



## ENERGY LOAN PROGRAM

625 Marion Street, NE  
Salem, OR 97301-3737  
1-800-221-8035

### APPLICATION FOR COMMERCIAL OR INDUSTRIAL USE, ON-SITE.

(Other applications are available for public, residential, and generating projects.)

- o Please read the attached "Frequently Asked Questions" for more information on our loans.
- o Please keep the "Frequently Asked Questions" for future reference. Feel free to call us to assist with your application.
- o Check with us for supplemental questionnaires for biomass, alcohol, and hydroelectric projects.

To assist us with your application, please attach the following:

- A preliminary title report and a current property tax statement (or recent appraisal) for any real property security.
- Copy of each note or mortgage, trust deed, or contract on property used as security.
- Copy of partnership agreement, articles of incorporation and by-laws or other documents as appropriate.
- Copies of tax returns and financial statements on applicant and any guarantor for current and last two years.
  - o NOTE: Financial statements should include balance sheets, income statements, and cash flow statement.
- Business plan or project development outline. For renewable projects see the SELP Project Business Plan outline <http://egov.oregon.gov/ENERGY/LOANS/docs/RenewableResProjectBusinessPlan.pdf>
- Include application and underwriting fee (see frequently asked questions for amount).

**Due to our fee structure, energy loans smaller than \$20,000 may be less cost effective than private financing. We encourage you to investigate your options.**

**LOAN REQUEST:** \$ \_\_\_\_\_ (See Frequently Asked Questions for eligible items) **REQUESTED TERM:** \_\_\_\_\_

How did you hear about this loan program? \_\_\_\_\_

Have you applied for a Business Energy Tax Credit (BETC) for this project? \* No \_\_\_ Yes \_\_\_

If you're planning to use the BETC pass through option, have you identified your pass through partner?

*\*BETC application fees are the responsibility of the borrower.*

### APPLICANT

Business name: \_\_\_\_\_ Address of project: \_\_\_\_\_ City: \_\_\_\_\_ Zip: \_\_\_\_\_ County: \_\_\_\_\_

Mailing address if different: \_\_\_\_\_

Type of business: \_\_\_\_\_ Legal Structure: \_\_\_\_\_ Tax ID number: \_\_\_\_\_

Date business was formed: \_\_\_\_\_ Date present operation commenced: \_\_\_\_\_

Telephone: \_\_\_\_\_ E-mail: \_\_\_\_\_

**PROJECT INFORMATION**

Describe the project here or attach a separate description. Include renewable resource or conservation measures proposed, preliminary design and specifications, plans, equipment specifications and any other supplement information that would help explain the proposed project.

Date you expect to start construction: \_\_\_\_\_ Estimated completion date: \_\_\_\_\_ Useful life? \_\_\_\_\_

Include your pro forma financials, monthly for the first two years, and yearly for years 3-5. Include income statement, balance sheet, and cash flow statement.

Estimate the amount of energy your project will produce or displace and your current unit cost.

Utility Name	Quantity/Yr	Current Cost or Rate Schedule
Natural gas:	therms natural gas	\$
Electric:	kWh electricity	\$
Other	gallons oil	\$
Other	other (specify)	\$

**Cost Estimate:** List all project capital costs. Include each cost item and the size and number of items. Identify items already ordered or acquired and construction already started.

ITEM DESCRIPTION	COST	Check if started or ordered
	\$	<input type="checkbox"/>
	\$	<input type="checkbox"/>
	\$	<input type="checkbox"/>
	\$	<input type="checkbox"/>
	\$	<input type="checkbox"/>
	\$	<input type="checkbox"/>
Loan Fees	\$	<input type="checkbox"/>
Total Energy Project Costs		\$

NON-ENERGY PROJECT costs such as remodeling, expansion, or new building if not included above.	
Land	\$
	\$
	\$
List any funds for the total project other than SELP funds.	
Funds provided by applicant or principals	\$
Loans other than SELP:	\$
Other (explain):	\$
Total funds available other than SELP	\$

Describe environmental impacts and steps taken to reduce negative effects, do not enter "none."

	Name	Address	Phone number	E-mail address
Engineer				
Architect				
Contractor				
Dealer				
Project Contact				

**COLLATERAL**

Describe collateral you are offering as security for the loan: \_\_\_\_\_

What is the present value of the security? \_\_\_\_\_

Are you purchasing or leasing the project site? \_\_\_\_\_

Land owner/lessor: \_\_\_\_\_ Address: \_\_\_\_\_

Terms remaining on lease: \_\_\_\_\_ Payments: \$ \_\_\_\_\_ per \_\_\_\_\_ Expiration date: \_\_\_\_\_

Are there any mortgages or liens on the property? Yes \_\_\_ No \_\_\_ If yes, please list them below:

1) Lenders name and address: \_\_\_\_\_

Original amount: \$ \_\_\_\_\_ Rate: \_\_\_\_\_ % Payment: \$ \_\_\_\_\_ Balance: \$ \_\_\_\_\_ Acct. no: \_\_\_\_\_

2) Lenders name and address: \_\_\_\_\_

Original Amount: \$ \_\_\_\_\_ Rate: \_\_\_\_\_ % Payment: \$ \_\_\_\_\_ Balance: \$ \_\_\_\_\_ Acct. no: \_\_\_\_\_

List here all firms in which applicant or principals hold an ownership interest greater than ten percent (10%) and those which applicant or any principal controls.

FIRM	PERCENT OWNERSHIP OR CONTROL
	%
	%
	%
	%

List all obligations that are co-signed or guaranteed by applicant or guarantors

For whom:	Lender:	Balance:	Payment:

1. Are any legal actions pending against applicant or principals? Yes \_\_\_ No \_\_\_
2. Have applicant or any principals formed a business which ceased to exist in less than two years; or filed bankruptcy or experienced foreclosure, repossession, debt judgment, or criminal penalty within the last seven years? Yes \_\_\_ No \_\_\_

If yes to either question, attach details.

Applicant(s) authorizes SELP to use their name, address, project information, and project photos to explain or promote the loan program. Yes \_\_\_\_ No \_\_\_\_

**IMPORTANT—READ CAREFULLY**

**Confidentiality of Information**

In general, loan application files are subject to Oregon's Public Records Law (ORS 192.410 et seq.) and are open to public inspection. However, Oregon law (ORS 470.065) exempts certain loan applicant's information from public inspection, including financial, sales, marketing and project technical information. In addition, trade secrets may be exempt from disclosure under ORS 192.501(2) as well as other information exempted by ORS 192.

Under certain circumstances, as set out in ORS 192.445 (1), the personal safety exemption to the Public Records Law, the Oregon Department of Energy is authorized to withhold your address, phone number, and electronic mail address.

Your application may contain information that you believe should be exempt from public disclosure under ORS 470.065 or other statute. You should clearly identify that information you request to be kept confidential in your application. Marking information does not guarantee that it will be kept confidential. The Director of the Oregon Department of Energy will make any decisions regarding public disclosure of information contained in this application in accordance with State law. The person who wants to inspect the application file has the right to appeal the Director's decision. In the event of an appeal, the state Attorney General will make a final ruling.

Please consult your legal counsel to determine what exemptions could apply to your application. The Oregon Department of Energy does not endorse any company that requests application information and does not sell this information as a mailing list.

**APPLICANT(S) REQUEST FOR CONFIDENTIALITY:** Applicant(s) request that information provided in support of this application be held confidential to the maximum extent available as provided above.

**APPLICANT(S) CERTIFIES AS FOLLOWS:** That applicant(s) will use loan proceeds only to construct the energy project described; that the applicant(s) will comply with all applicable rules and laws intended to preserve or enhance environmental quality; that applicant(s) will obtain all applicable local, state, and federal permits, approvals, and licenses and comply with their terms and conditions; that no loan funds will be used for working capital, stock in trade, SELP or BETC application fees, or refinancing of existing debts, or that the project construction to be financed will not commence or be obligated until the loan is approved, unless approved by the Department of Energy; and that undersigned is duly authorized to bind the applicant to repay this loan. Applicant(s) declares under penalty of law that all facts given and information attached are true and correct. Applicant(s) authorizes the Small Scale Energy Loan Program (SELP) to verify any facts they deem necessary for loan analysis, including obtaining my/our business and personal credit report(s).

**I understand my loan may include a prepayment penalty.**

**I have enclosed an application and underwriting fee of \$ \_\_\_\_\_**

Applicant	by	Signature	Title
Applicant	by	Signature	Title
		Date	

**BUSINESS OWNERSHIP INFORMATION**

Principals of closely held or under-capitalized businesses are expected to personally guarantee loans. It is the policy of the Department of Energy to obtain consumer credit reports for these individuals.

Owners of 10% or greater interest in the business—principal, shareholders or owners.

I authorize Department of Energy to obtain a consumer credit report on myself for purposes of evaluating this application:

Name: \_\_\_\_\_

Signed: \_\_\_\_\_

Percent owned: \_\_\_\_% SS # or Tax ID # \_\_\_\_\_

Address: \_\_\_\_\_

Name: \_\_\_\_\_

Signed: \_\_\_\_\_

Percent owned: \_\_\_\_% SS # or Tax ID # \_\_\_\_\_

Address: \_\_\_\_\_

Name: \_\_\_\_\_

Signed: \_\_\_\_\_

Percent owned: \_\_\_\_% SS # or Tax ID # \_\_\_\_\_

Address: \_\_\_\_\_

List additional owners below as needed.

Disclosure of social security numbers is not mandatory. The Department of Energy intends to use the number to obtain a consumer credit report to comply with ORS 470.090 (2) (e). The Privacy Act of 1974 prohibits the state from denying a loan because a person does not disclose their social security number.

## FREQUENTLY ASKED QUESTIONS

### WHERE DO I START?

The best way to start is to speak with a Loan Officer. Our loan officers are available to discuss your project and loan options. They may have ideas you've not considered, and suggest ways to save time and money.

### WHAT BUSINESSES CAN APPLY FOR FINANCING?

Oregon businesses of all kinds. If a choice between requests must be made, preference will be given to retail or service businesses that employ 50 or fewer persons, and industrial or manufacturing businesses (including farms) that employ 200 or fewer persons.

### WHAT PROJECTS ARE ELIGIBLE?

Projects must conserve energy, produce energy from a renewable resource, be a qualified alternative fuel project, or a qualified recycling project in Oregon. Examples of projects include:

1. Waste heat recovery
2. Conservation systems
3. Solar water heating
4. Passive solar heating
5. Geothermal heating
6. Methane digesters
7. Ground water or solar assisted heat pumps
8. Recycling (market development) projects
9. Alternative fuel fleet vehicles or refueling stations

Many other projects are possible. Talk to us about your ideas.

### WHAT COSTS CAN BE FINANCED?

Loans **can** be used for commercial project capital costs such as:

1. Equipment, installation and building costs
2. Weatherization
3. Design and consultant fees if incurred after the loan is approved
4. Construction interest and loan fees
5. Normal loan closing costs

Loans **cannot** be used for:

1. Costs incurred before loan application unless pre-approved
2. Operating or fuel costs
3. Back-up system costs such as conventional gas and electric furnaces

Only the energy project can be financed. For example, SELP cannot finance a new office, but it can finance the energy conserving or producing elements to be built into the office.

### WHAT LOAN SECURITY IS REQUIRED?

SELP can lend on a first or junior mortgage. The security value of a second mortgage is affected by the size of any senior mortgage. Before a second mortgage loan from SELP can be approved on a new building, the first mortgage from your other lender must already be approved in writing. Contract equity loans may be made where the buyer under the land sale contract allows the state a security interest about equal to that of a junior lien on the fee. On certain industrial properties long-term leaseholds may be acceptable security. The term of the lease must extend beyond the loan by a minimum of 33 percent and give nearly all the rights of ownership. Other security may be considered, talk to us about specific items.

### WHAT FINANCIAL REQUIREMENTS MUST BE MET?

Generally, your business must have produced an after-tax profit for at least the two years before your application is filed. Businesses must also have a ratio of current assets to current liabilities of 1.75 to 1 or better, and a ratio of total liabilities to owner's equity of 2 to 1 or better. If you do not meet these standards, go ahead and talk with us. You may offer other strengths in their place.

### HOW LONG ARE LOAN TERMS?

Commercial loans are normally from 10 to 15 years. Loans may be assumable based upon approval by the Department of Energy. **There may be a prepayment penalty**, please ask us for details.

### IS MY FILE CONFIDENTIAL?

See application for Public Records Law notice.

### HOW DO I APPLY?

Send your completed application to: Oregon Department of Energy, 625 Marion St. NE, Salem, OR 97301-3737  
503-378-4040 or 1-800-221-8035. <http://egov.oregon.gov/ENERGY/>

## **HOW DOES SELP PROCESS APPLICATIONS?**

1. SELP reviews project feasibility, applicant finances, security, and other factors that affect a loan decision.
2. We notify you of our tentative conclusions or we ask you for any information we need to bring your loan to a final decision.
3. If approved, a loan commitment is issued listing the items needed to close your loan. For example, licenses and permits and final construction drawings are normally required prior to loan closing.
4. When you meet your commitment conditions, your loan papers go to your title company for closing.

## **HOW LONG DOES PROCESSING TAKE?**

Loans under \$100,000 are normally approved in 2 to 3 weeks. Larger loans require advisory committee review and can take at least 30 to 60 days to process. Complex projects usually require considerable time to develop and review. Call us to discuss your project time line.

## **WHAT IS THE INTEREST RATE?**

Interest rates can vary so please check with us for current rates. Rates are fixed for the term of the loan and set at closing.

## **WHAT OTHER LOAN COSTS ARE THERE?**

Borrowers pay all costs of operating the loan program. Most of these costs may be included in your loan.

- Loan requests up to \$100,000 have a reduced and streamlined fee matrix:  
<http://egov.oregon.gov/ENERGY/LOANS/fees.shtml>

Loan requests for more than \$100,000 should expect to pay the following:

1. Application Fee: One-tenth of one percent of the amount applied for (maximum fee \$2,500) must be submitted with application. This fee is not refundable and not reimbursable from loan proceeds. A current preliminary title report on the security should accompany the application.
2. Underwriting Fee \$500 or one-half of one percent of the loan request, whichever is greater, not to exceed \$5,000 must accompany the application. All but \$500 of this underwriting fee will be applied toward the loan fee upon closing. This fee is also non-refundable.
3. Loan Fee: One percent of the loan amount to be paid at closing.
4. Appraisal Fee: If an appraisal is required, you will be required to pay the full cost. Your loan officer will discuss with you the need for an appraisal.
5. Closing & Other Cost: Escrow closing costs and title insurance are usually required. Other closing costs may apply including legal expenses for document preparation. We will contact you before you incur any unique or special costs.
6. Construction Fees: Any construction charges will be specified in advance for you. Such charges are normally minimal. Interest is charged on funds disbursed during construction. Holding costs on undisbursed funds may apply.

The costs of selling bonds and operating the program are paid through interest on loans.

**IMPORTANT:** After a loan is approved, it cannot be increased without going through an approval process. Feel free to estimate loan costs with us. Be sure your loan request includes adequate amounts for 4 through 6 above.

## **DO I RECEIVE ENERGY TAX CREDITS?**

Projects funded by SELP are often eligible for a state tax credit. Tax credit application fees are not reimbursable from loan proceeds. Tax credit forms can be reviewed when the loan is being processed. Standards for tax credits are not the same as for loans. Tax credit approval does not ensure loan approval. For information on state tax credits, contact ODOE. You may wish to contact a tax consultant about federal energy tax credits. Some businesses must choose between some federal energy tax benefits and SELP loans.

## **DOES SELP ENSURE THAT MY PROJECT IS WORTHWHILE?**

The Oregon Department of Energy may not

1. Act as the applicant's attorney, engineer, financial or tax consultant. Applicants should hire the professional help they need.
2. Guarantee that the applicant is making a good investment.
3. Endorse any project, manufacturer, contractor, or component. All evaluations are made only for loan purposes. Applicants are advised to shop for bids and use professional help if necessary.
4. Compel a contractor or engineer to remedy defects in construction or to live up to any contract with the applicant.
5. Insure that any project is safe, feasible, or operable. Inspections are for loan purposes only. Borrowers should inspect all work carefully for their own protection.
6. Guarantee the confidentiality of application or loan files. ORS 470.065 defines material exempt from public disclosure and provides that the Director's decision concerning disclosure is subject to an appeals process.