Creating and Protecting Ownership and Economic Opportunity

SELF-HELP CLIMATE CAPITAL, LLC

RESPONSE TO QUESTIONS

Electric Vehicle (EV) Loan Sale RFP #1

This Response to Questions is a combination of responses to specific questions from Proposers as well as updates and clarifications from SHCC. This document will be updated periodically with the most recent input at the beginning.

January 2, 2025

1. **A Proposer would like to be able to estimate the credit facility size required to scale up forward flow lending. Once a forward flow agreement is established with SHCC, how frequently can loan sales be transferred?**

   This will depend on volume. Self-Help Climate Capital ("SHCC") would like to purchase reasonable quantities (at least 10 loans) with each transaction. We can negotiate this during implementation and modify over time as origination volume unfolds. We expect to start with monthly purchase transactions and may adjust depending on the volume of originations.

2. **Assuming the Proposer has no preference for loan servicing versus not retaining servicing, does SHCC have a preference on who manages loan servicing?**

   SHCC is open to either structure, but prefer loan origination partners to retain and provide effective loan servicing

3. **Will borrowers need to be "memberized"? If yes, will the Proposer be required to handle the "memberization" process?**

   No, we do not need to "memberize" each borrower of a purchased loan. In fact, the purchaser will not be a credit union, so no membership issues arise.

4. **Can you please define the term Program Subsidy?**

Program Subsidy will be created through some combination of below market interest rates and/or underwriting standards that allow borrowers who would often be declined an opportunity to be approved. These two factors work together as “market interest rates” are generally in relation to underwriting criteria. There is no strict definition of Program Subsidy in rate, dollars, or specific underwriting terms, or otherwise. It reflects only that agreed upon underwriting and negotiated loan purchase terms will be designed to represent “below market rates” so that lending to LIDAC borrowers will be more feasible. Underwriting terms and loan purchase agreements may also change over time by agreement between all participants.

SHCC will amend the RFP to include this definition.

5. **Does SHCC have any dollar amount targets for Program Subsidies on a per loan basis or per $1,000 lent basis?**

6. No, we do not have a specific target. Our goal is to use only as much subsidy as is necessary to make a lending program effective in reaching its goals. We want to limit the subsidy to as little as is necessary to accomplish that objective in order to preserve funds and help more LIDAC borrowers achieve EV ownership over the life of the program.

7. **Does SHCC have any limits on credit criteria or collateral requirements that should be incorporated into a Proposal? For example, no loans to those with a bankruptcy in the last 24 months, no vehicles over 8 years old, vehicles under 100,000 miles only.**

   Not at this time. We want proposals to include terms that you believe are appropriate and would lead to success. These terms will be discussed and modified, as necessary, with any lenders who advance past the RFP stage, and will be incorporated into the legal agreements that will govern the relationship created.

8. **If a Proposer is ultimately engaged by SHCC, will there be a process to expand engagement outside of a new RFP? For example, if a Proposer initially wants to focus on a specific Borrower profile or a specific geographic market, could those be expanded after an agreement is reached? Or if enabling technology needs to be developed, could that be added later?**

   Yes. Information provided in your Proposal is just a starting point – to demonstrate your qualifications to effectively carry out the program. Details regarding the initial iteration of the program and prospective expansions would be incorporated into a loan purchasing agreement and we expect they may evolve over time as the program matures.

9. **Does SHCC have a target percent of borrowers in a portfolio that need to meet LIDAC qualifications? If non-LIDAC borrowers can be included in a loan portfolio, what are the desired attributes of non-LIDAC borrowers?**

   It is our desire at the outset to purchase loans made ONLY to LIDAC borrowers. Thus, a screening for LIDAC qualification will have to be part of the workflow before originating loans that will be sold to SHCC.

10. **Will any API or other tools be made available to Proposers to screen borrowers for LIDAC qualification?**

    It is assumed that successful Proposers will have the capability to screen borrowers for LIDAC qualification based on income at a minimum. RFP submissions should include any thoughts you have about screening and verifying an income qualification for LIDAC, and any thoughts about developing or assisting in developing a tool for income of other forms of qualification. Developing one yourself is not a requirement for a successful proposal. Our expectation is that a full LIDAC screening tool will become available for all loan origination partners use in the future.

11. **Please provide more detail on the contemplated structure of the EV Loan Purchase transactions and any expectations for loan origination partners to participate in the leveraging of NCIF funds.**

    SHCC's initial approach will be to buy the loans directly from loan origination partners who will originate, and optionally service, the loans but sell them directly to SHCC. Any leverage will be created by SHCC after the purchase. In the future, we are open to other financing structures that leverage other sources of capital that will amplify the impact of the program, and may look to develop those over time, but SHCC is not specifically looking for such structures at this point in time.