unpaid principal on any such loan to which it is legally entitled (the 100% portion shall be individually an "Eligible A Loss" and collectively the "Eligible A Losses"); and
- (ii) With respect to the Class B Loans, ONE HUNDRED percent (100%) of the unpaid principal on any such loan to which it is legally entitled (the 100% portion shall be individually an "Eligible B Loss" and collectively the "Eligible B Losses"); provided, however that
- (iii) With respect to any Eligible A Losses and Eligible B Losses (referred to herein as the "Eligible Losses"), the Lending Institution may only claim from the Lending Institution's Reserve Account Eligible Losses to the extent the aggregate Eligible Losses at the time of the claim shall exceed the sum of one and one-half percent (1-1/2%) of the principal amount of all Class A Loans made by the Lending Institution and three percent (3%) of the principal amount of all Class B Loans made by the Lending Institution. Any amount the Lending Institution shall retain responsibility for in respect of each delinquent Class A Program Loan shall be deemed the "A Retention Amount" and in respect of each delinquent Class B Program Loan shall be

deemed the “B Retention Amount.”

Green Bank and Lending Institution shall cooperate to “true up” by adjustments to any payments due to the Lending Institution in respect of any Eligible A Losses or Eligible B Losses or amounts standing to the Lending Institution’s Reserve Account or Lending Institution’s Reserve Account Deficiency (defined below) in recognition that subsequent loans by the Lending Institution might result in an adjustment to the Lending Institution’s A Retention Amount or B Retention Amount and as a consequence the Lending Institution’s Reserve Account Balance or Reserve Account Deficiency Balance.

3.2 Claim for Recovery from Lending Institution’s Reserve Account. To claim an Eligible A Loss or an Eligible B Loss and receive reimbursement from the Reserve Account, the Lending Institution shall provide to Green Bank:

- (i) a written schedule itemizing the Eligible A Loss claimed or the Eligible B Loss claimed and certifying that it is for a Program Loan that is at least 90 days past due;
- (ii) a certification that the Lending Institution has exercised commercially reasonable efforts to obtain recovery against the borrower; and
- (iii) a copy of the first Monthly Report from Lending Institution that reported such Program Loan issued pursuant to Section 1(g) of the Agreement.

3.3 Loss Recovery. Whenever Lending Institution makes a claim consistent with the terms of this Agreement for an Eligible A Loss or an Eligible B Loss from the Lending Institution’s Reserve Account as provided above, Lending Institution shall be entitled to payment of the Eligible A Loss, less any A Retention Amount or Eligible B Loss, less any B Retention Amount up to but not in excess of the amount of Lending Institution’s Reserve Account Balance (if and only if Lending Institution’s Reserve Account Balance at that time is a positive number) at the time that such claim for an Eligible A Loss or Eligible B Loss is presented to Green Bank. Whenever Lending Institution makes a claim consistent with the terms of this Agreement for an Eligible A Loss or an Eligible B Loss from the Lending Institution’s Reserve Account Balance as provided above, and such claim is in an amount in excess of the amount of Lending Institution’s Reserve Account Balance, Green Bank shall make payment to the Lending Institution to the extent Lending Institution’s Reserve Account Balance is a positive number at the time of the request as provided above and shall accrue, without interest, any such excess loss as an addition to the balance of the Lending Institution’s aggregate excess losses (the “Lending Institution’s Reserve Account Deficiency”). In the event there is any balance outstanding in the Lending Institution’s Reserve Account Deficiency, any additional contributions that otherwise would be made to Lending Institution’s Reserve Account determined in accordance with this Agreement will instead, to the extent of such deficiency, be paid to Lending Institution in accordance with Section 1.4 of this **Exhibit B** and any amounts so paid shall reduce in equal amount the balance standing to the Lending Institution’s Reserve Account Deficiency.

3.4 Timing of Payment. If the Lending Institution makes a claim consistent with the terms of this Agreement for an Eligible A Loss or Eligible B Loss from the Lending Institution’s Reserve Account, or payment is due to the Lending Institution in respect of Lending Institution’s

Reserve Account Deficiency, Green Bank shall make payment to the Lending Institution to the extent provided above, no later than fifteen (15) days following the end of the month in which the claim is made.



**STATE OF CONNECTICUT
CONSULTING AGREEMENT REPRESENTATION**

Representation to accompany a purchase of service contract with a value of \$50,000 or more in a calendar or fiscal year, pursuant to Connecticut General Statutes §§ 4a-81(a) and 4a-81(b).

INSTRUCTIONS:

Complete all sections of the form. If the bidder or contractor has entered into more than one such consulting agreement, use a separate form for each agreement. Sign and date the form in the presence of a Commissioner of the Superior Court or Notary Public. **If the bidder or contractor has not entered into a consulting agreement, as defined by Connecticut General Statutes § 4a-81(b)(1):** Mark the fields below with "Not Applicable (N/A)". Sign and date the form on the second page in the presence of a Commissioner of the Superior Court or Notary Public.

Submit completed form to the awarding State agency at the time of contract execution.

Pursuant to section 4a-81 of the Connecticut General Statutes, the Contractor represents that it has not entered into any consulting agreements in connection with this Contract, except for the agreements listed below. "Consulting agreement" means any written or oral agreement to retain the services, for a fee, of a consultant for the purposes of (A) providing counsel to a contractor, vendor, consultant or other entity seeking to conduct, or conducting, business with the State, (B) contacting, whether in writing or orally, any executive, judicial, or administrative office of the State, including any department, institution, bureau, board, commission, authority, official or employee for the purpose of solicitation, dispute resolution, introduction, requests for information, or (C) any other similar activity related to such contracts. "Consulting agreement" does not include any agreements entered into with a consultant who is registered under the provisions of chapter 10 of the Connecticut General Statutes as of the date such contract is executed in accordance with the provisions of section 4a-81 of the Connecticut General Statutes.

Consultant's Name and Title _____
Name of Firm (if applicable)

Start Date _____
End Date _____
Cost

The basic terms of the consulting agreement are: _____

Description of Services Provided: _____

Is the consultant a former State employee or former public official? YES NO

If YES: _____
Name of Former State Agency _____
Termination Date of Employment

SIGNATURE AND NOTARIZATION ON NEXT PAGE

Contractor

Contractor Name: _____

Name of Signatory (print): _____

Title of Signatory: _____

The undersigned, being the person signing the Contract, swears that the representation in the Consulting Agreements Representation provision in this Contract is true to the best of my knowledge and belief, and is subject to the penalties of false statement.

Signature

Sworn and subscribed before me on this _____ day of _____, 20____.

Commissioner of the Superior Court
or Notary Public

My Commission Expires



STATE OF CONNECTICUT CAMPAIGN CONTRIBUTION CERTIFICATION

Written or electronic certification to accompany a bid or proposal or a non-competitive contract with a value of \$50,000 or more, pursuant to C.G.S. § 9-612.

- **INSTRUCTIONS:**

Complete all sections of the form. Attach additional pages, if necessary, to provide full disclosure about any campaign contributions made to campaigns of candidates for statewide public office or the General Assembly, as described herein. Sign and date the form, under oath, in the presence of a Commissioner of the Superior Court or Notary Public. Submit the completed form to the awarding State agency at the time of submission of your bid or proposal (if no bid or proposal– submit this completed form with the earliest submittal of any document to the state or quasi-public agency prior to the execution of the contract), and if there is a change in the information contained in the most recently filed certification, such person shall submit an updated certification either (i) not later than thirty (30) days after the effective date of such change or (ii) upon the submittal of any new bid or proposal for a contract, whichever is earlier.

- **Check One:**

- **Initial Certification**

- **Updated Certification because of change of information contained in the most recently filed certification**

- **CAMPAIGN CONTRIBUTION CERTIFICATION:**

- I certify that neither the contractor or prospective state contractor, nor any of its principals, have made any contributions to, or solicited any contributions on behalf of, any party committee, exploratory committee, candidate for state-wide office or for the General Assembly, or political committee authorized to make contributions to or expenditures to or for, the benefit of such candidates, in the previous four years, that were determined by the State Elections Enforcement Commission to be in violation of subparagraph (A) or (B) of subdivision (2) of subsection (f) of Section 9-612 of the General Statutes, without mitigating circumstances having been found to exist concerning such violation. Each such certification shall be sworn as true to the best knowledge and belief of the person signing the certification, subject to the penalties of false statement. If there is any change in the information contained in the most recently filed certification, such person shall submit an updated certification not later than thirty days after the effective date of any such change or upon the submittal of any new bid or proposal for a state contract, whichever is earlier.
- All Campaign Contributions on behalf of any party committee, exploratory committee, candidate for state-wide office or for the General Assembly, or political committee authorized to make contributions to or expenditures to or for, the benefit of such candidate, for a period of four years prior to signing the contract or date of the response to the bid, whichever is longer, include:

Contribution Name of Contributor Recipient Value Description
Date

Sworn as true to the best of my knowledge and belief, subject to the penalties of false statement.

Printed Contractor Name

Printed Name of Authorized Official

Signature of Authorized Official

Subscribed and acknowledged before me this _____ day of _____, 20 _____.

Commissioner of the Superior Court (or Notary Public)

_____ My Commission Expires



Appendix B: Smart-E Loan Program Stats

Closed Projects by Year										
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
3	137	269	220	523	1,746	828	719	956	901	1,243

Total Investment by Year	
2013	\$94,794
2014	\$2,775,174
2015	\$8,136,785
2016	\$6,570,102
2017	\$11,332,618
2018	\$35,579,433
2019	\$11,670,941
2020	\$11,638,949
2021	\$16,488,065
2022	\$16,356,156
2023	\$28,138,466

Number of Smart-E loans by Credit Score Ranges of Household Borrowers								
> 579	580-599	600-639	640-679	680-699	700-719	720-739	740-779	780+
1	43	224	645	761	867	818	1,899	2,286