

Program Updates – Archive

The following timeline is an archive of Mass Solar Loan program update announcements. The Mass Solar Loan program is now closed; this information is provided to document the program's evolution.

Program Deadline/Sunsetting Update - Effective January 1st, 2021

Effective January 1st, 2021, the Mass Solar Loan program has sunset and is no longer processing new loan applications.

The MassCEC Team will continue to assist solar customers, installers, and lenders to ensure all Solar PV projects which closed a loan prior to the deadline are able to continue through the program.

If you are a customer seeking financing or an installer seeking financing options to provide a customer note that some participating lenders are continuing to offer market-rate solar loans on their own and we encourage you to look into potential products with our participating lenders.

Program Sunsetting and Budget Availability- Effective October 28th, 2020

Mass Solar Loan program incentives are scheduled to end on December 31, 2020, or once all funding is committed, whichever comes earlier.

Available program funding will be published on our website and updated twice weekly. The program currently has \$1.3 Million in funding remaining as of 10/28/2020. Maintaining the current pace of applications, this funding is projected to last through the end of the calendar year.

For Non-Incentivized Loans: loans must have a loan close date of December 31st, 2020 or earlier.

For Incentivized Loans: if the program pace accelerates, the available program budget is a hard limit and will be awarded on a first-come, first-served basis.

- Moving forward, lenders should submit loan support applications in the portal prior to closing (up to 24 hours in advance) each loan.
- If the loan support application is successfully signed, submitted and moves into Loan Support Under Review status, that funding can be considered reserved, and the lender can move forward to close the loan.
- If the loan support application moves to Loan Support Waitlisted status, then a funding cap has been reached and the requested loan support funds cannot be reserved. The

lender should not move forward with loan closing unless the application is subsequently approved.

- If funding caps are not reached prior to December 31, 2020, lenders must close the loan on or before December 31st, 2020 in order to qualify under the program.

[See FAQ for Additional Details](#)

Updated Income Based Loan Support Thresholds - Effective October 15, 2020

Effective October 15, 2020, Income Based Loan Support thresholds have been updated to reflect more recent data on state Median Income. Please see

<https://www.masscec.com/program/mass-solar-loan#programdetails> to see these updated thresholds.

Wall Street Journal Prime Rate Adjustment - Effective March 16, 2020

Effective March 16, 2020, the US Federal Reserve announced a decrease in the Target Federal Funds rate, therefore lowering the Wall Street Journal Prime Rate from 4.25% to 3.25%. The Gross Loan Interest Rate (Market Rate) under the Mass Solar Loan program is capped at WSJ Prime + 2.75% making the cap 6.0% as of March 16, 2020. Low Income customers who are eligible for the interest rate buy down will now see a maximum customer interest rate of 4.5%.

Wall Street Journal Prime Rate Adjustment - Effective March 4, 2020

Effective March 4, 2020, the US Federal Reserve announced a decrease in the Target Federal Funds rate, therefore lowering the Wall Street Journal Prime Rate from 4.75% to 4.25%. The Gross Loan Interest Rate (Market Rate) under the Mass Solar Loan program is capped at WSJ Prime + 2.75% making the cap 7.0% as of March 4, 2020. Low Income customers who are eligible for the interest rate buy down will now see a maximum customer interest rate of 5.5%.

Wall Street Journal Prime Rate Adjustment - Effective October 31, 2019

Effective October 31, 2019, the US Federal Reserve announced a decrease in the Target Federal Funds rate, therefore lowering the Wall Street Journal Prime Rate from 5.00% to 4.75%. The Gross Loan Interest Rate (Market Rate) under the Mass Solar Loan program is capped at WSJ Prime + 2.75% making the cap 7.5% as of October 31, 2019. Low Income customers who are eligible for the interest rate buy down will now see a maximum customer interest rate of 6.0%.

Wall Street Journal Prime Rate Adjustment - Effective September 18, 2019

Effective September 18, 2019, the US Federal Reserve announced a decrease in the Target Federal Funds rate, therefore lowering the Wall Street Journal Prime Rate from 5.25% to 5.00%. The Gross Loan Interest Rate (Market Rate) under the Mass Solar Loan program is capped at WSJ Prime + 2.75% making the cap 7.75% as of September 18, 2019. Low Income customers who are eligible for the interest rate buy down will now see a maximum customer interest rate of 6.25%.

Additional Program Funding and Upcoming Transition - New Structure Effective September 13, 2019

The Mass Solar Loan program is nearing full utilization of the program funding ([tracked here](#)). MassCEC has announced an upcoming transition that steps down loan support for moderate income qualified customers, while providing \$5 million in additional low-income qualified customers.

Timeline:

The new program structure will take effect for all loans closed on or after September 13, 2019.

Loan support under the current program structure is available for all projects that close on a program loan through September 12, 2019.

Note: Technical application approval alone does not reserve funding. If you would like to receive funding under the current structure, please take the appropriate steps to apply for the loan and schedule a closing prior to the transition.

New Program Structure:

The previous Moderate-Income Category (between 80% - 120% of State Median Income) will now be considered Non-Income Qualified. Therefore, two income categories are available, as detailed below:

Non-Income Qualified Customers (greater than 80% of State Median Income) - will not be eligible for any loan support incentives (IRBD, IBL, and Loan Loss Reserve), however they will still be able to take advantage of technical project approval and program structure to seek market rate loans from a participating lender. Standard loan requirements and program oversight such as the interest rate and closing cost caps will still be applicable for non-income qualified customers.

Low Income Customers (80% or below of State Median Income) – for customers in this category, the incentives will remain unchanged from the current program structure. Low-income customers will be eligible for Income Based Loan Support corresponding to 30% of the loan amount, capped at \$10,500, and will be able to qualify for Loan Loss Reserve if eligible. Low-income customers will be eligible for a 1.5% Interest Rate Buy Down (the current IRBD

rate).

Updated Income Based Loan Support Thresholds - Effective August 22nd, 2019

Effective August 22nd, 2019, Income Based Loan Support thresholds have been updated to reflect more recent data on state Median Income. Please see <https://www.masscec.com/program/mass-solar-loan#programdetails> to see these updated thresholds.

Wall Street Journal Prime Rate Adjustment - Effective August 1, 2019

Effective August 1, 2019, the US Federal Reserve announced a decrease in the Target Federal Funds rate, therefore lowering the Wall Street Journal Prime Rate from 5.50% to 5.25%. The Gross Loan Interest Rate (Market Rate) under the Mass Solar Loan program is capped at WSJ Prime + 2.75% making the cap 8% as of August 1, 2019. Low Income customers who are eligible for the interest rate buy down will now see a maximum customer interest rate of 6.5%.

Wall Street Journal Prime Rate Adjustment - Effective December 20, 2018

Effective December 20, 2018, the US Federal Reserve announced an increase in the Target Federal Funds rate, therefore raising the Wall Street Journal Prime Rate from 5.25% to 5.50%. The Gross Loan Interest Rate (Market Rate) under the Mass Solar Loan program is capped at WSJ Prime + 2.75% making the cap 8.25% as of December 20, 2018. Low Income customers who are eligible for the interest rate buy down will now see a maximum customer interest rate of 6.75%.

Updated Income Based Loan Support Thresholds - Effective October 25th, 2018

Effective October 25th, 2018, Income Based Loan Support thresholds have been updated to reflect more recent data on state Median Income. Please see <https://www.masscec.com/program/mass-solar-loan#programdetails> to see these updated thresholds.

Wall Street Journal Prime Rate Adjustment - Effective September 27, 2018

Effective September 27, 2018, the US Federal Reserve announced an increase in the Target Federal Funds rate, therefore raising the Wall Street Journal Prime Rate from 5.00% to 5.25%. The Gross Loan Interest Rate (Market Rate) under the Mass Solar Loan program is capped at WSJ Prime + 2.75% making the cap 8.00% as of September 27, 2018. Low Income customers

who are eligible for the interest rate buy down will now see a maximum customer interest rate of 6.50%.

Wall Street Journal Prime Rate Adjustment - Effective June 14, 2018

Effective June 14, 2018, the US Federal Reserve announced an increase in the Target Federal Funds rate, therefore raising the Wall Street Journal Prime Rate from 4.75% to 5.00%. The Gross Loan Interest Rate (Market Rate) under the Mass Solar Loan program is capped at WSJ Prime + 2.75% making the cap 7.75% as of June 14, 2018. Low Income customers who are eligible for the interest rate buy down will now see a maximum customer interest rate of 6.25%.

Wall Street Journal Prime Rate Adjustment - Effective March 22, 2018

Effective March 22, 2018, the US Federal Reserve announced an increase in the Target Federal Funds rate, therefore raising the Wall Street Journal Prime Rate from 4.5% to 4.75%. The Gross Loan Interest Rate (Market Rate) under the Mass Solar Loan program is capped at WSJ Prime + 2.75% making the cap 7.5% as of March 22, 2018. Low Income customers who are eligible for the interest rate buy down will now see a maximum customer interest rate of 6%.

Wall Street Journal Prime Rate Adjustment - Effective December 14, 2017

Effective December 14, 2017, the US Federal Reserve announced an increase in the Target Federal Funds rate, therefore raising the Wall Street Journal Prime Rate from 4.25% to 4.5%. The Gross Loan Interest Rate (Market Rate) under the Mass Solar Loan program is capped at WSJ Prime + 2.75% making the cap 7.25% as of December 14, 2017. Low Income customers who are eligible for the interest rate buy down will now see a maximum customer interest rate of 5.75%.

Program Funding Caps and Upcoming Transition – New Structure Effective December 13th, 2017

The new program structure (as described in the update below) will take effect for all loans closed on or after December 13th, 2017.

Loan support under the current program structure is available for all projects that close on a program loan through December 12th, 2017.

Note that technical application approval does not reserve funding, so please take the appropriate steps to apply for the loan and schedule a closing under the current structure if desired.

Program Funding Caps and Upcoming Transition – September 2017

The Mass Solar Loan program is nearing full utilization of the initial program funding ([tracked here](#)). In order to meet the overall goals of the program, MassCEC has announced an upcoming transition that steps down loan support while providing \$10 million in additional funding for future program activities that focus on income-qualified customers.

Timeline:

The new program structure will take effect for all loans closed after a 'date certain' to be set by MassCEC. **MassCEC will announce the date of the transition with a minimum 30 days' notice.** The date certain will be set to ensure utilization of the current Interest Rate Buy Down (IRBD) and Income Based Loan Support (IBLS) allocations under the existing program structure.

Awarded funds will be allowed to exceed their initial allocations (\$12 million IRBD and \$10 million IBLS) prior to the date certain transition. A portion of the additional funding is available to maintain Income Based Loan Support and Interest Rate Buy Down at their current rates until the announced date.

New Program Structure:

Non-Income Qualified Customers (Greater than 120% of State Median Income) - will not be eligible for any loan support incentives (IRBD, IBLS, and Loan Loss Reserve), however will still be able to take advantage of technical project approval and program structure to seek market rate loans from a participating lender. Standard loan requirements and consumer protections such as the interest rate and closing cost caps will still be applicable for non-income qualified customers.

Moderate Income Customers (Between 80% and 120% of State Median Income) - will be eligible for Income Based Loan Support corresponding to 10% of the loan amount, capped at \$3,500, and will be able to qualify for Loan Loss Reserve if eligible. Moderate income customers will NOT receive an interest rate subsidy and will receive market rate loans from participating lenders.

Low Income Customers (80% or Below of State Median Income) – The incentives will remain unchanged from the current program structure. Low-income customers will be eligible for Income Based Loan Support corresponding to 30% of the loan amount, capped at \$10,500, and will be able to qualify for Loan Loss Reserve if eligible. Low-income customers will be eligible for a 1.5% Interest Rate Buy Down (the current IRBD rate).

Updated Income Based Loan Support Thresholds - Effective September 11th, 2017

Effective September 11th, 2017, Income Based Loan Support thresholds have been updated to reflect more recent data on state Median Income. Please see

<https://www.masscec.com/program/mass-solar-loan#programdetails> to see these updated thresholds.

Wall Street Journal Prime Rate Adjustment - Effective June 15, 2017

The US Federal Reserve announced June 15, 2017, an increase in the Target Federal funds rate and therefore the Wall Street Journal Prime Rate has increased from 4% to 4.25%. The Gross Loan Interest Rate under the Mass Solar Loan program is capped at WSJ Prime + 2.75% so effective June 15, 2017, this cap is now 7.00% (making the maximum Customer Interest rate 5.50% after the Interest Rate Buy Down).

Wall Street Journal Prime Rate Adjustment - Effective March 16, 2017

The US Federal Reserve announced March 16, 2017 an increase in the Target Federal funds rate and therefore the Wall Street Journal Prime Rate has increased from 3.75% to 4%. The Gross Loan Interest Rate under the Mass Solar Loan program is capped at WSJ Prime + 2.75% so effective March 16, 2017, this cap is now 6.75% (making the maximum Customer Interest rate 5.25% after the Interest Rate Buy Down).

Updated Income Based Loan Support Thresholds - Effective February 14, 2017

Effective February 14th, 2017, Income Based Loan Support thresholds have been updated to reflect more recent data on state Median Income. Please see <https://www.masscec.com/program/mass-solar-loan#programdetails> to see these updated thresholds.

Wall Street Journal Prime Rate Adjustment - Effective December 14, 2016

The US Federal Reserve announced December 14th, 2016 an increase in the Target Federal funds rate and therefore the Wall Street Journal Prime Rate has increased from 3.5% to 3.75%. The Gross Loan Interest Rate under the Mass Solar Loan program is capped at WSJ Prime + 2.75% so effective December 14th, 2016, this cap is now 6.5% (making the maximum Customer Interest rate 5% after the Interest Rate Buy Down).

Program Updates - Effective Oct. 17, 2016

As announced on Sept. 13, 2016, in order to meet the overall goals of the program, the following changes to the interest rate buy down (IRBD) take effect October 17, 2016.

1. **Loan Loss Reserve (LLR) funding re-allocation:** The Mass Solar Loan program will reallocate \$3 million in unreserved LLR funding to the IRBD budget, increasing the total amount of IRBD funds from \$9 million to \$12 million. The LLR incentive will continue to be available going forward and loans with previously allocated LLR funds will not be affected.
2. **IRBD Rate Step Down:** The IRBD rate will decrease from the **3 percent** to **1.5 percent**. All loans closed prior to Oct. 17, 2016 will receive the current IRBD rate of 3 percent. All loans closed on or after Oct. 17, 2016 will receive the new IRBD Rate of **1.5 percent**. This will be based on the loan closed date as entered by the lender on the loan support application.