



STRATEGIC BANKING CORPORATION OF IRELAND

HOME ENERGY UPGRADE LOAN SCHEME

OPEN CALL FOR EXPRESSION OF INTEREST

(Issued on 31st October 2023)

1. Introduction

The Strategic Banking Corporation of Ireland (the “SBCI”) is launching an Open Call (“the “Call”) to identify interested On-Lenders (the “On Lenders”) to deliver a Scheme aimed at supporting consumers and non-corporate residential landlords seeking to upgrade the energy efficiency and decarbonisation of up to three qualifying residential property(ies).

This Call replaces the Invitation for Pre-Qualification for the Retrofit Loan Guarantee Scheme which was published on 4 May 2022 and closed for applications on 3 June 2022. For those On-Lenders who participated in the subsequent Invitation for Award, which was the second stage of the process to identify and select potential On-Lenders interested in distributing the Scheme portfolio, issued on 30 September 2022 (updated on 25 October 2022), (the Invitation for Pre-Qualification and Invitation for Award, collectively the “Original Open Call Process”) please note that the Original Open Call Process has now formally been discontinued and the SBCI is now launching a new Call for Expressions of Interest to identify and select On-Lenders to deliver a Revised scheme which has been named the Home Energy Upgrade Loan Scheme (the “Scheme”).

This Call includes additional details on the features of the Scheme, eligible and ineligible loan purposes, pricing requirements and reporting requirements.

Interested applicants should express their interest by completing the appropriate template included at **Annex 2** to this Open Call together with all necessary information emailing it to HEULopencall@sbc.gov.ie

Closing date for receipt of applications for this Invitation for Award is 30 November 2023 at 17:00 hours (the “Deadline Date”)

Contents

1	Introduction	Pg
	1.1 The Home Energy Upgrade Loan Scheme	3
	1.2 The Strategic Banking Corporation of Ireland	3
	1.3 Opportunity for On-Lenders	4
2	The Scheme Details	
	2.1 Summary of Loan Details	5
	2.2 Key Terms between the On-Lender and SBCI	7
	2.3 State Aid Treatment	8
3	The Selection Process for On-Lenders	
	3.1 Application Process	9
	3.2 Assessment and Due Diligence	10
	3.3 Preparatory Steps	10
	3.4 Publishing of Information	11
4	Requirements from On-Lenders	
	4.1 Lending to Consumers	11
	4.2 Critical Mass	11
	4.3 Eligible Financial Product Cost / Interest Rate	11
	4.4 Availability of Capital	12
	4.5 Operations, Management Team, and Track Record	12
	4.6 Regulation	12
	4.7 Legal Structure	13
	4.8 Due Diligence	14
5	Legal Notice	15
	Annex 1 to 7	17

1.1 The Home Energy Upgrade Loan Scheme

Under the Climate Action Plan, the Irish State set a target to upgrade the equivalent of 500,000 homes (approximately 33% of the occupied housing stock) to a Building Energy Rating B2 level and the installation of 400,000 heat pumps in existing premises to replace fossil fuel heating systems. This means that Ireland will need to deliver a considerable number of B2-equivalent home upgrades per year to 2030 (inclusive) to achieve the overall target.

In order to help meet these targets, the National Retrofit Plan and Climate Action Plan commit to the introduction of a loan guarantee scheme to provide a competitive funding offer with State support, to help increase the volume of retrofit activity. The Scheme portfolio of up to €500m is to be supported by an investment from the Department of the Environment, Climate and Communications (“**DECC**”) and will be backed by a counter guarantee provided by the European Investment Fund (“**EIF**”) and the European Investment Bank (“**EIB**”).

The Scheme is targeted to launch in the coming months and will be available to deploy for three years after it has been launched (or until the portfolio has been fully disbursed if earlier than three years).

1.2 The Strategic Banking Corporation of Ireland

The SBCI was established in September 2014 to ensure that businesses in Ireland have access to stable, lower cost and longer-term funding options and is wholly owned by the Minister for Finance. One of the primary functions of the SBCI is to promote the provision of additional credit to businesses in Ireland, to fill gaps in the Irish credit market and to encourage competition in the lending market. In designing any of its schemes, the SBCI strives to ensure the efficient use of available EU funding and guarantees.

The SBCI provides wholesale funding and risk sharing supports through its on-lending partners to deliver a range of loan products initially to businesses but now also to consumers upon the launch of this scheme, ensuring that the benefit of its support is delivered to the ultimate borrowers, improving access to finance in the Irish credit market and promoting sustainability in the Irish economy.

1.3 Opportunity for On-Lenders

On-Lenders who have been active for at least five years in consumer lending are invited to apply, as detailed in **Section 3**. There are two application forms available to interested Applicants (**see Annex 2**), a short form application for existing SBCI On Lenders and a longer detailed form for new On Lenders. See **Section 3** for more information on the application process.

For the purposes of this Call, an “**On-Lender**” is a financial or credit institution that is incorporated or established in a European Union Member State and duly authorised to carry out lending activities according to any applicable legislation operating in a Member State.

The On-Lender must comply with relevant standards and applicable legislation on illegal activities, activity carried out for illegal purposes, tax evasion, tax avoidance, sanctions, anti-corruption, money laundering, terrorism, and fraud to which it may be subject. The On-Lender must comply with specified eligibility criteria including a requirement that the On-Lender must not be incorporated in a **Non-Cooperative Jurisdiction**¹.

2. The Scheme Details

The Scheme will involve the SBCI providing a guarantee to each On-Lender to cover the credit risk of newly originated loans included in its portfolio (up to a maximum of 80% of each loan). In addition, the Department of Environment, Climate and Communications will fund up to a 2% discount to the borrower for loans issued under the Scheme and applicants should incorporate this discount in their pricing proposals. The discount will be payable by way of a subsidy to the successful On-Lenders in return for an equivalent reduction in its loan interest rate whereby the net price to the borrower will be up to 2% below the proposed interest rate of the Applicant. For further details on Scheme loan pricing, see **Section 4.3**.

To partially off-set the risk of granting a guarantee to each of the On-Lenders, SBCI will enter into an EIF Counter-Guarantee. While SBCI will provide the guarantee directly to each On-Lender for 80%, 64% of total risk will be offset by the EIF Counter-Guarantee with the remaining 16% being provided by the SBCI. The On-Lender will retain the remaining 20% of the risk.

Applicants who are successful in their application for this Call process will be invited to act as an On-Lender for the Scheme and may be allocated a portion of the total portfolio under the Scheme.

¹ Any jurisdiction that does not cooperate with the Union in relation to the application of the internationally agreed tax standard (i.e. any jurisdiction classified as “non-compliant” by the Organisation for Economic Cooperation and Development (OECD) and its Global Forum on Transparency and Exchange of Information for Tax Purposes, from time to time, unless otherwise notified by EIF).

The Maximum Portfolio Volume of up to €500m will be sub-divided into two parts, namely **Portfolio 1**, a maximum of up to €470m, and **Portfolio 2**, a maximum of up to €30m. Applicants can apply for an allocation under one of these categories but not both. Unless specifically stated, the terms of the Scheme will apply equally to each of Portfolio 1 and Portfolio 2. Applicants seeking an allocation under either Portfolio 1 or Portfolio 2 will be subject to a minimum loan price discount of 1.64% prior to the application of the interest rate subsidy. If the maximum amount of Portfolio 2 is not allocated by SBCI then any unallocated amount may, at SBCI's sole and absolute discretion, be reallocated to successful applicants under Portfolio 1, and/or the SBCI reserves the right to conduct an additional open call process for any unallocated amount of Portfolio 2. For further details on minimum loan price discounts please see **Section 4.3**.

Applicants that are publicly rated by at least one of Moody's, Fitch and S&P Global Ratings must apply under Portfolio 1, whilst all other applicants must apply under Portfolio 2. To the extent that an Applicant forms part of a wider corporate group which is publicly rated by at least one of Moody's, Fitch and S&P Global Ratings, the Applicant should rely on its parent's rating and must apply under Portfolio 1. All applicants are expected to be able to evidence an ability to deploy at least €5m of new lending within the availability period, i.e., three years. To efficiently manage the deployment of the Scheme SBCI will apply restrictions on the maximum number of applicants it will consider under the Scheme, however SBCI retain the right to review the maximum number depending on demand for participation. Applicants should note that a maximum number of 5 applicants will be considered for approval under Portfolio 1 and a maximum of 8 Applicants will be considered for approval under Portfolio 2.

2.1 Summary of Loan Details

Loan Features will include:

- Loans from €5,000 to a maximum of €75,000 per property.
- Loan terms from 1 year to 10 years.
- Loans must be unsecured.
- A guarantee fee of 64bps (current estimate and subject to change pending finalisation of assessment by the Counter Guarantor, EIF/EIB) will be payable by lenders.
- Loans must be term loans only, while interest rates may be fixed or variable.
- All loan applicants must utilise a Sustainable Energy Authority of Ireland ("SEAI") project intermediary² to carry out the energy efficiency upgrade works to be eligible under the guarantee.
- The On-Lender's standard credit criteria and policies shall apply to the origination, risk, credit, collections, loan servicing and accounting policies and procedures on a consistent basis without regard to the SBCI guarantee across the On-Lender's loan book to exposures of a substantially similar type to the loans.

² Meaning a provider approved by the SEAI for the provision of services under or in connection with a SEAI Scheme and currently includes a one stop shop, an energy partner/counterparty, and a project coordinator.

Loan Purposes

- Loans must be used for the purposes of upgrading the energy efficiency and decarbonisation of a qualifying residential property(ies).
- Eligible items of expenditure to be financed by the loans include fabric upgrade of buildings (e.g., insulation) and renewable energy solutions (e.g., heat pumps). To note solar photovoltaic (pv) installations are **not** eligible as an individual measure (these are currently supported through the one stop shop). However, solar (pv) are eligible and can be installed as part of a deep retrofit.
- Up to 25% of a loan may be applied for ancillary expenses, **excluding** financing any form of fossil fuel boilers.

Restrictions

Loans under the Scheme may **not** be used:

- to refinance existing term loan debt;
- to finance the upgrade of the energy efficiency and decarbonisation of (i) Mixed-Use Property, (ii) Short-Term Lettings and /or (iii) Holiday Homes³;
- to finance costs related to home energy upgrades for which a borrower has previously received an SEAI-funded grant, to the extent that those costs have been covered by such SEAI-funded grant;
- to finance any form of fossil fuel boilers; and
- for such other purposes as the SBCI may provide from time to time.

Environmental considerations

Energy efficiency upgrade and decarbonisation works financed with loans granted under the scheme shall not do significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852⁴. The responsibility for complying with this requirement rests with the project intermediaries, i.e., one stop shops or equivalent, registered with the SEAI.

Who can apply for a loan?

- A natural person (i.e. not a company) who (1) owns a Relevant Property and (2) is undertaking energy efficiency upgrade work on that Relevant Property, where such energy efficiency upgrade work is to be funded in part by a grant under an SEAI Scheme, and is to be carried out by an SEAI project intermediary, and is expected to result in a minimum efficiency improvement of 20% as compared to the existing BER.
- A natural person can apply for a loan in respect of up to a maximum of three Relevant Properties.
- A Relevant Property is further defined in **Annex 7**.

³ Please refer to Annex 7, which sets out the definitions of each of (i) Mixed-Use Property, (ii) Short-Term Lettings and (iii) Holiday Homes.

⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

2.2 Key Terms between the On-Lender and SBCI

The key terms relevant to On-Lenders include the following:

- The SBCI guarantee is to the On-Lender, not the borrower.
- SBCI will ultimately allocate a portfolio lending limit to each On-Lender under the Scheme. On-Lenders cannot exceed this limit without agreement in writing from SBCI.
- Decision-making on a borrower's credit viability is the On-Lender's sole responsibility.
- The On-Lender records all eligible transactions on the SBCI Hub. The SBCI Hub records loan and borrower details e.g. the loan amount, term, and interest rate. On-Lenders must use the SBCI Hub to enter and update the loan details in a timely and accurate manner.
- In the event of a borrower defaulting, the On-Lender may claim up to 80% of the outstanding principal of the defaulted amount from the SBCI as guarantor while bearing the remaining 20% itself.
- Any recoveries made by the On-Lender after making a claim under the guarantee must be applied on an 80%/20% basis (80% of a recovery must be paid to SBCI).
- On-Lenders must actively market the Scheme through their normal distribution channels (as appropriate), work with SBCI on joint promotions, accurately convey the terms and conditions of the Scheme on all marketing materials and assemble case studies for SBCI use, to market the Scheme appropriately. On-Lenders will be expected to agree marketing plans for the scheme with SBCI and to use the Government of Ireland, SBCI, EIB and EIF logo on all marketing and promotional material.
- On-Lenders must ensure that the relevant customer-facing and back-office staff in their organisation (e.g., branches, relationship managers, credit approvers etc.) and any intermediaries, are trained to appropriately apply and administer the Scheme, and that they manage their internal communication so that all relevant staff receive and understand the information relevant to them.
- On-Lenders undergo periodic audits. Samples of transactions will be analysed during the audit to check that the Scheme eligibility rules, and processes have been followed.
- SBCI provides training, communication and guidance materials for On-Lenders, both initially following accreditation and intermittently as refresher training where needed.
- Selected On-Lenders will be required to enter into a standard form SBCI guarantee agreement and an outline of the key indicative terms is set out in this section.
- SBCI may seek to hold periodic meetings with On-Lenders, both bilaterally and collectively as appropriate, to discuss Scheme performance, best practices, and any issues.
- Any reasonable ad-hoc requests for information that fall outside of the normal reporting requirements are to be dealt with in a timely fashion.

2.3 State Aid Treatment

The Scheme will operate under the De Minimis Regulation⁵.

State aid will apply on loans granted to any homeowner in which the underlying property (i) is currently being used; (ii) has been used in the previous 12 months; or (iii) or will be used in the next 12 months for any rental or similar arrangement (including on any short-term basis).

If the property/properties have been used for the above purposes, then there is “economic activity”, and State aid will arise on the grant of the loan(s) in respect of that property/properties.

Loans to all other homeowners will not generate any State aid.

3. The Selection Process For On-Lenders

SBCI invites proposals from any applicant able to meet the requirements set out in this Call. Applicants must have the necessary capability to lend to consumers and operate within the rules of the Scheme.

Applicants are expected to meet the requirements of a 4-stage selection process, as detailed below.

- **Stage 1 – Expression of Interest:** submission (**Annex 2**) outlining in brief how the applicant meets the requirements for On-Lenders participating in the Scheme. If the applicant is an existing On-Lender with the SBCI (an “**Existing On-Lender**”), Application Form No. 1 is to be completed. If the applicant is not an Existing On-Lender, Application Form No. 2 is to be completed. If you are unsure as to which Application Form is appropriate, please contact SBCI for guidance.
- **Stage 2 – Eligibility Requirements** – applicants need to meet minimum requirements to progress to Stage 3, and those minimum requirements are set out in **Annex 1**. Applicants that meet the minimum requirements are then further assessed based on the criteria set out in **Annex 3**.
- **Stage 3 – Initial Allocation** – an initial allocation of the available amount under the Scheme will be determined (up to the maximum number in each portfolio) for applicants that (i) achieve a minimum score of **140** marks as set out in **Annex 3 Phase 1** and (ii) an evaluation of the pricing award criterion, as set out in **Annex 3 Phase 2**.
- **Stage 4 – Due Diligence and Completion** – A core element of the Call is the due diligence stage. Applicants, who have not already received EIF approval for participation in an SBCI Scheme, will be required to complete the EIF vintage data template and EIB due diligence questionnaire as outlined in **Annex 5** within 8 weeks of notification, along with the provision of any supporting data as required. Applicants will be expected to co-operate with SBCI’s counter guarantor, EIF, and provide any additional data within a timely manner.

⁵ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, OJ L 352, 24.12.2013, p. 1–8 (“**De Minimis Regulation**”).

- If any applicant fails Stage 4 by failing the due diligence and/or legal agreement requirements within the required timelines, the SBCI may re-allocate the amount which was initially allocated to that applicant under Stage 3 to those applicants that have successfully completed Stage 4 on a pro-rata basis.

SBCI and/or EIF may request clarification or additional information at any point in the process. SBCI will assess and approve applications using a risk and judgement-based approach based on the requirements set out in **Section 3** of the Call.

SBCI may select one or more applicants to implement the Scheme in accordance with the procedures described in the Call.

3.1 Application Process

Applicants should review the minimum requirements as set out in **Annex 1**, if appropriate Applicants should complete and submit the relevant Expression of Interest appended to this Call at **Annex 2** via email to:

HEULopencall@sbc.gov.ie <mailto:Subject: Expression of Interest Home Energy Upgrade Loan Scheme>

To the extent that they are being utilised as part of the application process, any accompanying spread sheets should be in Microsoft Excel, ensuring that no formulas have been hidden or removed. If the document is password protected, the password should be provided separately. By submitting an Expression of Interest, each applicant confirms it has read and understood this Call, including the Legal Notice at Section 4.

The security of the information provided, the method of transfer and the timely delivery of the application are the sole responsibility of the applicant.

Applicants can make requests for additional information in advance of submitting an Expression of Interest. Any requests for additional information should be submitted to:

HEULopencall@sbc.gov.ie *Subject: Expression of Interest – Home Energy Upgrade Loan Scheme Query*

The SBCI will endeavour to respond to all requests for additional information as soon as possible, however all Queries should be submitted to SBCI no later than 5pm 7 days prior to the Deadline Date (i.e. 5pm 23rd November 2023)

Applicants are encouraged to have a preliminary discussion with SBCI (contact via HEULopencall@sbc.gov.ie) if they have any queries on the process.

3.2 Assessment and Due Diligence

Assessment

Successful applicants will have a share of the Maximum Portfolio Volume allocated to them based on the criteria set out in **Annex 3**.

Due Diligence

Applicants must meet the due diligence requirements of SBCI and the EIF and must, if requested, facilitate a risk assessment promptly following submission of their application, which may involve an on-site review. Any such diligence must be completed within three months of publishing this Call, such time period to be amended at SBCI's discretion. Costs incurred in such diligence are for the account of the applicant.

To the extent not already provided, successful applicants must provide completed vintage data and due diligence questionnaire (see **Annex 5**) to satisfy the SBCI, EIF and if applicable, EIB's due diligence requirements within 8 weeks of being notified they have passed **Stage 3**.

3.3 Preparatory Steps

- **Training:** SBCI will provide the applicant with training on the use of the SBCI Hub, as well as general training and communications materials on how the Scheme works, which the applicant may choose to use to train its staff on the terms of the Scheme. The applicant is, however, responsible for ensuring that all relevant staff within its organisation are fully trained on how the Scheme works, and that all internal processes reflect the necessary Scheme process requirements.
- **Operations Manual:** the applicant will be required to agree an operations manual detailing the applicant's processes and procedures for delivering loans under the Scheme before lending can commence.
- **Guarantee Agreement:** the SBCI and the applicant must execute within 4 months of the date of publication of this Call, such time period to be amended at SBCI's discretion, a guarantee agreement. This is a standard form agreement, with limited scope to negotiate changes. Indicative key terms of the guarantee are summarised in **Section 2.2**.

Note

- SBCI will use reasonable endeavours to (i) respond promptly to applicants at each stage of the application process and (ii) progress all due diligence and legal negotiations which are within its control as quickly as possible.
- SBCI may request additional information to clarify issues or to supplement information at any stage of the application process.
- SBCI reserves the right to reject an Expression of Interest at any stage of the application process.

3.4 Publishing of Information

From time to time the SBCI may publish on its website the names and associated details of those applicants who have been selected as an On-Lender in respect of the Scheme. The associated details which may be published by the SBCI may include the registered address of the successful applicant and the amount allocated to such successful applicant under the Scheme.

4. Requirements from On-Lenders

This section details the requirements for selection as an On-Lender for the Scheme. Applicants must be able to address all points to the full satisfaction of SBCI to progress through the selection process described in **Section 3**, and applicants are requested to explain how they will meet these requirements in the Expression of Interest application form. If a requirement is unclear to the applicant, or the applicant does not have or is unable to disclose the information, this should be raised with the SBCI at the earliest opportunity.

For the avoidance of doubt, satisfying all requirements does not guarantee that an application will be successful, and SBCI reserves the right to consider, assess and seek additional relevant information at its discretion.

4.1 Lending to Consumers

Applicants should be able to demonstrate their track record in the provision of term loans to consumers over a consecutive period of 5 years at a minimum.

4.2 Critical Mass

The structure of the guarantee means that for participation to be worthwhile for both the On-Lender and SBCI, applicants must be able to demonstrate through evidence-based forecasts the extent to which they intend to use the Scheme. SBCI expects applicants seeking an allocation to i) have a minimum established comparable lending portfolio of more than €20m; and ii) support a minimum deployment of €5m during the availability of the Scheme.

4.3 Eligible Financial Product Cost/Interest Rate

Applicants will be required to provide a price discount on its loans which would adequately reflect the benefit of the guarantee. At a minimum, Applicants must provide a discount of at least 1% from its current comparable loan offering after the guarantee fee is included, based on the current estimate of the fee of 64bps, this would equate to a minimum discount of 1.64%.

Applicants should indicate whether the price being charged will be fixed or variable.

Lastly, the provision of an up to 2% subsidy will be netted off the Applicants proposed pricing for the Scheme.

See **Annex 3** for guidance regarding the breakdown of the proposed pricing submissions to be included in the Expression of Interest.

4.4 Availability of Capital

The applicant must be able to demonstrate that it has or will have sufficient capital available to meet its lending forecasts for the duration of the Scheme, covering lending both with and without the support of the Scheme.

Where the availability of or freedom to deploy capital is subject to conditions which may affect the applicant's ability to deploy capital for lending under the Scheme, this must be declared. In such cases the applicant should verify the position with the relevant provider(s) of the capital.

4.5 Operations, Management Team, and Track Record

Applicants must demonstrate a viable business model and robust operations and systems. For example, where an applicant's business is loss-making, SBCI will need to see the strategy as to how the applicant plans to reach profitable status over time. Applicants must demonstrate that robust and tested systems and processes are in place for making and managing the proposed loan facilities. This requirement includes, but is not limited to, origination processes, risk management and underwriting capabilities and processes, lending documentation, back-office systems, monitoring and compliance, governance arrangements, complaints management and management information reporting. Applicants must also be able to demonstrate that they have a competent team, with sufficient expertise to execute the proposed strategy for lending under the Scheme.

Applicants must have appropriate standards of reputation and integrity, including appropriate ethical standards in all areas of its proposed operations, together with appropriate processes in place to maintain these. The applicant must be able to demonstrate this as part of its proposal.

4.6 Regulation

Applicants are expected to be appropriately regulated, licensed, and have the necessary authorisations and permissions to conduct activities consistent with their lending strategy. All applicants must also be able to demonstrate transparent and appropriate tax structures.

4.7 Legal Structure

All applicants, if successful, will be required to enter a “standard form” guarantee agreement with the SBCI. The guarantee agreement will be drafted on the basis that the origination and servicing of the loans under the Scheme is undertaken by the same legal entity as the named On-Lender (the “lender of record”), who contracts with the underlying borrower. SBCI can also accommodate a structure whereby two corporate entities from the same corporate group contract to separately originate and service loans under the Scheme, provided such entities meet SBCI due diligence requirements.

The key terms of the guarantee agreement include (amongst other matters) the following:

- the guarantee agreement is given to the relevant On-Lender in relation to the Scheme loans originated under the loan agreements between the On-Lender and the underlying borrowers
- the On-Lender originates the Scheme loan and is the primary entity responsible for servicing the lending
- the On-Lender acts in accordance with its standard policies when originating and administering the Scheme loans, having regard to the standard of care set out in the guarantee agreement
- the On-Lender is responsible for the administration of their inputs to the SBCI Hub and making sure it is kept up to date; and
- the On-Lender maintains adequate and up-to-date records in relation to the loans granted by it under the Scheme.

In general, SBCI does not undertake individual negotiations with On-Lenders on the standard form guarantee agreement.

To streamline the legal process for SBCI and all successful applicants, applicants may wish to consider if there is an efficiency / cost benefit in mutually agreeing on the same legal counsel to represent the interests of all applicants in relation to the guarantee agreement. **Applicants are asked to indicate if they would be open to such an approach.**

If an applicant has a business model that does not fit the standard form guarantee agreement, then its application will be considered using a risk and judgement-based approach which will appraise (among other matters) the risk sharing and alignment of interests between the SBCI and the On-Lender, which requires the On-Lender to have a financial interest in the performance of its loan portfolio.

The SBCI will inform applicants at the Expression of Interest stage if their lending model does not fall within the structure of the standard form guarantee agreement.

If an applicant is invited to progress to Stage 4 – Due Diligence and Completion, any additional costs incurred by SBCI in modifying its standard form guarantee agreement to accommodate business models other than those contemplated above may be for the account of the applicant. Similarly, to the extent that an On-Lender requests subsequent amendment(s) to the executed

guarantee agreement, such costs shall be borne by the On-Lender. These costs will be notified to the applicant in advance, where possible.

Where the applicant utilises a platform which pairs borrowers and individual lenders but does not itself provide credit to underlying borrowers or assume the rights of the person who provided the credit, (i.e., it is not the lender of record), it will not be considered a suitable On-Lender for the Scheme. This means that an institutional investor lending through a platform, rather than the platform itself, should be accredited as an On-Lender, with the platform entering into suitable arrangements to be able to originate loans under the Scheme. Applicants must be able to demonstrate that the platform that they originate loan facilities through is capable of ring-fencing institutional funds and complying with the other requirements of the Scheme.

4.8 Due Diligence

EIF and or EIB, as counter guarantors, may choose to perform its own due diligence in relation to applicants to the Scheme. To inform this due diligence process, applicants will be asked to complete the Vintage analysis template set out in **Annex 5**, which sets out the required data inputs and to do so within 8 weeks of being notified of this requirement. Further information to assist with this stage of the process should the Applicant be required to complete, is outlined below.

The period for which vintage data is required should be at least the last 7 years but should ideally include the last 15 years to include data from the last economic downturn.

To the extent possible, the vintages should be selected so as to be directly comparable to the target portfolio in terms of the selection criteria employed, rating composition, maturity, amortisation profile, etc. However, since Scheme loans may constitute a special/new product, comprising longer-than-average energy-efficiency personal loans to homeowners, a combination of different loan types across different portfolios may be required to act as a proxy for the proposed portfolio. Accordingly, the “Vintage_at_origination” sheet should be filled out separately for at least the following (product) segments:

- Personal loans.
- Mortgage loans.
- Personal loans with longer than average maturities; and
- Personal loans extended to homeowners (possible identification by proxy of having had an outstanding mortgage loan at the time of origination of the personal loan).

Regarding the portfolio level statistics (WAPD, WALGD, and WAPR) requested as an input, these should be calculated based on the relevant (regulatory) risk models of the applicant. A bank with Standardised Approach (as distinct from one with an Internal Rating Based approach) may refer to the applicable (weighted average) risk weight rather than to PD and LGD separately.

Please provide benchmark data of defaults and LGDs of retail consumer/mortgage loans in Ireland over the past 15 years (secured and unsecured if possible).

A second template document “EIB DD Questionnaire” is also included in **Annex 5**. Where required, this information must also be provided within 8 weeks of notification as a successful on lender.

Where an applicant has already been assessed under due diligence by EIF as part of the previous Retrofit Loan Guarantee Scheme process that has now been discontinued, the templates in **Annex 5** will not be required.

5. Legal Notice

Applicants who submit an application are deemed to acknowledge and accept the terms and conditions set out in this Call, including this Section.

SBCI reserves the right at any time not to continue with the current process and/or cancel or withdraw from the process at any stage and any costs or expenses incurred by applicants will not be reimbursed. SBCI hereby excludes any liability it may have whatsoever for any costs, expenses or losses incurred by any applicant who decides to take part in this Call.

SBCI reserves the right to reject any and all submissions and/or proposals at any time. SBCI reserves the right to amend any timetable and/or other aspects of the current process at its discretion. SBCI and/or EIF may request clarification of information and additional information regarding a response and/or may also request video conference or face to face meetings. Refusal to provide such clarification or information or to attend such meetings in a timely manner may cause a submitted response to be rejected and the entire submission subsequently treated as if it had been withdrawn. Where no reply to a request for information or for clarification or a meeting is received within ten business days of such request SBCI may assume that the submission has been withdrawn in its entirety.

Applicants should note that information received by the SBCI as part of the application process, including personal data (if any), may be published, or disclosed in accordance with access to information legislation.

These are primarily the Freedom of Information Act 2014, the European Communities (Access to Information on the Environment) Regulations 2007 to 2018 and data protection regulations and legislation, including but not limited to the Data Protection Acts 1988 to 2018 (as amended) and the European Union’s General Data Protection Regulation ((EU) 2016/679). In view of this, should applicants consider that any information should be treated as confidential and/or commercially sensitive, they must set out why they consider this to be the case in each instance. Automatic confidentiality disclaimers generated by IT systems will not, in themselves, be regarded as binding.

If the SBCI receives a request for disclosure of information provided pursuant to this Call, full account will be taken of any explanation, but no assurance can be given that confidentiality will be maintained in all circumstances.

Decisions on disclosure of information remain the responsibility of the SBCI, the Information Commissioner and the courts.

Personal data will be processed in accordance with the privacy notice on SBCI's website <https://sbci.gov.ie/data-protection-notice>

ANNEX 1

	MINIMUM ELIGIBILITY CRITERIA	System of appraisal (for SBCI use only)
		Yes/No
1.1	The applicant currently lends to Irish consumers and has a minimum track record of 5 years consumer lending in the Irish market.	
1.2	The applicant is authorised to carry out lending activities within the State.	
1.3	Neither the applicant nor any member of its senior management are in one or more of the Exclusion Situations (see Annex 2).	
1.4	The Expression of Interest is complete including relevant supporting information.	
1.5	The Expression of Interest has been submitted on or before the Deadline Date.	

ANNEX 2

Application Form No. 1 Expression of Interest for an Existing SBCI On-Lender

Information required	
Name of the Entity	
Name of Applicant	
Principal Contact(s)	
Contact Details	Address (registered office): Telephone: E-mail:
Please specify if applying for Initial Allocation under Portfolio 1 or Portfolio 2	
Please indicate the amount of Initial Allocation Requested	€ m

Certification and Authority to Submit

To whom it may concern,

We are submitting our Expression of Interest on behalf of [*Insert name of Applicant*] (the “**Applicant**”) in response to the Open Call for the Home Energy Upgrade Loan Scheme to be implemented by the SBCI (the “**Open Call**”).

The Scheme is designed to support eligible homeowners and non-corporate landlords who wish to invest in the energy efficiency of a qualifying residential property(ies).

The undersigned is/are duly authorised to submit this application form on behalf of the Applicant and by signing this form certifies/certify and declare(s) that:

- a) the information contained in this application and any supporting documentation is complete and accurate in all respects;
- b) if selected, the Applicant commits to complying with all requirements set by the SBCI for the successful delivery of the Scheme;
- c) the Applicant is authorised to carry out lending activities to consumers in the State; and
- d) the Applicant is an On-Lender, as defined in **Section 1.2** of the Open Call.

I understand that selection as an On-Lender for the Scheme is subject to the terms of the Open Call and that submission of this information does not confer any particular status or entitlement upon the Applicant.

The undersigned further declares that the Applicant is **not** in one of the following situations of exclusion, (the “**Exclusion Situation**”), as at the date of this application form:

- a) the Applicant is bankrupt, is subject to insolvency or is being wound up, is having its affairs administered by a liquidator or by the courts, in this context, is in an arrangement with creditors, is having its business activities suspended or a standstill (or equivalent) agreement has been signed with creditors and validated by the competent court when required by the applicable law, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) in the past five (5) years, the Applicant has been the subject of a final judgment or final administrative decision for being in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof;
- c) in the past five (5) years, the Applicant or any of the persons having powers of representation, decision-making or control over it has been convicted by a final judgment or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or gross negligence, which would affect its ability to meet its obligations under the guarantee and which is for one of the following reasons:
 - i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract or an agreement;
 - ii) entering into agreements with other persons aimed at distorting competition;
 - iii) attempting to unduly influence the decision-making process of the contracting authority during the relevant “award procedure” as such term is defined in Article 2 of the Financial Regulation⁶;
 - iv) attempting to obtain confidential information that may confer upon it undue advantages in the relevant “award procedure” as such term is defined in Article 2 of the Financial Regulation⁷;
- d) in the past five (5) years, the Applicant or any person(s) having powers of representation, decision-making or control over it has been the subject of a final judgment for:
 - i) fraud;
 - ii) corruption;
 - iii) participation in a criminal organisation;
 - iv) money laundering or terrorist financing;
 - v) terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting, or attempting to commit such offences; or

⁶ means Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, as it may be amended, supplemented or modified from time to time.

⁷ See above

- vi) child labour and other forms of trafficking in human beings;
- e) the Applicant is under the published list of economic operators excluded or subject to financial penalty, in each case contained in the early detection and exclusion system database (the EDES database available at the official website of the EU) set up and operated by the Commission.

Name(s)
Title / Role(s)
Signature(s)
Date

Information to be supplied by the Applicants:

Applicants should seek to address each of the sections as closely as possible. Where any requested information is unavailable, or cannot be disclosed, Applicants should make this clear in their proposal. Applicants must submit a response following the format set out below.

Please ensure to review the pre submission checklist included at **Annex 6**.

Organisation Structure

- Brief background of the organisation including its principal lending activity.
- Brief outline of the key terms and price for its main consumer lending products.
- Confirm regulatory approvals required and if in place.

Funding Structure

- The amount of the Scheme being requested by the Applicant – i.e., indicate which Portfolio an Allocation is being sought under, and what amount the Applicant will deploy.
- Applicants must be capable of lending a minimum of €5m during the duration of the Scheme.

Availability of Capital

- Applicants must have or will have sufficient capital available to meet its lending forecasts both with and without the support of the Scheme. Applicants should highlight at this stage if some of their sources of capital come with conditions that may restrict their ability to deploy capital for lending under the Scheme.

Loan Pricing

- Applicants must provide evidence of their standard comparable loan pricing and will be required to provide a price discount on its loans which would adequately reflect the benefit of the guarantee. However, at a minimum, Applicants must provide a discount of at least 1% from its current comparable loan offering after the inclusion of the guarantee, therefore a total of 1.64% minimum discount is required.
- Applicants should indicate whether the price being charged will be fixed or variable.
- Please note, the Guarantee Fee is unknown at this stage, however for indicative purposes it is expected to be 64bps. Lastly, the provision of an up to 2% subsidy will be netted off the Applicants proposed pricing for the Scheme.
- Applicants must complete the template below, as outlined in Annex 3, regarding the make-up of their pricing proposal:

Interest Rate Proposal	Loan Price
<i>A: Current Interest Rate</i>	<i>E.g., 6.75%</i>
<i>B: Proposed Interest Rate before application of Guarantee Fee</i>	<i>E.g., 4.25%</i>
<i>Price Discount (A-B)</i>	<i>E.g., 2.5%</i>
Interest Rate Proposal breakdown	Loan Price
<i>C: Proposed Interest Rate Inc Guarantee Fee</i>	<i>E.g., 4.89%</i>
<i>Consists of</i>	
<i>D: Indicative Guarantee Fee</i>	<i>0.64%</i>
<i>E: Funding Costs</i>	<i>E.g., 2.00%</i>
<i>F: An Other [Free text] e.g., Margin</i>	<i>E.g., 2.25%</i>
<i>Fixed / Variable Interest Rate</i>	<i>Variable</i>

Ability of Applicant to Deploy

Applicants must be capable of lending a minimum of €5m under the Scheme. To evidence such ability to deploy, Applicants must provide information demonstrating the Applicant's capacity to distribute eligible loans e.g., details on sales teams, branch network, marketing, and promotional plans, etc., and information in respect of annualised lending of a similar nature deployed to the consumer market over the last 5 years. Applicants must also provide their proposed distribution plan.

Lending Experience

- Applicants should provide high level evidence of their track records of lending to consumers including portfolio details e.g., distribution per credit grade, defaults, arrears, and region for at least a 5-year period.
- Applicants should also provide projected default rates for the full consumer portfolio for the coming two years and arrears rates for the full consumer portfolio across 30-day, 60-day, and 90-day+ buckets for the last four quarters.
- Applicant's strategy in relation to the consumer sector (positioning, strengths and weaknesses, core products).
- Details of team, describing expertise appropriate for meeting the requirements of the Scheme.
- Details of prior/proven experience (inclusive of compliance with relevant operational and reporting requirements) with the deployment of other similar products.

Financial Details

- Details of Financial Standing. Please complete the table below.
- Copies of annual reports (including full set of financial statements with independent auditor's report) for the last three years.

EUR: - '000	Year (N-3)	Year (N-2)	Year (N-1)
Net profit			
Return on equity (%)			
Total assets			
Total Loan Book			
Total SME/Small Midcap Loan Book (in % of Total Loan Book)			
Cost/income (%)			
Shareholders' equity			
Tier 1 capital ratio (%) (or applicable equivalent, if relevant)			
Solvency ratio (%) (or applicable equivalent, if relevant)			

Application Form No. 2
For Applicants who are not Existing SBCI On-Lenders

Information required	
Name of the Entity	
Name of Applicant	
Principal Contact(s)	
Contact Details	Address (registered office): Telephone: E-mail:
Please specify if applying for Initial Allocation under Portfolio 1 or Portfolio 2	
Please indicate the amount of Initial Allocation Requested	€ m

Certification and Authority to Submit

To whom it may concern,

We are submitting our Expression of Interest on behalf of [*Insert name of Applicant*] (the “**Applicant**”) in response to the Open Call for the Home Energy Upgrade Loan Scheme to be implemented by the SBCI (the “**Open Call**”).

The Scheme is designed to support eligible homeowners and non-corporate landlords who wish to invest in the energy efficiency of a qualifying residential property(ies).

The undersigned is/are duly authorised to submit this application form on behalf of the Applicant and by signing this form certifies/certify and declare(s) that:

- e) the information contained in this application and any supporting documentation is complete and accurate in all respects;
- f) if selected, the Applicant commits to complying with all requirements set by the SBCI for the successful delivery of the Scheme;
- g) the Applicant is authorised to carry out lending activities to consumers in the State; and
- h) the Applicant is an On-Lender, as defined in **Section 1.2** of the Open Call.

I understand that selection as an On-Lender for the Scheme is subject to the terms of the Open Call and that submission of this information does not confer any particular status or entitlement upon the Applicant.

The undersigned further declares that the Applicant is **not** in one of the following situations of exclusion, (the “**Exclusion Situation**”), as at the date of this application form:

- f) the Applicant is bankrupt, is subject to insolvency or is being wound up, is having its affairs administered by a liquidator or by the courts, in this context, is in an arrangement with creditors, is having its business activities suspended or a standstill (or equivalent) agreement has been signed with creditors and validated by the competent court when required by the applicable law, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- g) in the past five (5) years, the Applicant has been the subject of a final judgment or final administrative decision for being in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law and where such obligations remain unpaid unless a binding arrangement has been established for payment thereof;
- h) in the past five (5) years, the Applicant or any of the persons having powers of representation, decision-making or control over it has been convicted by a final judgment or a final administrative decision for grave professional misconduct, where such conduct denotes wrongful intent or gross negligence, which would affect its ability to meet its obligations under the guarantee and which is for one of the following reasons:
 - i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract or an agreement;
 - ii) entering into agreements with other persons aimed at distorting competition;
 - iii) attempting to unduly influence the decision-making process of the contracting authority during the relevant “award procedure” as such term is defined in Article 2 of the Financial Regulation⁸;
 - iv) attempting to obtain confidential information that may confer upon it undue advantages in the relevant “award procedure” as such term is defined in Article 2 of the Financial Regulation⁹; or
- i) in the past five (5) years, the Applicant or persons having powers of representation, decision-making or control over it has been the subject of a final judgment for:
 - i) fraud;
 - ii) corruption;
 - iii) participation in a criminal organisation;
 - iv) money laundering or terrorist financing;
 - v) terrorist offences or offences linked to terrorist activities, or inciting, aiding, abetting, or attempting to commit such offences;

⁸ means Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, as it may be amended, supplemented or modified from time to time.

⁹ See above

- vi) child labour and other forms of trafficking in human beings;

- j) the Applicant is under the published list of economic operators excluded or subject to financial penalty, in each case contained in the early detection and exclusion system database (the EDES database available at the official website of the EU) set up and operated by the Commission.

Name(s)
Title / Role(s)
Signature(s)
Date

Information to be supplied by the Applicants:

Applicants should seek to address each of the sections as closely as possible. Where any requested information is unavailable, or cannot be disclosed, Applicants should make this clear in their proposal. Applicants must submit a response following the format set out below.

Please ensure to review the pre submission checklist included at Annex 6.

Organisation Structure

- Brief background of the organisation (date of establishment, number of employees, capital structure and shareholders, organisational structure, distribution network, number of branches, etc.) including its principal lending activity.
- Brief outline of the key terms and price for its main consumer lending products.
- Description of internal organisation set-up (and roles) for the implementation of the Scheme, including the team (or unit) and/or internal mechanisms.
- Outline of legal structure and tax structure, to include a group structure diagram where there is more than one company.
- Name of the lender of record, the servicer of the loans (if different from the lender of record) and the originating entity (again, if different from the lender of record).
- Confirm regulatory approvals required and if in place.

Funding Structure

- The amount of the Scheme being requested by the Applicant – i.e., indicate which Portfolio an Allocation is being sought under, and what amount the Applicant will deploy.
- Applicants must be capable of lending a minimum of €5m during the duration of the Scheme.

Availability of Capital

- Applicants must have or will have sufficient capital available to meet its lending forecasts both with and without the support of the Scheme. Applicants should highlight at this stage if some of their sources of capital come with conditions that may restrict their ability to deploy capital for lending under the Scheme.
- If the Applicant currently has SBCI liquidity, this funding this cannot be used to fund Scheme loans.

Loan Pricing

- Applicants must provide evidence of their standard comparable loan pricing and will be required to provide a price discount on its loans which would adequately reflect the benefit of the guarantee. However, at a minimum, Applicants must provide a discount of at least 1% from its current comparable loan offering after the inclusion of the guarantee, therefore a total of 1.64% minimum discount is required.
- Applicants should indicate whether the price being charged will be fixed or variable.

- Please note, the guarantee fee is unknown at this stage, however for indicative purposes it is expected to be 64bps. Lastly, the provision of an up to 2% subsidy will be netted off the Applicants proposed pricing for the Scheme.
- Applicants must complete the template below, as outlined in Annex 3, regarding the make-up of their pricing proposal:

Interest Rate Proposal	Loan Price
<i>A: Current Interest Rate</i>	<i>E.g., 6.75%</i>
<i>B: Proposed Interest Rate before application of Guarantee Fee</i>	<i>E.g., 4.25%</i>
<i>Price Discount (A-B)</i>	<i>E.g., 2.5%</i>
Interest Rate Proposal breakdown	Loan Price
<i>C: Proposed Interest Rate Inc Guarantee Fee</i>	<i>E.g., 4.89%</i>
<i>Consists of</i>	
<i>D: Indicative Guarantee Fee</i>	<i>0.64%</i>
<i>E: Funding Costs</i>	<i>E.g., 2.00%</i>
<i>F: An Other [Free text] e.g., Margin</i>	<i>E.g., 2.25%</i>
<i>Fixed / Variable Interest Rate</i>	<i>Variable</i>

Ability of Applicant to Deploy

Applicants must be capable of lending a minimum of €5m under the Scheme. To evidence such ability to deploy, Applicants must provide information demonstrating the Applicant’s capacity to distribute eligible loans e.g., details on sales teams, branch network, marketing, and promotional plans, etc., and information in respect of annualised lending of a similar nature deployed to the consumer market over the last 5 years. Applicants must also provide their proposed distribution plan.

Lending Experience

- Applicant’s share of the consumer lending market, main competitors, trends, and outlooks.
- Consumer lending volumes – current and budgeted. Track record of ability to originate loans.
- Details of Applicant’s consumer lending portfolio e.g., distribution per credit grade, region, product type, if available, historic performance of existing portfolio by reference to default/loss rates and credit rating / arrears profile for at least the last 5 years.
- Applicant’s strategy in relation to the consumer sector (positioning, strengths and weaknesses, core products).
- Arrears rates for the full consumer portfolio across 30-day, 60-day, and 90-day+ buckets for the last four quarters.
- Details of team, describing expertise appropriate for meeting the requirements of the Scheme.
- Details of prior/proven experience (inclusive of compliance with relevant operational and reporting requirements) with the deployment of other similar products.

Team, Systems and Processes

- Applicants to set out at a high level (and with supporting documentation) of robust and tested systems and processes are in place for making and managing Scheme-supported lending facilities. This requirement includes, but is not limited to, origination processes, risk management and underwriting capabilities and processes, loan documentation, back-office systems, monitoring and compliance, governance arrangements and management information reporting.
- Applicant to demonstrate at a high level that it has a competent team, with sufficient expertise to execute the proposed strategy for lending under the Scheme.
- Information regarding internal credit risk assessment criteria and management procedures for financing the consumer sector.
- Other information relevant to the Applicant's consumer lending activity.

Financial Details

- Details of Financial Standing. Please complete the table below.
- Copies of annual reports (including full set of financial statements with independent auditor's report) for the last three years.

EUR: - '000	Year (N-3)	Year (N-2)	Year (N-1)
Net profit			
Return on equity (%)			
Total assets			
Total Loan Book			
Total SME/Small Midcap Loan Book (in % of Total Loan Book)			
Cost/income (%)			
Shareholders' equity			
Tier 1 capital ratio (%) (or applicable equivalent, if relevant)			
Solvency ratio (%) (or applicable equivalent, if relevant)			

ANNEX 3

Applicant Assessment – Portfolios 1 and 2

Below are the maximum scores for each category of the assessment for Portfolios 1 and 2, respectively. The weightings that each section has been assigned is based on the importance of that section to the selection of an On-Lender for the Scheme.

All applications will be assessed using these guidelines. If the SBCI is of the view that it does not have sufficient information to score the Applicant, it will revert to the Applicant to request additional or better information. On receipt of such information, SBCI will complete the assessment.

Applicants must pass the Minimum Eligibility Requirements (**Annex 1**) to be considered for this phase of the assessment.

	Applicant Scoring for Portfolio 1 and Portfolio 2 Allocation – Phase 1	Marks
1	Has the applicant provided sufficient information to assess the quality and plausibility of the proposal for implementation of the Scheme?	20
2	Has the applicant provided a quality proposal with regards to its operational readiness, rollout strategy and marketing/publicity of the Scheme and the plan for building a portfolio?	70
3	Has the applicant the ability to adequately deploy Home Energy Upgrade Loans within the State?	20
4	Has the applicant demonstrated the operational capacity to implement the Scheme as proposed?	50
5	The historical credit quality performance of the applicant’s portfolios in terms of arrears, defaults and loss experience over the previous 5 years.	40
Maximum Score		200
* Minimum score of 140 marks required to progress to Allocation – Phase 2		

Applicant Scoring for Portfolio 1 and Portfolio 2 Allocation – Phase 2		Marks
Applicant to determine the interest rate it will apply to the Scheme loans – marks to be awarded as follows:		320
Current Interest Rate	<p>The current interest rate an Applicant is charging for the equivalent loan (e.g., Green Personal Loan) to be covered under the Scheme, to be supported by satisfactory evidence ideally spanning a period of 12 months or more.</p> <p>Note: If the Applicant’s pricing structure includes Arrangement Fees, then the proposal should detail each element of the pricing</p>	
Proposed Interest Rate	The proposed interest rate to be charged to borrowers under the Scheme, inclusive of proposed Arrangement Fees if applicable. The proposed Interest rate should be stated before the application of the guarantee fee and the application of DECC discount (up to 2.0%)	
Discount	<p>The difference between the Current and Proposed Interest Rate, expressed in comparative terms.</p> <p>E.g., The Current Interest Rate is 6.75%, the Proposed Interest Rate is 4.25%, therefore 37% discount is applied.</p>	
Guarantee Fee	To be finalised following EIF risk assessment, (indicatively 0.64%) being the cost charged per annum by the SBCI to the On-Lender for the provision of an 80% guarantee on the outstanding balance of Loans	
<p>Scoring: Each Applicant to determine the Proposed Interest Rate it will apply to loans granted pursuant to the Scheme, as a minimum this must be at least 1% below the current interest rate after the guarantee fee is included. Marks will then be awarded based on the Discount each Applicant applies. An Applicant whose Proposed Interest Rate fails to be at least 1% below its current interest rate after the guarantee fee is included, will be excluded from consideration.</p>		

Discount on Current Interest Rate	Marks
<=10%	0
15%	10
20%	30
25%	50
30%	70
35%	95
40%	120
45%	145
50%	170
55%	195
60%	220
65%	245
70%	270
75%	295
80%	320

Please note that where an Applicant submits 1) a pricing matrix (i.e., a range of pricing across different loan sizes) or 2) both fixed and variable rates, the score will be applied against the highest interest rate.

For example:

If Applicant A submits a Proposed Interest Rate equalling a Discount of 37%, they are awarded 95 marks.

Scheme Interest Rate Proposal & Breakdown Table – must be completed by all Applicants

Interest Rate Proposal	Loan Price
<i>A: Current Interest Rate</i>	<i>E.g., 6.75%</i>
<i>B: Proposed Interest Rate before application of Guarantee Fee</i>	<i>E.g., 4.25%</i>
<i>Price Discount (A-B)</i>	<i>E.g., 2.5%*</i>

***equates to 95 marks as a 37% reduction**

Interest Rate Proposal breakdown	Loan Price
<i>C: Proposed Interest Rate Inc Guarantee Fee</i>	<i>E.g., 4.89%%</i>
<i>Consists of</i>	
<i>D: Indicative Guarantee Fee</i>	<i>0.64%*</i>
<i>E: Funding Costs</i>	<i>E.g., 2.00%</i>
<i>F: An Other [Free text] e.g., Margin</i>	<i>E.g., 2.25%</i>

* To the extent that a guarantee fee of lower than 64bps applies, SBCI will reduce the Applicant's pricing to reflect such lower guarantee fee. To the

	<p>extent that a guarantee fee of higher than 64bps applies, SBCI will increase the Applicant's pricing to reflect such higher guarantee fee.</p>	
	<p>Successful Applicants will be allocated a share of the Maximum Portfolio Volume in accordance with the following methodology:</p> <p>Allocation is the lower of A or B, where:</p> <p>A = $(AS / TAS) * \text{the Maximum Portfolio Volume (Portfolio 1: €470m, Portfolio 2: €30m)}$</p> <p>B = the amount of the Scheme requested by the Applicant</p> <p>AS = a successful Applicant's Total Score</p> <p>TAS = the aggregate of all successful Applicants' Total Scores for the relevant portfolio</p> <p>For example (assume applicants within Portfolio 1) If Applicant A's total score is 250 marks and Applicant B's score is 320 and Applicant C's score is 370, then Applicant A is allocated $250/940 * €470m = €125m$.</p> <p>If the amount allocated to a successful Applicant is greater than the amount requested by that Applicant then the surplus (i.e., A-B) will be allocated to the other successful Applicants using the same methodology, adjusted for the exclusion of that successful Applicant.</p> <p>Note: SBCI will apply rounding to the nearest €1m for Portfolio 1 and Portfolio 2, for each allocation.</p>	

Annex 4a – Information Requirements under the Scheme

DRAFT initial loan details for indicative purposes – subject to change

Financial Data	Value (where applicable)
Borrower PPSN	Personal Public Service Number
Borrower ID	MPRN (Unique Borrower ID)
Borrower Name	Name of the Final Recipient
Borrower Email Address	Email Address of the Final Recipient
Borrower Address	Address of the Final Recipient
Borrower Postal Code	Post Code of the Final Recipient
Borrower City / Town	Location of the Final Recipient – city / town
Borrower Transaction ID	Loan Account Number (Unique Loan Identifier)
Borrower Transaction Principal Amount	Min €5,000 / Max €75,000
Borrower Transaction Maturity (months)	Min 12 months / Max 120 months
Grace Period (months)	
Borrower Transaction Signature Date	
Loan Disbursement date	
First Instalment Date	
Amortisation Profile	Type of instalments repayment
Principal Repayment Frequency	<ul style="list-style-type: none"> • Annual • Monthly • One-off • Quarterly • Semi-annually
Credit Grade	Participating Lender Grade
Interest Rate:	
Loss Given Default (LGD)	
Eircode:	Post Code of the property to be upgraded. Will need to follow the standard Eircode Format.
Initial Size of Property:	This is the size of the property in metres squared before the upgrade works.
Forecast Size of Property:	This is the estimated size of the property in metres squared after the works have taken place.
One Stop Shop Provider / Project Co-ordinator:	This is the name of the One Stop Shop contractor or Project Co-Ordinator who have completed the One Page Summary
Date of Assessment	This is the date that the assessment of the Property had taken place.
Gross Proposed Project Costs:	This is the total estimated cost of the upgrade of the associated property.

Total Proposed Energy Efficiency (“Eligible”) ¹⁰ Costs:	This is the total estimated energy efficiency and renewable energy related costs of the upgrade of the associated property
Total Proposed Grant Amount:	This is the total estimated grant funding to be provided as part of the upgrade of the associated property.
Proposed Net of Grant Energy Efficiency Costs:	This is the total estimated energy efficiency and renewable energy related costs of the upgrade of the associated property net the Total Estimated Grant amount.
Current Energy Performance Indicator:	This is the current energy performance indicator associated with the Property to be upgraded.
Proposed post-upgrade Energy Performance Indicator:	This is the forecast energy performance indicator associated with the Property to be upgraded.
Proposed uplift in Energy Performance:	This is the proposed uplift in Energy Performance of the Property.
Proposed post-upgrade Renewable Energy Capacity:	This is the estimated installed capacity in Renewable Energy once the works have taken place.
Has the property been rented out in the past 12 months or is there any intention to rent out the property in the next 12 months?	This will capture any instances where a property was used to generate economic activity, to determine what the previous State Aid they could have received.
Description of State Aid received in the past 3 years	Loan Application
Date of when the State Aid was received	Loan Application
Amount of State Aid received	Loan Application

Confirmation that the property is used for residential purposes:	Y/N
Confirmation that the property is based in Ireland:	Y/N
Confirmation that the MPRN of the property has been evidenced.	Y/N
Confirmation that funds will not be used to purchase Fossil Fuel Boilers	Y/N
Confirmation that Borrower intends to retrofit their property with a registered SEAI One Stop Shop Provider / Project Co-ordinator?	Y/N
Confirmation that they intend to retrofit their property within the next 12 months	Y/N
Natural Person	Y/N

¹⁰ Eligible costs are measures within the project for which SEAI provide a home energy grant.

Annex 4b – Information Requirements under the Scheme

DRAFT periodic loan reporting details for indicative purposes – subject to change

List of included Borrower Transactions

Fields	Definition
Borrower ID	Unique Borrower Identifier (MPRN)
Borrower Transaction ID	Unique Loan Identifier
Borrower Rating / Scoring	Final Recipient internal rating or scoring
Borrower Rating / Scoring model used	Intermediary's internal rating/scoring model used
Borrower Rating / Scoring date	Date of the last rating/scoring assigned to the Final Recipient
Cumulative Disbursement	Total amount disbursed to Borrowers
Outstanding Principal Amount	Calculation = Cumulative Disbursement – Total Repayment
End of disbursement	Y = disbursement period is over;
Average outstanding principal amount (performing)	Average of outstanding principal amount at the beginning of the quarter and at the end of the quarter for a performing Final Recipient Transaction.
Delinquent Borrower Transaction	Y = Final Recipient failure in repayment
Delinquent period (nbr days)	Failure in repayment expressed in number of calendar days
Defaulted Borrower Transaction	Y= when the Final Recipient Transaction is defaulted, accelerated, or restructured
Date of Defaulted Borrower Transaction	Date of the default/ restructure/ acceleration event

Payment Demand and Recoveries

Fields	Definition
Borrower ID	Unique Borrower Identifier (MPRN)
Borrower Transaction ID	Unique Loan Identifier
Recovery Date	dd/mm/yyyy
Recovery amount	

Repaid Borrower Transactions

Fields	Definition
Borrower ID	Unique Borrower Identifier (MPRN)
Borrower Transaction ID	Unique Loan Identifier
Repayment Date	dd/mm/yyyy

Excluded Borrower Transactions

Fields	Definition
Borrower ID	Unique Borrower Identifier (MPRN)
Borrower Transaction ID	Unique Loan Identifier
Event Date	dd/mm/yyyy
Event Type	List of non-eligible events

ANNEX 5

i. EIF Vintage Analysis Template



Annex-5-Vintage-Analysis-Template (1)

ii. EIF Due Diligence Questionnaire



Annex-6-Financial-Intermediaries-DD-Q

To be completed within 8 weeks of notification by institutions who are selected as an on-lender

ANNEX 6

Checklist for on-lenders prior to submission of their application

	Requirement
1	Relevant Expression of Interest Application form (no. 1 for existing on-lenders / no. 2 for potential new on-lenders) has been: <ul style="list-style-type: none">• Completed• Signed• Dated
2	Evidence of ability to deploy a minimum of €5m during the 3-year availability period has been included
3	Submission of all information sought in the relevant Application form to support the evaluation of Phase 1 and Phase 2 scoring in Annex 3.
4	Minimum Eligibility Criteria met as detailed in Annex 1
5	Evidence of minimum 5 years history of Consumer lending in the State.
6	Pricing proposal table completed as outlined in both Annex 2 and Annex 3

ANNEX 7

Definition of a “Relevant Property”¹¹:

means a residential property in Ireland, excluding:

- (i) any property which has been Mixed-Use Property at any time during the 12 months prior to the date on which the relevant Final Recipient Transaction (being the borrower’s loan agreement) is entered into;
- (ii) any property which has been subject, during the 12 months prior to the date on which the relevant Final Recipient Transaction is entered into, to one or more Short Term Lettings;
- (iii) any property which has been used as a Holiday Home at any time during the 12 months prior to the date on which the relevant Final Recipient Transaction is entered into,

provided that, with respect to such residential property:

- (i) the Final Recipient (being the borrower) undertakes not to use the residential property as a Mixed-Use Property during the 12 months succeeding the date on which the relevant Final Recipient Transaction is entered into;
- (ii) the Final Recipient undertakes that the residential property shall not be subject to Short Term Lettings during the 12 months succeeding the date on which the relevant Final Recipient Transaction is entered into; and
- (iii) the Final Recipient undertakes not to use the residential property as a Holiday Home during the 12 months succeeding the date on which the relevant Final Recipient Transaction is entered into.

“Mixed-Use Property” means a single property having a single MPRN which is used in part for commercial purposes and in part for residential purposes.

“Short Term Letting(s)” means the letting of a property in its entirety for any period not exceeding 14 days, and includes a licence that permits the licensee to enter and reside in the

¹¹ **Note:** Final legal definition of “Relevant Property” may be subject to change.

property in its entirety for any such period in consideration of the making by any person (whether or not the licensee) of a payment or payments to the licensor.

“Holiday Home” means the home that someone owns in addition to their usual home and is primarily used (by such person, their family, friends or let to others as a holiday let) for holidays.