



An Roinn Comhshaoil,  
Aeráide agus Cumarsáide  
Department of the Environment,  
Climate and Communications



Maoinithe ag an  
Aontas Eorpach  
Funded by the  
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NextGenerationEU

## STRATEGIC BANKING CORPORATION OF IRELAND

### RETROFIT LOAN GUARANTEE SCHEME

### INVITATION FOR PRE-QUALIFICATION

(Published on 4 May 2022)

#### 1. Introduction

The Strategic Banking Corporation of Ireland (“SBCI”) is launching an Invitation for Pre-Qualification to identify interested On-Lenders (the “On-Lenders”) to deliver a new Scheme aimed at supporting consumers and small landlords who wish to invest in the energy efficiency of a residential property(ies). The Retrofit Loan Guarantee Scheme (the “Scheme”) as described in this document is expected to be launched in 2022 and the Invitation for Pre-Qualification is the first stage in a two-stage process to identify potential On-Lenders interested in distributing the Scheme. Proposals submitted to the SBCI must conform to the requirements of the Invitation for Pre-Qualification.

If you are interested in becoming an On-Lender for the Scheme, please read this Guidance Document first.

Interested applicants should express their interest by completing the relevant template included at **Annex 1** to this Invitation for Pre-Qualification together with all necessary information and emailing it to [RLGSopencall@sbc.gov.ie](mailto:RLGSopencall@sbc.gov.ie)

**Closing date for receipt of applications for this Invitation for Pre-Qualification is Friday 3 June 2022 (the “Deadline Date”)**

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## 1.1 The Retrofit Loan Guarantee Scheme

Under the Climate Action Plan, the Irish State set a target to upgrade 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.

According to the National Retrofit Plan<sup>1</sup>, it is estimated that between 2019 and 2025 almost 185,000 home energy upgrades will be delivered with over 83,000 to a BER B2 level. When the carbon savings from the non-B2 upgrades are included, this is the equivalent of 120,000 B2 upgrades over the period. This means that Ireland will need to deliver, on average, approximately 75,000 B2-equivalent home upgrades per year from 2026 to 2030 (inclusive) to achieve the overall target of 500,000 by 2030.

To meet these targets, there is a requirement to develop a loan guarantee scheme to provide a competitive funding offer with State support to help increase the volume of retrofit activity. A guarantee-based product will offer both a degree of risk-sharing to lenders, and an additional leverage effect to mobilise private capital, which means that the funding is used in a more efficient way.

The proposed Scheme of up to €600m is to be part-funded by the Department of the Environment, Climate and Communication (“DECC”) and the EU Recovery and Resilience Facility under Ireland’s National Recovery and Resilience Plan, and will be backed by a counter guarantee provided by the European Investment Bank (“EIB”).

The Scheme will be made available in 2022 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, in particular to SMEs, 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 to SMEs and other enterprises, ensuring that the benefit of its support is delivered to the ultimate borrowers and improving access to finance in the Irish credit market.

## 1.3 Opportunity for On-Lenders

The Invitation for Pre-Qualification is open to On-Lenders active (or who intend to become active)

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<sup>1</sup> <https://www.gov.ie/en/publication/6223e-climate-action-plan-2021/>

in consumer lending as detailed in **Section 4**.

The SBCI is seeking submissions from potential On-Lenders interested in participating in a Scheme that supports the volume of retrofit activity in Ireland.

The Invitation for Pre-Qualification is the first in a two-stage process whereby interested On-Lenders must firstly meet a minimum set of criteria as outlined in this document. Successful On-Lenders will then be provided with an opportunity to apply for an allocation under the Scheme later in 2022, at the second stage of the process, namely the Invitation for Award.

**Note: Interested parties must firstly apply at the Invitation for Pre-Qualification stage to be considered for the second stage in the process.**

For the purposes of this Invitation for Pre-Qualification, 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 and must not be incorporated in a **Non-Cooperative Jurisdiction**<sup>2</sup>.

### **Stage 1: The Invitation for Pre-Qualification**

The Invitation for Pre-Qualification is the first stage in the process to become an On-Lender for the Scheme. Interested On-Lenders must meet the Minimum Requirements as set out in Annex 3 to be considered for progression to the second stage. Applications will be assessed under the scoring methodology as outlined in Annex 4. Lastly, applicants may be requested to undergo a due diligence process by the European Investment Bank (“EIB”) and/or SBCI as part of the process.

If an applicant is successful in the Invitation for Pre-Qualification stage, it will be eligible to apply as part of the second stage. The Invitation for Award phase is expected to issue in Q2 2022, however SBCI reserves the right to delay, withdraw or amend the Scheme rules at any time.

### **Stage 2: The Invitation for Award**

The Invitation for Award will invite On-Lenders who have been successful at the Invitation for Pre-Qualification to seek an allocation under the Scheme. The Invitation for Award will contain additional details on the features of the Scheme, eligible and ineligible loan purposes, pricing

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<sup>2</sup> Any jurisdiction that does not cooperate with the European Union in relation to the application of the internationally agreed tax standards (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 EIB).

requirements, and reporting requirements.

**Note:** The Invitation for Award, if issued, will only be sent to those applicants that have successfully completed and passed the Invitation for Pre-Qualification phase.

## **2. The Scheme Details**

The proposed Scheme of up to €600m is to be part-funded by DECC and the EU Recovery and Resilience Facility under Ireland's National Recovery and Resilience Plan, and will be backed by a counter guarantee provided by the EIB. 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).

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

Applicants who pass both stages of the two-stage process will be invited to act as an On-Lender for the Scheme and will be allocated a portion of the total portfolio under the Scheme.

### **2.1 Summary of Loan Details**

**Loan Features are currently under consideration, however will likely feature as follows;**

- Loans from €5,000 to a maximum of €50,000 per property.
- Loan terms from 1 year to 10 years.
- Loans will be unsecured.
- A Guarantee Fee will be payable.
- Allowable loan types are Term Loans only.
- 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-Lenders' loan book to exposures of a substantially similar type to the loans.

#### **Loan Purposes**

- Loans must be used for the purposes of upgrading the energy efficiency and decarbonisation of a residential property.
- Eligible items will include fabric upgrade of buildings (e.g. insulation) and renewable energy solutions (e.g. heat pumps and solar photovoltaic (pv) installations).
- An element may be allowable for ancillary expenses, this excludes any form of fossil fuel boilers.

**Loans cannot be used for certain specified purposes detailed in Annex 2 (which is subject to change) in addition to the following: -**

- Refinance of existing term loan debt.
- Borrowers who have previously received grants for the same home energy upgrades.
- Further exclusions may be added in time (e.g. in the Invitation for Award phase or in the draft Guarantee Agreements provided by SBCI to successful applicants).

#### **Who can apply for a loan?**

- Private homeowners in Ireland (incl. non-principal private residences).
- Borrowers who have an existing BER of B3 or lower with minimum efficiency improvement requirements to be specified in advance of the second stage of this process.
- Non-corporate residential landlords.
- Only when undertaking home energy upgrades as part of the relevant SEAI grant schemes.
- Landlord status to be defined as an individual or individuals (not a company or enterprise).

## **2.2 Key Terms between the On-Lender and SBCI**

The key terms will be finalised prior to the Invitation for Award being issued, however for the purposes of the Invitation for Pre-Qualification, conditions 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 fully devolved to the On-Lender.
- The On-Lender records all eligible transactions on the SBCI web portal. The SBCI web portal records loan and borrower details e.g. the loan amount, term, and interest rate. On-Lenders must use the SBCI web portal 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 from the SBCI as guarantor while bearing the remaining 20% of the loss.
- Any recoveries made by the On-Lender after making a claim under the guarantee must be applied on an 80%/20% basis (80% must be paid to SBCI).
- On-Lenders must actively market the Scheme through its 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, in order to market the Scheme appropriately.

## **2.3 State Aid Treatment**

The Scheme will operate under the De Minimis Regulations<sup>3</sup> and any other State aid regime deemed applicable.

### 3. The Selection Process For On-Lenders

SBCI welcomes proposals from any applicant able to meet the minimum requirements set out in the Invitation for Pre-Qualification. Applicants must have the necessary capability to lend to eligible borrowers and operate within the rules of the Scheme.

As outlined previously, applicants are expected to meet the requirements of a two-stage selection process, as detailed below.

- **Stage 1 –**
- **Invitation for Pre-Qualification:** submission (**Annex 1**) outlining in brief how the applicant meets the minimum requirements for On-Lenders participating in the Scheme. If the applicant has an existing consumer portfolio in excess of €20m Application Form No. 1 is to be completed. If the Applicant has an existing consumer portfolio of €20m or less, then Application Form No. 2 is to be completed.
- **Eligibility Requirements –** Applicants need to meet minimum requirements as set out in **Annex 3**. Applicants that meet the minimum requirements and fulfil the other conditions set out in this Invitation for Pre-Qualification may then be invited to participate in the second stage.
- **Due Diligence and Completion:** A core element of the Invitation for Pre-Qualification is the due diligence stage. Applicants will be required to complete the data templates as outlined in **Annex 5** along with the provision of any supporting data as required. Applicants will be expected to co-operate with SBCI's Counter Guarantor, EIB and provide any additional data within a timely manner. Provided that the outcome of the due diligence is not unsatisfactory, and the other requirements are met, applicants may be provided with a **Pre-Qualification Approval**.
- **Pre-Qualification Approval –** Provided the applicant achieves a minimum 200 marks under Annex 4 of Phase 1 and fulfils the other conditions and the outcome of due diligence is not unsatisfactory, it may be awarded a Pre-Qualification Approval based on an evaluation of certain selection criteria.
- **Stage 2 – Invitation for Award**  
Lenders who have received a Pre-Qualification Approval will be eligible to apply for the Invitation for Award.

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<sup>3</sup> 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 ("**General De Minimis Regulation**"), Commission Regulation (EU) No 1408/2013 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 in the agriculture sector, OJ L 352, 24.12.2013, p. 9–17 ("**Agriculture De Minimis Regulation**"), and Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the fishery and aquaculture sector, OJ L 190, 28.6.2014, p. 45–54 ("**Fishery De Minimis Regulation**") (together the "**De Minimis Regulations**").

If any applicant is unsuccessful by not obtaining the approval of the SBCI and/or failing the due diligence element, that applicant may not apply for an allocation should SBCI issue the Invitation for Award for the Scheme.

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

### **3.1 Application Process**

#### **Stage 1 – Pre-Qualification Process**

Applicants should complete and submit the relevant application form appended to this Invitation for Pre-Qualification at **Annex 1** via email to:

[RLGSopencall@sbc.gov.ie](mailto:RLGSopencall@sbc.gov.ie)

*Subject: Pre-Qualification Retrofit*

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

#### **Requests for Additional Information**

Applicants can make requests for additional information in advance of applying. Any requests for additional information should be submitted to:

[RLGSopencall@sbc.gov.ie](mailto:RLGSopencall@sbc.gov.ie)

*Subject: Pre-Qualification Retrofit*

The SBCI will endeavour to respond to all requests for additional information as soon as possible.

The application form should be used to outline the key elements of the applicant's proposal and how the applicant meets the minimum requirements detailed in the Invitation for Pre-Qualification.

Applicants are encouraged to have a preliminary discussion with SBCI (contact via [RLGSopencall@sbc.gov.ie](mailto:RLGSopencall@sbc.gov.ie)) in order to help them ascertain whether participation in the Scheme would be potentially viable, before committing effort to preparing an application.

### **3.2 Assessment and Selection Process**

#### **Eligibility Requirements**



Following receipt of an application SBCI may contact applicants to discuss the information set out in their application and to seek any clarifications deemed necessary. Applicants may be requested to submit supplementary information.

### **Due Diligence**

Applicants may be required to go through a due diligence process with SBCI and/or EIB. Supporting EIB Due Diligence Templates can be found in Annex 5 and Annex 6 and applicants with an existing comparable loan portfolio in excess of €20m must complete and submit the data template included in Annex 5 as part of the application. However, if this does not apply, then applicants are not required to submit this supporting data. The template in Annex 6 is included for information purposes but completion may be required as part of EIB's Due Diligence post submission of an applicant's application.

Applicants will be expected to co-operate with SBCI's Counter Guarantor, EIB, and provide any additional data within a timely manner if requested. Provided that the outcome of the due diligence is not unsatisfactory and the other requirements are met, applicants will be provided with a **Pre-Qualification Approval**.

### **Pre-Qualification Approval**

Provided the applicant achieves a minimum 200 marks under the Applicant Assessment section and fulfils the other conditions and provided that the outcome of the due diligence is not unsatisfactory and the other requirements are met, it may be awarded a Pre-Qualification Approval.

### **Note**

- SBCI will use all reasonable endeavours to (i) respond promptly to applicants at each stage of the application process; and (ii) progress all due diligence data 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 applications at any stage of the application process.

## **3.3 Delivery of Applications and Additional Information**

- Applications and follow-on additional information should be submitted by email to [RLGSopencall@sbc.gov.ie](mailto:RLGSopencall@sbc.gov.ie)
- A response will be issued to all applicants via email.
- 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 application, each applicant confirms it has read this Invitation for Pre-Qualification, including the Legal Notice at **Section 5**.

## **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 and absolute satisfaction of SBCI in order to progress through the selection process described in **Section 3**, and applicants are requested to explain how they will meet these requirements in the 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 either (i) demonstrate their track record in the provision of term loans to consumers or (ii) if they are a recent entrant to the consumer lending market, demonstrate a clear intention and strategy to lend to consumers.

### **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 guarantee. SBCI would generally expect applicants seeking an allocation to i) have a minimum established comparable lending portfolio in excess of €10m (although applicants with an established lending portfolio of less than €10m but more than €3m will be considered in the appropriate circumstances) and ii) support a minimum deployment of €5m during the availability of the Scheme.

### **4.3 Loan Interest Rate**

Applicants will be expected to provide a price discount on its loans which would adequately reflect the benefit of the guarantee. An indication of the price to be charged will be required as part of the application to the Invitation for Pre-Qualification.

The Guarantee Fee is unknown at this stage so indicative pricing will reflect this.

For the avoidance of doubt, any pricing level indicated is not binding on either SBCI or the participating applicant given that pricing levels is part of the evaluation in the Invitation for Award.

### **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. SBCI must be satisfied that the applicant will be able to meet the capital requirements to successfully deliver its allocation under the Scheme.

Applicants will not be able to avail of SBCI liquidity in respect of their participation in the Scheme.

#### **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 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.

Where a proposal relates to a move into the consumer lending market, an applicant is expected to clearly demonstrate how it will access sufficient resources, and further how it will generate or acquire those skills and competencies which will be required to execute the applicant's proposed lending strategy.

#### **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. Applicants who are in the process of applying for the necessary regulatory approvals can still apply to become an On-Lender for the Scheme, but obtaining those relevant approvals will be a condition precedent for progression through the process. 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 into a "standard form" guarantee agreement with the SBCI. The guarantee agreement has been 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 corporate entities meet SBCI's 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 the SBCI web portal 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.

If an applicant has a business model that does not fit the standard form guarantee agreement (i.e. not the lender of record), 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 Invitation for Pre-Qualification stage if their lending model does not fall within the structure of the standard form guarantee agreement.

Any additional costs incurred by the 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. These costs will be notified to the applicant in advance.

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, but not act as lender. 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**

EIB, as counter guarantor, may choose to perform its own due diligence in relation to applicants to the Scheme. In order to inform this due diligence process, applicants with an existing comparable loan portfolio in excess of €20m will be asked to complete the “Vintage\_analyses\_template” set out in Annex 5, which sets out the required data inputs. 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).

Applicants with an existing comparable loan portfolio of €20m or less 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 7-year period.

A second EIB template document “EIB DD Questionnaire” is included in Annex 6. While not required to be completed as part of an applicant’s submission under the Invitation for Pre-Qualification, applicants may be asked to complete this questionnaire at a later point.

## **5. Legal Notice**

Applicants who submit an application are deemed to acknowledge and accept the terms and conditions set out in this Invitation for Pre-Qualification, 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 process.

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 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 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 Invitation for Pre-Qualification, 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

<b>Application Form No. 1</b> <b>For Applicants with a comparable loan portfolio in excess of €20m.</b>
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Information required	
<b>Name of the Entity</b>	
<b>Name of Applicant</b>	
<b>Principal Contact(s)</b>	
<b>Contact Details</b>	Address (registered office): Telephone: E-mail:

### Certification and Authority to Submit

To whom it may concern,

We are submitting our application form on behalf of [*Insert name of Applicant*] (the “**Applicant**”) in response to the Invitation for Pre-Qualification for the Retrofit Loan Guarantee Scheme (the “**Scheme**”) to be implemented by the SBCI.

The Scheme is aimed at supporting homeowners and small landlords who wish to invest in the energy efficiency of a 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 consumer in the State; and
- d) the Applicant is an On-Lender, as defined in **Section 1.3** of the Invitation for Pre-Qualification.

I understand that selection as an On-Lender for the Scheme is subject to the terms of the Invitation for Pre-Qualification 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 Regulation<sup>4</sup>;
  - 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 Regulation<sup>5</sup>;
- d) 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.
  - vi) child labour and other forms of trafficking in human beings.

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<sup>4</sup> 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.

<sup>5</sup> See above



- e) the Applicant is listed 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.

<b>Name(s)</b>
<b>Title / Role(s)</b>
<b>Signature(s)</b>
<b>Date</b>

## 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 are requested to submit a response (not more than 5 pages) following the format set out below.

### Organisation Structure

- Brief background of the organisation including its principal lending activity.
- Confirm regulatory approvals required and if in place.

### Minimum Deployment

- Applicants must be capable of lending a minimum of €5m during the duration of the Scheme.

### Availability of Capital

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

### Loan Pricing

- Applicants will be expected to provide a discount to its normal pricing for similar loans provided under the Scheme, further details will be provided at the Invitation for Award stage.

### Lending Experience

- Applicants with an existing comparable loan portfolio in excess of €20m should complete the supporting EIB Due Diligence Loan Data Template at **Annex 5**.
- All applicants are asked to provide summary details of any green financial products, including green mortgages and loans, that they provide currently.

### 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 Consumer Loan Books including Mortgages (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 with a comparable loan portfolio of €20m or less.**

Information required	
<b>Name of the Entity</b>	
<b>Name of Applicant</b>	
<b>Principal Contact(s)</b>	
<b>Contact Details</b>	Address (registered office): Telephone: E-mail:

**Certification and Authority to Submit**

To whom it may concern,

We are submitting our application form on behalf of [*Insert name of Applicant*] (the “**Applicant**”) in response to the Invitation for Pre-Qualification for the Retrofit Loan Guarantee Scheme (the “**Scheme**”) to be implemented by the SBCI.

The Scheme is aimed at supporting homeowners and small landlords who wish to invest in the energy efficiency of a 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 consumer in the State; and
- d) the Applicant is an On-Lender, as defined in Section 1.3 of the Invitation for Pre-Qualification.

I understand that selection as an On-Lender for the Scheme is subject to the terms of the Invitation for Pre-Qualification 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 Regulation<sup>6</sup>;
  - 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 Regulation<sup>7</sup>;
- d) 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.
  - vi) child labour and other forms of trafficking in human beings.

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<sup>6</sup> 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.

<sup>7</sup> See above

e) the Applicant is listed 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.

<b>Name(s)</b>
<b>Title / Role(s)</b>
<b>Signature(s)</b>
<b>Date</b>

## 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 are requested to submit a response (not more than 5 pages) following the format set out below.

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- Brief background of the organisation including its principal lending activity.
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### Availability of Capital

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

### Loan Pricing

- Applicants will be expected to provide a discount to its normal pricing for similar loans provided under the Scheme, further details will be provided at the Invitation for Award stage.

### Lending Experience

- Applicants with an existing comparable loan portfolio of €20m or less 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 7-year period.
- All applicants are asked to provide summary details of any green financial products, including green mortgages and loans, that they provide currently.

### 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 Consumer Loan Books including Mortgages (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 2 - Restricted Sectors

### 1. Illegal Economic Activities

- Any production, trade or other activity, which is illegal under the laws or regulations of the home jurisdiction for such production, trade or activity (“Illegal Economic Activity”).
- Human cloning for reproduction purposes is considered an Illegal Economic Activity.

### 2. Tobacco and Distilled Alcoholic Beverages

- The production of and trade in tobacco and distilled alcoholic beverages and related products.

### 3. Production of and Trade in Weapons and Ammunition

- The financing of the production of and trade in weapons and ammunition of any kind. This restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies.

### 4. Casinos

- Casinos and equivalent enterprises.

### 5. IT Sector Restrictions

- Research, development or technical applications relating to electronic data programs or solutions, which:
  - (i) aim specifically at:
    - (a) supporting any activity included in the Restricted Sectors referred to under 1. to 4. (inclusive) above.
    - (b) internet gambling and online casinos; or
    - (c) pornography,

or which:

- (ii) are intended to enable to illegally:
  - (a) enter into electronic data networks; or
  - (b) download electronic data.

### 6. Life Science Sector Restrictions

- When providing support to the financing of the research, development or technical applications relating to
  - (i) human cloning for research or therapeutic purposes; and
  - (ii) Genetically Modified Organisms (“GMOs”),
- the EIB will require from the Intermediary appropriate specific assurance on the control of legal, regulatory and ethical issues linked to such human cloning for research or therapeutic purposes and/or GMOs.

**NB:- The Restricted Sectors are indicative only and subject to change, and further exclusions and/or Restricted Sectors may be added in time depending on the requirements of the counter-**

**guarantee agreement and otherwise (e.g. in the Invitation for Award phase or in the draft Guarantee Agreements provided by SBCI to successful applicants).**

### ANNEX 3

	<b>MINIMUM ELIGIBILITY CRITERIA</b>	<b>System of appraisal (for SBCI use only)</b>
		<b>Yes/No</b>
<b>1.1</b>	The applicant currently lends or intends to lend to Irish consumers/homeowners.	
<b>1.2</b>	The applicant is either (i) authorised to carry out lending activities within the State; or (ii) is in the process of obtaining such authorisation.	
<b>1.3</b>	The applicant and its senior management are not in an Exclusion Situation (see <b>Annex 1</b> ).	
<b>1.4</b>	The applicant is an On-Lender (see <b>Section 1.3</b> ).	
<b>1.5</b>	The application form is complete including relevant supporting information.	
<b>1.6</b>	The application form has been submitted on or before the Deadline Date.	

## Annex 4 - Applicant Assessment

Below are the maximum scores for each category of the assessment. 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 additional or better information, SBCI will complete the assessment.

<b>Applicant Scoring</b>		
<b>1</b>	Does the applicant currently lend or intend to lend to consumers outside of the Scheme?	100
<b>2</b>	Is the applicant authorised to carry out lending activities within the State?	75
<b>3</b>	Experience and ability of the applicant to provide finance to consumers including applicant's track record in loan origination and credit management.	100
<b>4</b>	Financial standing of the applicant as evidenced by external credit rating and/or the SBCI's financial analysis of the applicant.	75
<b>5</b>	Capital availability of the applicant to fund the level of portfolio proposed.	50
	<b>Maximum Score</b> <ul style="list-style-type: none"> <li>• <b>Minimum score of 200 marks required to progress to Stage 2 (Invitation for Award).</b></li> <li>• <b>Maximum of 20 applicants may progress to Stage 2 (Invitation for Award) subject to SBCI exercising its discretion to increase the maximum number.</b></li> <li>• <b>The 20 applicants being invited to participate in Stage 2 will be those having received the highest score against the above selection criteria, exceeding the 200 minimum mark. In case multiple applicants have the same score as the 20th ranked applicant, all of those applicants will be invited to progress to Stage 2.</b></li> </ul>	<b>400</b>

## **Annex 5 – Vintage\_analyses\_template**

[attached separately]

## **Annex 6 – EIB DD Questionnaire**

[attached separately]