

A Step-by-Step Guide for Energy Saver Home Loan Borrowers

I have closed on my Energy Saver Home Loan. What comes next...

Congratulations! You have just closed your Energy Saver Home Loan (ESHL) with your Lender. Please read this Step-by-Step Guide carefully as it contains important timelines and information on how the disbursement process works.

Table of Contents

- IMPORTANT TERMS2
- 3 DAY RIGHT OF RECISSION3
- INITIAL DISBURSEMENT3
- TRANSFER OF SERVICING TO MASSHOUSING3
- MASSHOUSINGCONNECT3
- ESCROW MANAGEMENT AND DISBURSEMENTS4
- DISBURSEMENT REQUESTS4
- CHANGE ORDERS4
- EXTENSIONS4
- FINAL PROJECT COMPLETION AND ESCROW ACCOUNT CLOSEOUT5
- RE-AMORTIZING YOUR LOAN5
- PREPAYMENT PENALTIES5
- CONTACT INFORMATION5
- IMPORTANT REMINDERS6

IMPORTANT TERMS

Please familiarize yourself with the following terms that you need to know about the Energy Saver Home Loan Disbursement process:

MassHousing	This guide will occasionally refer to MassHousing. MassHousing now owns your Energy Saver Home Loan Mortgage and will be acting as your Escrow Agent, responsible for its disbursements.
Disbursement Information	Initial disbursements for projects over \$3k will be at 1/3 of project costs made in accordance with the customer's Loan Project Summary after the 3 Day Right of Recission (ROR) is up. The final disbursement to each contractor will be released after contractor completes their project, submits their project-specific Quality Assurance Forms to Abode for approval and the customer submits a Borrower Completion and Consent Form for the project.
Energy Service Provider	Abode Energy Management in all cases will act as the Energy Service Provider (ESP). The Abode or Energy Service Provider (ESP) personnel who assisted the customer with Contractor Selection, Final Bids and Loan Project Summary/Disbursement Schedule creation is referred to as the customer's Decarbonization Consultant. This will also be the person who will assist you with any issues or concerns with the contractors or the project along the way.
Contingency Fund	This reserve of funds is held in the ESHLP Repair Escrow Account for the purpose of covering any unforeseen costs, risks, events or changes in scope that may affect the project's cost over the course of its life. No portion of this money may be used for repairs not previously identified as part of the scope of work.
Change Order	Any cost overruns or changes involving change of contractor, type of work, architectural exhibits, engineering plans, quality of materials or amount of materials that differ from your original bid. All changes to work from the original bid must be submitted to MassHousing, using the Change Order Form, for review and approval. You will need to contact MassHousing BEFORE authorizing your contractor to make repairs that will cost more than the estimate provided in the original contractor bid.
Extensions	The maximum project completion time allowed is 12 months from the closing date. If your completion date is getting close to that limit, and your contractor needs more time, you can contact MassHousing to discuss an extension. MassHousing will work with you and the Energy Service Provider to review and decide on a reasonable extension date. An extension request should be made through MassHousingConnect using the MassHousing Extension Request Form.
Escrow Account	Funds for your energy improvement project are held in an interest-bearing escrow account insured by the FDIC. The funds are released to you and your contractor for repairs based on the original work write up and contractor bid. Included in this account are funds to pay for planned repairs and contingencies. Please refer to the Escrow Agreement which you signed at closing for the Escrow Balance.
Unused Contingency Funds	Any unused contingency funds after the final release have been processed will be applied to reduce the principal balance on your loan.
Conditional Waiver and Release of Lien	These liens are a form of collateral that ensures payment of debt. Contracts for energy improvement often allow contractors to place a lien against the title of the property in the event they are not paid. If your property has a lien against it, you will not be able to sell or refinance the property until the lien has been cleared. MassHousing will request a lien search as well as a Waiver Lien Release from your contractor prior to your final disbursement to determine that the property is free of work-related liens.

3 DAY RIGHT OF RECISSION

Your loan has closed, and you have signed a Right of Recission (ROR). This means:

- If you change your mind, you can opt out of the loan within 3 days after closing.
- If you choose to opt out within that period, the ESHL transaction will be null and void.
- You must sign the ROR form before the deadline (indicated on the ROR document) to opt out.
- If you choose to move forward with the Energy Saver Home Loan, you do not need to do anything.
- The Right of Recission is required on all Energy Saver Home Loans.

NOTE: UNDER NO CIRCUMSTANCE, CAN WORK START PRIOR TO THE ROR END PERIOD. It is recommended that you hold off on starting contractor work until after your loan has been transferred from the Lender to MassHousing (see process outline below).

INITIAL DISBURSEMENT

When the Right of Recission is up, the Lender will complete the following:

- Disburse closing costs.
- Initial Disbursements-Contracts for projects above \$3,000: Initial disbursements are made by the Lender at loan closing for 1/3 of the contract cost. The remaining, final disbursements are made by MassHousing after project completion. See your Loan Project Summary for contract disbursement breakdown.
- Issue a check made out to both you and the contractor for each disbursement. Please coordinate with the Lender on how to receive the check, you can either pick the check up at the Lender office or the Lender can mail you the check, addressed to you and forwarded to the subject property address on file.
- Reimburse you for appliances and permits paid for upfront. You must provide paid receipts pre-closing if you would like to be reimbursed so these costs can be rolled into the loan. Appliances must be included in your Loan Project Summary.

NOTE: Projects that are \$3,000 or less are not eligible for an initial disbursement. These contractors will be paid 100% by MassHousing after project completion.

NOTE: Until your loan is transferred to MassHousing, you will need to reach out to your Lender if you have any questions or concerns regarding the closing, Right of Recission or initial disbursements.

TRANSFER OF SERVICING TO MASSHOUSING

After the initial disbursements, MassHousing will purchase your loan from the Lender. This could take approximately 2 weeks from closing, depending on volume.

- Your loan will be onboard with MassHousing.
- You will receive a "Welcome Letter" with your account # and important information regarding the servicing of your loan.
- You will be provided with instructions on how to register for MassHousingConnect, MassHousing's HomeOwnership Servicing Portal.
- Now that your loan is serviced by MassHousing, you can reach out to MassHousing with any questions or concerns regarding your loan.

NOTE: You cannot request any final contract disbursements on the ESHL until your loan has been fully onboarded with MassHousing.

MASSHOUSINGCONNECT

When you receive your Welcome Letter from MassHousing, you will be provided with instructions on how to register for MassHousingConnect, MassHousing's HomeOwnership Servicing Portal. Once you are registered on MassHousingConnect, you can make payments, set up autopay, update your profile and monitor your Escrow Account.

If you have any issues or concerns regarding your MassHousing account, or need assistance in the registration process on MassHousingConnect, please contact MassHousing HomeOwnership Customer Service at 888-843-6432.

ESCROW MANAGEMENT AND DISBURSEMENTS

- MassHousing will be acting as your Escrow Agent, managing your Escrow Account and disbursements.
- An interest-bearing Escrow Account will be set up for you.
- The Escrow Account will hold final payments due to your contractors as well as a contingency amount*.
- MassHousing will work with you throughout the project making payments to your contractors.

**A contingency amount is required on all ESHL. This amount covers any unforeseen items that may arise during the project. Once the project is complete, and the contingency amount has not been used, these funds will be applied to your loan principal. The contingency amount will be based on the project and will be determined by your Energy Service Provider.*

DISBURSEMENT REQUESTS

- To request payments for your contractors or need to submit a change order, please submit these requests along with the correct form (see links below) to eshlp@masshousing.com
- Only one (1) final disbursement will be allowed per contractor at each contractor's project completion.
- Upon receipt of that form, MassHousing will contact the Energy Service Provider, to confirm they have received and approved of the contractor's project-specific Quality Assurance (QA) forms and Conditional Waiver and Release of Lien.
- Each contractor is required to submit a QA form and Conditional Waiver and Release of Lien for each project completed to Abode for review and approval. Your contractor will have received the necessary QA form(s) from Abode prior to project initiation. The contractor would benefit from completing their QA form on the day of project completion as aspects of the form will need to be completed on-site.
- The turnaround time for QA approval from the time your contractor submits it to Abode is approximately 48 hours.
- Once MassHousing receives the QA approval from Abode, a request for payment will be submitted. Upon approval, a check will be generated and made payable to both you and the contractor and overnight mailed to the subject property on file.

Note: MassHousing releases checks every Thursday. To receive payment there must be a completed and approved QA Form and Conditional Waiver and Release of Lien on file with the Energy Service Provider. The turnaround time to receive a check could take up to 5-10 days from the day MassHousing initiates the disbursement request.

****This turnaround time is subject to change based on program volume and whether QA forms are adequately completed by contractors upon submission.***

CHANGE ORDERS

Prior approval by MassHousing is required for any cost overruns or changes involving change of contractor, type of work, quality of materials or amount of materials. In the event of such a change, you must contact MassHousing for review and approval by submitting the Change Order request to eshlp@masshousing.com.

EXTENSIONS

The maximum project completion time allowed is 12 months from the closing date. MassHousing will continue to communicate with the you throughout the project, making sure timelines are being met. Sometimes things do not always go as planned. If your completion date is getting close, and your contractor needs more time, you can:

- Contact MassHousing to discuss an extension.
- Submit an extension request to emasshousing.com using the MassHousing Extension Request Form.

- MassHousing will work with you and the Energy Service Provider to review and decide on a reasonable extension date.

FINAL PROJECT COMPLETION AND ESCROW ACCOUNT CLOSEOUT

Once all your ESHL projects have been completed and all final disbursements have been made, MassHousing will:

- Apply any remaining funds in your escrow account to your loan principal.
- Close out the Escrow Account.
- Send you a letter stating your escrow account has been closed with a \$0 balance.

RE-AMORTIZING YOUR LOAN

You also have the option to re-amortize your loan at no cost to you. You can request a re-amortization of your loan if you are applying a sum of \$2,500 or higher to your principal balance from any source such as:

- Excess funds from your Escrow Account after final project completion.
- Energy rebates you may have received on the work performed.
- Any other source of funds.
- Re-amortized requests to your loan can be made multiple times throughout the life of the loan.

When you submit a request to MassHousing for a re-amortization of your loan, your loan will be recalculated and adjusted accordingly. This request can be made by contacting the MassHousing HomeOwnership Customer Service at 888-843-6432.

PREPAYMENT PENALTIES

There are no prepayment penalties associated with the Energy Saver Home Loan. You can make additional payments to your loan at any time throughout the life of the loan. You can also pay off your entire loan amount at any time prior to your payoff date with no penalties.

CONTACT INFORMATION

- If you are in the application process or have closed your loan with a Lender and are waiting for your loan to be onboard with MassHousing, please contact your Lender with any questions.
- Once your loan has been onboarded with MassHousing, you can contact MassHousing for any questions regarding your Energy Saver Home Loan Escrow Account by sending an email to ESHLP@masshousing.com or contacting us through MassHousingConnect.
- During your ESHL project, if you have any questions regarding your contractor or the work being performed, please reach out to your Decarbonization Consultant at Abode and MassHousing.
- For all other servicing questions, please see below:

General Correspondence, Credit Disputes, Error Notices, and Information Requests

MassHousing

Attn: HO Mortgage Service Center

One Beacon Street

Boston, MA 02108-3110

Fax: 617.722.0692

Email: HOCustomerService@masshousing.com

Mortgage Service Center: Speak with a HomeOwnership Mortgage Service Center representative by calling us at 888.THE.MFHA (843.6432).

Assistance is available: Monday - Friday 9 a.m. to 5 p.m.

Mass Relay: 7-1-1.

Your call may be recorded for the coaching and development of our associates.

We would love to hear your feedback!

Interested in sharing your thoughts on your Energy Saver Home Loan experience? We would love to hear from you about what went well and what we can improve on. The link to schedule a call is available when you log into MassHousingConnect. Alternatively, a Climate Bank representative will reach out to you by email with an invitation for a 10-minute meeting. If you do not wish to speak with us, please feel free not to respond to this item.

IMPORTANT REMINDERS

- ***It is very important your project stays on track and moves in a timely manner. In compliance with your Escrow Agreement all improvements must be completed within twelve (12) months of closing.***
- ***Do not change, hire or dismiss a contractor without discussing with your Energy Service Provider and MassHousing. MassHousing recommends that you seek legal advice before taking such action. You will need to receive approval from MassHousing before changing contractors.***
- ***Do not use or plan to use your contingency reserve fund without prior approval from MassHousing.***
- ***Do not do any of the work yourself. All work must be performed by the contractor previously authorized to perform said work.***
- ***It is your responsibility to contact MassHousing to request a disbursement. Scheduling these disbursements in a timely manner will keep your project on track to be completed in the required 12-month period.***
- ***All improvements made to your home must be reviewed by the Energy Service Provider. Do not perform work on your home outside of the planned scope of work. If your scope of work changes, please refer to the "Change Order" section of this document. Contact your Energy Service Provider or MassHousing if you have any questions or need assistance.***

