



Commercial PV Loan Product: Direct Product Sheet

The following is provided for informational purposes only and does not constitute a commitment to lend or an agreement to issue or accept a commitment on these or any other terms or to arrange any financing and shall not create a binding or legally enforceable obligation on the behalf of the Hawaii Green Infrastructure Authority, its Board or staff, the State of Hawaii or any other party in any way.

Co-Lenders:	Financial Institution ("Bank") Hawaii Green Infrastructure Authority ("HGIA")
Loan Amount:	Based on the project needs and debt service-ability. Actual % of Bank versus HGIA loan amount will be determined on a case by case basis. Minimum HGIA Loan Amount: \$50,000
Eligible Borrowers:	Small businesses in the State of Hawaii, defined by the standards set by the U.S. Small Business Administration and for-profit apartment building owners.
Eligible Uses:	Eligible Technologies include solar PV systems, advanced inverters, smart modules, monitoring devices, other technologies that support solar PV interconnection, and physical infrastructure to support solar PV installations. Other financeable cost may include: financing cost; required electrical upgrades to conform to building permits; electrical permits, fees related to HECO approval and other hard cost and structural improvements.
Bill Savings Requirement:	A minimum projected 20% bill savings is required. Actual bill savings may not be immediate and there may be possible increases in payments before longer term life of the system savings are realized.
Solar Installers:	Installer due diligence shall be conducted on a case by case basis.
Solar PV Equipment:	Standard commercial installer and equipment warranties (i.e. minimum 10-year installer's installation/workmanship warranty; 10 or 20-year inverter equipment manufacturer's warranty; 20-year PV equipment manufacturer's warranty.)
Installer Cost:	If the borrower does not meet Accredited Investor criteria, as defined by the U.S. Securities and Exchange Commission, Rule 501, Regulation D, installer cost not to exceed \$5.625 per watt.
System Sizing:	Not to exceed 100% of past usage.
Geographic Requirements:	All projects financed must be located in the City & County of Honolulu, County of Hawaii or County of Maui;
Eligible Properties:	Fee simple or leasehold properties. Leasehold restrictions may apply.
Financing Commitments:	This product leverages public and private capital. Capital sources must include, in addition to HGIA financing, Bank debt, and may include investor equity.
Loan to Value:	Up to 100% of the cost of the energy improvements being financed.
Recourse:	Loans will have full recourse to the Borrower, including guarantees from business owners, as applicable.
Collateral:	Loan will be secured by a second position (to Bank senior debt) UCC-1 Financing Statement over the equipment being financed.



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Interest Rate:	<p>Bank: The loan shall be priced at its standard rate, appropriate for similar loans.</p> <p>HGIA: The interest rate shall be fixed for the term of the loan, as follows:</p> <ul style="list-style-type: none"> • Tier 1: 4.50% • Tier 2: 5.50% • Tier 3: 6.50% • Tier 4: 7.50%
Term:	<p>Bank: The loan term shall be appropriate for similar loans (i.e. 5 to 7 years).</p> <p>HGIA: Up to twenty (20) years, dependent on the remaining useful life of the energy related improvement being financed, as applicable, inclusive of the construction/development period (if funding is providing during development).</p>
Amortization:	<p>Bank: The loan shall be fully amortized (i.e. 5 to 7 years).</p> <p>HGIA: At repayment conversion, the principal balance shall be fully amortized over the remaining term of the loan (i.e. 13-years if the repayment conversion is at year 7).</p>
Repayment:	<p>Bank: The loan shall be interest only monthly until the system is completed and operational. Thereafter, the balance will be fully amortized over the remaining term of its loan.</p> <p>HGIA: Interest only monthly during the term of the Bank loan. Based on the amount of equity invested and the project's cash flow, principal reductions may be required to either the Bank loan or to the HGIA loan:</p> <p>Actual principal reduction schedule will be based on the Project's Excess Cash Flow at repayment conversion, at which time, principal and interest payments will be based on a level payment amortization schedule for the remaining term of the loan.</p>
Debt Service Coverage Ratio (DSCR):	<p>Bank: The loan will require a DSCR appropriate for similar loans.</p> <p>HGIA: The excess cash flow and debt service coverage ratio shall be calculated on a global basis.</p> <ul style="list-style-type: none"> • Tier 1: DSCR 1.3x or above • Tier 2: DSCR 1.2x to 1.29x • Tier 3: DSCR 1.15x to 1.19x • Tier 4: DSCR 1.05x to 1.14x
Origination Fee:	<p>Bank: The Bank may charge an origination fee appropriate for similar loans.</p> <p>HGIA: 0.50% of the HGIA Loan Amount</p>
Covenants:	<p>Standard for this type of loan. To be defined in the loan agreement. Other reports or information, as may be required by the Public Utilities Commission, the State of Hawaii and HGIA.</p>
Prepayment Penalty	<p>None. The loan may be prepaid at any time without penalty.</p>
On-Bill Repayment:	<p>If On-Bill Repayment becomes an option, it may be required for eligible borrowers under certain circumstances.</p>

The information contained herein is not all-inclusive and is subject to change at any time. For more information, please contact Hawaii Green Infrastructure Authority at 808-587-3868 or gems@dbedt.hawaii.gov