

UNDERSTANDING YOUR NYCEEC LOAN

A GUIDE FOR CONDOMINIUM AND COOPERATIVE BOARD MEMBERS

CONSIDERING A LOAN WITH US?

Your building is considering a loan from NYCEEC to finance a clean energy upgrade. Congratulations on working towards making your building part of the clean energy transition! In addition to the increased personal comfort of residents and positive environmental impacts, this upgrade may also provide a potential for financial savings, as well as compliance with local regulations.

A loan is an important decision and it is your responsibility as a board member to understand what this decision entails over the short and long term. Below are some key points for you to understand as you contemplate a potential loan from NYCEEC.

KNOW YOUR RESPONSIBILITIES

Understand requirements of loan agreement

Your loan agreement is the definitive document that fully describes all of your rights and obligations associated with the NYCEEC loan. You should carefully review this document and make sure you are aware of all your building's obligations - financial and otherwise. You should work with experienced legal counsel on this matter. You should feel comfortable that you are capable of meeting its obligations and you should make sure you understand the potential consequences should your building not meet any of its obligations.

NYCEEC is here to help.

If you have any questions your board is unable to answer, please contact us directly at 646-797-4630.

Legal Notices: The information provided above is of a summary nature and has been provided for informational purposes only. It does not create a binding or legally enforceable obligation on any person or entity. If there is any conflict or inconsistency between anything stated in this document and the terms or conditions set forth the loan agreement, the terms and conditions of the loan agreement take precedence. NYCEEC reserves the right to update and/or modify any or all part of this document from time to time without notice.

Loans must be paid back

Your loan is an unconditional commitment to pay back NYCEEC in accordance with the loan terms. Your project should bring many benefits to your building, but your obligation to pay NYCEEC is not contingent on any actual level of project performance or reliability.

Projects must be completed on time

You are responsible for ensuring that your project is completed on time. Your loan agreement will contain a "date certain" by which your project must be completed. This date is agreed upon by NYCEEC and your board, and it usually contains a cushion from the contractors' estimated completion date. Failure to complete the project could result in negative consequences, so you should monitor your contractors to make sure the project is on track throughout the construction period. If you do not feel that you have the internal capacity to do this, you should hire an advisor who does.

Any cost overruns are your responsibility

Additional funds needed to complete the project beyond the initial budget must come from the building's financial resources. Cost overruns are common, so the building must be prepared for this contingency.

You must maintain reporting obligations

The building's obligations go beyond the scheduled loan repayment. There are additional covenants associated with the loan, which could include maintaining adequate building financial ratios, sending financial reports to NYCEEC, and maintaining compliance with all local laws and regulations.