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## New program helps finance energy-conscious construction Lenders, borrowers and contractors encouraged to apply

- Are you financing a renewable-energy construction project?
- Are you helping a client make energy-efficiency upgrades to a business or facility?
- Will the project loan be less than \$2.5 million?

If the answer is yes, then the Sustainable Energy Trust, administered by the [Washington State Housing Finance Commission](#), wants to lower your risk and help save you (or your client) money.

A \$2 million fund has been established in the SET to help finance energy-efficiency and renewable-energy commercial-building loans.

“We’re excited to share this opportunity,” says Avi Jacobson, senior energy coordinator at the Commission. “The goal is to assist lenders and their clients by helping to lower costs and risks.”

The Commission will participate in up to 20 percent of a loan under \$2.5 million—up to \$500,000—at an interest rate of 2 percent.

“The Commission is seeking to participate only,” underscores David Clifton, who with Jacobson heads the Commission’s Sustainable Energy Program. “We will neither require additional underwriting nor dictate the loan terms or covenants, other than setting the maximum term at 10 years.”

In 2009, the state legislature empowered the Commission, a self-funding state agency that does not use state tax or budget dollars, to establish the Sustainable Energy Trust. The SET’s purpose is to increase access to below-market-rate financing for energy-related projects, especially smaller ones, and to expand the pool of lenders who are active in the state’s energy sector.

Jacobson emphasized that larger projects with an energy-efficient or renewable-energy component might also be eligible for other Commission financing tools.

“Even though housing is in our name, when it comes to energy, we can do it all,” he said. “For projects above \$2.5 million, other products are available. We’ll work with you to match your project to the best financing tool.”

For more information on the Commission’s energy programs, see [www.wshfc.org/energy](http://www.wshfc.org/energy).

### Quick Facts about the Sustainable Energy Trust Lending Program:

- Projects must feature renewable energy or demonstrate that energy efficiencies will be achieved by the project.
- Lenders underwrite loans for projects using their underwriting criteria.

- SET maximum investment in a single loan is \$500,000.
- Loans are limited to 10 years.
- Lenders must demonstrate sufficient cash flow for debt service.
- Loans must be *pari passu*—the lead loan and its participant loan will receive principal and interest equitably based on their percentage of the loan
- Lenders will complete all inspections, covenant reviews, and other due diligence requirements according to their policies.
- \$100 or 50 base points as a loan purchase fee, whichever is greater, is calculated on the Commission's share.

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The Washington State Housing Finance Commission is a publicly accountable, self-supporting team, dedicated to increasing housing access and affordability, and to expanding the availability of quality community services for the people of Washington.

The commission, which receives no regular state funding for its operations, works with lenders, investors, developers, nonprofit organizations, first-time homebuyers, beginning farmers and ranchers and energy companies to bring private investment dollars to benefit families and achieve public goals in Washington.

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