



**The ConserFund Loan program was established to assist government and non-profit entities in carrying out energy efficiency projects. Here are answers to commonly asked questions:**

**Who is eligible to receive a ConserFund Loan?**

Government entities (state, local, regional) and non-profit organizations (with appropriate financial assurances) are eligible to apply.

**What is the interest rate?**

The current interest rate is 1.50%

**Does the interest rate change over the life of the loan?**

No. Your interest rate will remain constant once the loan agreement is signed.

**How much can I borrow?**

The minimum loan amount is \$25,000 and the maximum is \$500,000 per (state) fiscal year. Someone could borrow up to the maximum before July 1 of a given fiscal year, and then borrow additional funds after July 1 if necessary for a large project.

**How long is the term of the loan?**

The maximum term is 10 years. However, loans should not extend beyond one and one-half times the expected payback of the loan. In other words, if your planned activity is expected to pay for itself in 4 years, your loan would be for no more than 6 years.

**Is there a penalty for paying off the loan more quickly than planned?**

No.

**How are loan applications evaluated?**

Loans are evaluated in two ways: financial stability of the borrower and technical merit of the proposed energy measure(s). We want the borrower to be able to repay the loan and we want to see that the proposed energy measure(s) will generate savings that pay for themselves within a period of approximately 8 years.

**How does it work?**

Once the loan is approved and the loan agreement document is signed by you (the Borrower) and the ORS-Energy Office (the Lender) you may begin work. As work is completed and contractors submit invoices to you, you may request progress reimbursement payments based on work completed and invoices received.

**Governmental entities** have a grace period while their energy project is completed. Once the project(s) is completed, interest begins accruing. The first annual loan payment will be due one year after the designated construction period is over. This way, the borrower will have a year's worth of savings from the project before loan payments have to be made.

**Non-Profit borrowers** have a shorter grace period while their energy project is completed. Loan payments will be made quarterly beginning as soon as the designated construction period has ended.



### **Will ORS review the project once completed?**

Yes. Once the project is completed, the ORS-Energy Office will conduct an on-site monitoring visit to ensure project compliance with the scope of the loan and to gather "success stories" to inspire others.

### **What do I need to do to apply?**

1. Have a technical analysis completed by an engineer or other professional who is a Professional Engineer (PE), a Certified Energy Manager (CEM) or an Accredited Commercial Energy Manager (ACEM) so that you know which energy measures will yield the greatest savings, have a plan in place, and know how much you need to borrow. In some cases, vendors may prepare the technical analysis if you are only contemplating one type of energy measure. For guidelines on completing a technical analysis, see [ConserFund Related Links/Files](#).
2. Based on the information provided in the technical analysis guidelines, complete the application form found at [www.energy.sc.gov/incentives/conserfund](http://www.energy.sc.gov/incentives/conserfund) and have it signed by the appropriate official with authority over financial matters. Once signed, you may scan the form and email it to [tjerman@regstaff.sc.gov](mailto:tjerman@regstaff.sc.gov) or send a physical copy through the mail.
3. Include with the application (either scanned or in hard copy)
  - a. A copy of the technical analysis, including calculations
  - b. The last three years of audited financial statements
  - c. The current year-to-date financial statement

### **What about collateral?**

If you are a state or local governmental entity, we will use the Treasurer's Funds Intercept to recoup loan payments in case of default.

If you are a non-profit organization, we will need to make other arrangements, generally in the form of automatically renewing bank letter of credit security agreements. Other arrangements may be developed as appropriate for individual borrowers. Please call the ORS-Energy Office at (803) 737-8030 to discuss other acceptable collateral.

### **What is the source of funding and audit requirements?**

1. **Funding Source** - Funding for the ConserFund Program is provided entirely from the federal State Energy Program Revolving Loan Fund (RLF) and, consequently, all federal regulations and reporting requirements apply. Additionally, the SC Office of the State Auditor requires revolving loan funds retain their character as federal expenditures and disbursements by the SC ORS are to be reported on the Schedule of Expenditures of Federal Awards (SEFA).
  - a. Federal Award Identifier: DE- EE0008294
  - b. CFDA Number: 81.041
  - c. [US Department of Energy Special Terms and Conditions](#) (PDF)
2. **Federal Audits** - If Federal audit requirements are applicable to your organization, the audit shall be completed within nine (9) months of the close of your fiscal year and forwarded to ORS. Annual financial statements are required to be audited by a Certified Public Account (CPA) in accordance with the applicable OMB Circular and/or AICPA Standards.

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