

LoanSTAR Payback and Buydown Rules

Simple Payback

The simple payback for the overall loan shall be ≤ 15 years.

The simple payback for each UCRM within the loan shall be \leq UCRM EUL.

Buydowns

In the event, the simple payback for the overall loan is > 15 years, the applicant can furnish their own funds (buydown) to the project for the purpose of reducing the simple payback to 15 years. This scenario assumes that each UCRM simple payback is $<$ the EUL of each UCRM. The maximum buydown amount that can be applied is $< 50\%$ of the overall loan. This assumes that when the buydown is distributed over the UCRMs, the maximum buydown amount will be $<$ than 50% of the UCRM cost.

There may be a scenario where the simple payback for the overall loan is \leq than 15 years but one or more UCRMs have a simple payback that is \geq EUL of that UCRM. A buydown can be applied to a simple payback that does not currently meet the simple payback requirements. The maximum buydown amount must be $<$ than 50% of the UCRM cost. After the buydown is applied, the simple payback for the UCRM shall be \leq UCRM EUL.

Operational Savings

A scenario may exist where operational savings are counted as savings in a UCRM. The maximum operational savings amount must be $<$ than 50% of the UCRM cost. After the operational savings amount is applied, the simple payback for the UCRM shall be \leq UCRM EUL.

Buydowns and Operational Savings

The maximum amount of buydown savings plus operational savings amount must be $<$ than 50% of the UCRM cost. After the buydown savings plus operational savings amounts are applied, the simple payback for the UCRM shall be \leq UCRM EUL.