



SIMPLE. SENSIBLE. SUSTAINABLE.

Product Term Sheet

Program

CPC's Green Financing Initiative provides first mortgage financing for the acquisition or refinance of occupied, cash flowing multi-family buildings, including proceeds for an energy efficiency retrofit. The energy retrofit, which may be part of a broader renovation scope, will reduce heating, electricity and water usage, increasing cash flow and adding value to the property. Energy retrofits will help property owners comply with local, state and federal regulations and provide a safer and more comfortable living environment for residents.

Eligible Properties

- 1. Occupied cash flowing buildings**
- 2. 20 or more units**
- 3. Loans must be greater than \$250,000**

Program Products

1. Permanent Financing

- a. Pension Fund Permanent Loans: Borrowers with 20% of the loan proceeds used as a reimbursement for work completed in the last 12 months AND the Energy Efficiency Work Scope can go straight to perm financing with an escrow holdback for the Retrofit.
 - i. 30 years fixed - 80% loan to value
 - ii. Non Recourse
 - iii. Rates: quoted daily
- b. Freddie Mac Permanent Loans: Borrowers seeking acquisition or refinance mortgages can access Freddie Mac Financing with the following enhancements:
 - i. Added leverage up to 80% on refinances in NY City to cover the cost of the retrofit
 - ii. Lower rates (15-30 basis points) for buildings that retrofit
- c. Origination Fee: 1.5%, 2% if CPC provides both construction and permanent loan.

2. Construction Financing

- a. Up to 24 month term for the extensive renovation of occupied properties. Total work scope must equal or exceed 20% of the loan proceeds and include an Energy Efficiency Retrofit as defined by a CPC Energy Audit
- b. Interest Rate
 - i. 360 to 410 over 30 day LIBOR
 - ii. Floor rate of 5.80%
- c. Origination Fee: 1.5%

Program Process

- 1.** Provide the CPC Loan Officer with energy and building data
 - a. Total Square Footage of the building
 - b. Two years of energy bills for heat, electricity and water
 - i. You can authorize CPC to access this information directly by signing the CPC authorization form and your billing account numbers
- 2.** Provide a current rent roll and expense schedule for the property
- 3.** The CPC Loan officer will then ballpark a loan amount and evaluate the building's energy usage
 - a. CPC will ballpark the amount of energy and money you could save with a retrofit based on the building's current consumption
- 4.** Allow the CPC Energy Expert and Loan Officer to inspect the property
 - a. This will allow confirmation what is causing the inefficiencies
- 5.** Complete and submit a full CPC Loan Application
- 6.** CPC will issue a Commitment Letter upon approval.
- 7.** Execute the Commitment and return it to CPC with a check for third party reports and the commitment fee.
- 8.** Third Party reports are ordered (fees itemized in the Commitment Letter)
 - a. Appraisal
 - b. Phase One Environmental Report
 - c. Engineer's Report
 - d. Energy Audit

Audits costs will be determined based on property size.

- 9.** CPC Energy Audit is performed
 - a. Building will be formally benchmarked
 - b. Retrofit work scope will be defined and coordinated with the engineer's work scope
 - c. Audit will provide a range of costs and estimates for annual energy savings
 - d. Audit will determine payback period for each item
- 10.** Loan closes, Energy Retrofit is performed
 - a. CPC will monitor the Energy Retrofit during construction to insure best practices which lead to maximum efficiency and savings
- 11.** One year post retrofit, the energy usage will be measured to determine:
 - a. What energy was saved?
 - b. Were the projections accurate?
 - c. What can be done to enhance further savings?
 - d. How much was carbon production reduced?
- 12.** Energy and water usage will be measured annually for the life of the loan.