



AIP RFP: Questions from Proposers

1. How are the funds characterized by the entity selling the loans to CUF, once received? Do they have federal characterization? Or are they unencumbered? Or does CUF require most or all proceeds to be lent back out?

Use of proceeds and proposed transaction structures are at the Proposer's discretion – CUF will consider the Proposer's plans to expand investment into Qualified Projects including transaction structures while evaluating the RFP response. When a Proposer receives proceeds from a sale of financial assets to CUF, those proceeds are not subject to federal compliance requirements and may be utilized at Proposer's discretion.

As noted in the RFP, CUF encourages respondents to detail how Proposers will use CUF capital to achieve their targets, and how support from CUF will help them transform the markets in which they operate. CUF does not require most or all proceeds to be lent back out, but redeployment of proceeds into additional Qualified Projects would be a clear example of how CUF's funding will help Proposers expand their impact, and would be viewed more favorably than, for example, proceeds exclusively being used to cover a Proposer's operational expenses. For a Proposer to sell financial assets to CUF, those assets must be Qualified Projects and will be subject to the GGRF compliance requirements as described in Section 5 of the RFP.

2. Assuming CUF is purchasing a qualifying pool of loans on a CDFI's balance sheet for projects that have already been constructed, would DBRA or BABA apply retroactively?

Neither DBRA nor BABA will apply to projects where construction is already completed prior to CUF's purchase of the loan. For forward flow agreements where CUF funding is needed after construction is completed in the future, the deal structure will determine the extent of applicability for these federal requirements.

3. "I wanted to verify that we are eligible to apply because we have NCIF funding through [redacted] Green Bank. We are a subrecipient for that program. Please advise if you need documentation on the organization to review."

Yes, NCIF subrecipients are eligible to apply as long as all other qualified project criteria and indicative transaction guidance requirements are met. NCIF funding does not qualify as private capital.



4. Is the April 4th deadline still going to be maintained?
Yes. Proposals received by 5PM (ET) on April 4, 2025 will be prioritized for review and evaluation. The RFP will remain open and proposals will be reviewed periodically on a rolling basis until the solicitation is closed as described in Section 3.2 of the RFP.
5. Are residential solar loans considered eligible for purchase under this RFP?
Yes, residential solar loans are eligible. Please refer to Section 2.2 “Priority Project Categories” for a discussion of market segments that CUF seeks to target via this RFP.
6. If a financier intended to sell existing whole loans under this RFP, what requirements or constraints exist, if any, beyond the elements listed in Sections 2.1 and 2.2 of the RFP?
The substantive requirements are outlined in those sections of the RFP and Section 5. CUF will address any constraints on a case-by-case basis with the Proposer.
7. What protections can be offered for confidential business information provided in an RFP response or other exchange with Climate United? For example, if a respondent marks trade secrets and commercial or financial information that is privileged or confidential as "Confidential Business Information" or "CBI", will that information still be disclosed?
Please refer to Section 4.1 of the RFP. If a Proposal is chosen for further diligence by CUF, we will sign a mutual NDA or other documentation as appropriate. At the RFP response stage, we encourage providers to consider the necessity of disclosing trade secrets or “CBI” and to mark all such material accordingly. CUF is required to allow the U.S. Government access to records which can be marked as Confidential Business Information.
8. If CUF capital is used for credit enhancement, will our construction loans require compliance with DBRA and BABA?
A credit enhancement with no direct public infrastructure construction linkage may not require BABA compliance. A credit enhancement with no direct linkage to construction may not require DBRA compliance. As a part of our diligence process, CUF will assess and confirm the applicability of federal compliance requirements on a case-by-case basis.
9. Can we propose a multi-year strategy?
Yes, CUF is keen to explore different proposals with suitable deployment strategies.



10. What are the terms of CUF capital? Can you provide more detail and/or sample transaction details and terms than is provided in Section 2.3, “Indicative Transaction Guidance?”

Section 2.3 outlines the terms of CUF’s capital usage. More details around individual transactions’ impact and scalability will be explored with respective Proposers.

11. What level is the senior debt and junior debt?

We are unable to provide individual transaction level thresholds at this stage.

12. Will credit enhancement from CUF require us to track and restrict private capital as Program Income?

CUF requires all transaction partners to track and report private capital mobilization. The concept of “Program Income” does not apply to Proposers under this RFP.

13. If our approach includes multiple strategies that align with the goals of Climate United and the Greenhouse Gas Reduction Fund – such as a pipeline of tribal solar and net-zero building projects – should these strategies be submitted as separate RFP responses or combined into one?

CUF encourages Proposers to submit a combined RFP response in such cases – any eventual relationship that entails will be subject to further structuring to reflect the best economics and impact alignment.

14. For the purchase of loans for projects in development or to be developed, how will this process work mechanically? Will CUF provide a grant or loan that sits on the community lender's balance sheet to be deployed according to the RFP response parameters? Or will CUF guarantee funds transfer at the time of loan closing, provided the project meets the contracted terms?

CUF contemplates purchasing loans/debt facilities on a capital call basis and would do so on or about the time of loan closing.

15. Can proceeds from CUF funds deployed under this RFP be used to cover overhead expenses? Additionally, how does CUF envision the fee structure for loan purchases, whether for past or future loans?

CUF loan capital may be used for financing qualified projects only. Please see Ans. #1 for further details. CUF expects Proposers to propose fee arrangements that reflect transaction types and market conditions.

16. Will a scoring rubric with weighted criteria be published?



CUF will not publish any additional scoring rubric. The evaluation criteria is defined in Section 3.1 of the RFP.

17. Format for submission - document, PowerPoint, etc. What is the preferred format (Word Doc PDF vs PowerPoint PDF)? Would CU prefer a more narrative driven response or bulleted?

The required submission format is PDF. Section 3.1 of the RFP details information that should be included in responses.

18. Regarding the definition of Qualified Projects (Section 2.1): Please provide additional guidance or examples of how CUF will evaluate whether a project "may not have otherwise been financed" in private markets? Specifically, what criteria or evidence should Proposers include to demonstrate this?

CUF will use a combination of market analysis, due diligence and partner discussions to ascertain existing roadblocks to project financing. Proposers are encouraged to provide data (including but not limited to public sources/prior transaction experience/white papers/market knowledge) to evidence this Qualified Project criterion while nevertheless respecting the length considerations detailed in Section 3.1 of the RFP.

19. On the evaluation of Investment Impact (Section 3.1): Please elaborate on how CUF will assess "Contribution, Additionality, and Market Transformation"? Are there specific metrics or benchmarks Proposers should address to demonstrate these impacts?

As above. Please refer to Impact Objectives outlined in Section 2.5. We will not publish any additional benchmarks or metrics at this stage.

20. On compliance readiness (Section 3.1 and Section 5): What are the compliance metrics that are most important to report on? What cadence does an awardee need to report on these metrics?

All 'Investment Products' purchased under this RFP must be from Proposers that have the ability to manage key regulatory requirements outlined in Section 5.2. For indicative cadence, please refer to Performance Reporting section of NCIF Terms and Conditions.

On the Build America, Buy America Act (BABA) compliance (Section 5.2):

21. For projects involving infrastructure, are there any specific waivers or exceptions CUF anticipates for BABA compliance, particularly for manufactured products or construction materials that may not be readily available domestically?



We do not anticipate any project-specific waivers for CUF funded projects. Please refer to FAQs on Climate United’s website for general applicability as well as EPA website for current BABA waivers.

22. Is it correct that facilities purely for development expenses (and no construction expenses) are not subject to Build America, Buy America (BABA) and Davis-Bacon Act compliance?

DBRA is not applicable to non-construction activities (e.g. permitting or design work). BABA will be applicable for development expenses, if such expenses fall within the scope of the BABA statute.

23. Does CUF have a preference for certain asset classes?

Please refer to Section 2.2 for Project Categories and Section 2.4 for Financial Products. We are seeking projects that will benefit from increased availability of financing solutions and have high potential for market transformation.

24. Would CUF consider small residential (1-4 unit) retrofit projects and/or larger multifamily developments?

CUF will consider all qualified project proposals which meet the Impact Objectives outlined in Section 2.5 of the RFP.

25. What is the preferred timeline for capital recycling?

While our aim is to recycle capital as efficiently as possible, we will determine timeline on a case-by-case basis while considering individual project impact and overall opportunity with Proposer.

26. Once CUF has made an award, is there an ability to add to the commitment amount, change or negotiate product offerings as our pipeline grows over time?

Reflecting our desire to work with emerging managers pursuing innovative strategies, CUF will consider a growing pipeline favorably. Each loan purchase will have its own procurement memo to support the individual transaction and any change within the prescribed terms will not require a new RFP. We will explore avenues for funding future transactions together with the Proposer if the need/opportunity arises.

27. Can CUF give an example of “economic alignment with the proposed investments and with CUF as a potential partner”? (top of p.12)

This criterion seeks to ascertain a clear connection between the economic motivations of both CUF and the Proposer, showing that working together will benefit both parties in a meaningful way and the risk/return profiles of both parties are aligned.



A scenario in which the Proposer had no economic exposure to the instruments it intends to sell to CUF could constitute a lack of alignment; a scenario where a proposer charges above-market fees could also constitute a lack of alignment, as two examples.

28. Please confirm current exceptions to BABA requirements.

Kindly refer to the EPA website for more information on general BABA waivers - [Build America, Buy America \(BABA\) Approved Waivers | US EPA](#)

29. Who will be responsible for DBRA monitoring – the Proposer or CUF?

The Proposer is responsible for ensuring compliance with DBRA requirements and reporting to CUF. CUF has onboarded a third-party vendor to help with DBRA monitoring and is responsible for portfolio level reporting to the EPA.

30. The RFP states that “All transactions must support CUF’s portfolio-level target of mobilizing private capital at a 3x ratio, in balance with impact and capital recycling goals.” What counts as mobilizing private capital? For example, would state funding (grants or loans) from a quasi-public agency count? What about ratepayer funded utility incentive programs?

Federal or state funding will not be considered as private capital mobilized for CUF’s reporting purposes.

31. Is the 3x ratio required on a per transaction basis or can this be aggregated across multiple investments?

The 3x ratio for mobilizing private capital is a CUF portfolio-level target.

32. Can you please clarify CUF’s expected and or desired leverage? The leveraging targets appear to be at odds as described on pages 4 and 5 of Section 2.3 (“CUF’s portfolio-level target of mobilizing private capital at a 3x ratio” vs “10-50% of a facility”).

CUF aims to achieve a 3x target for private capital mobilized at the CUF portfolio level. When evaluating proposed projects and facilities, CUF will consider multiple factors including transaction structure, risk, impact and financial return when determining its appropriate level of funding which is likely to be between 10-50% of the total capital required.

33. Can you provide further guidance on your desired rate of return in a sub-debt structure?



In the absence of transaction details, we are unable to provide specific guidance. We expect Proposers to propose rates that reflect their understanding of market conditions and requirements.

34. What types of fees or other compensation does CUF expect or need from a loan loss reserve or loan guarantee?

As above.

35. Can you provide more guidance on how private capital mobilization will be calculated? For example, Is the purchase of a private capital loan for an eligible project considered private capital mobilization since the private capital that is revolved can support additional eligible projects? If the NCIF funding that purchased a private capital loan is repaid and revolved into the purchase of a new private capital loan for an eligible project, is that then a 2x mobilization of private capital and so on? Any other guidance on how private capital mobilization is being calculated specifically for loan purchases and or participations would be very helpful.

Reinvestment of proceeds and subsequent mobilization of private capital into a new transaction may be counted, but only through the first redeployment of that private capital. Secondary/tertiary/etc. remobilization of private capital is a desirable outcome but out of scope for our compliance reporting.

36. Are there any restrictions or specifications on the type of lenders that are eligible to participate in this RFP. IE nonprofit lenders, CDFIs, for-profit lenders/loan funds, depository/non-depository institutions, etc?

No restrictions outside of the criteria defined in RFP.

37. In addition to the financial products listed in the RFP, in this opportunity or in any future opportunities, is Climate United considering direct subawards of grant capital to partners to help fulfill Climate United's NCIF work plan? Grant funded loan fund capitalization would enable higher benefit delivery to target communities due to the lower cost of capital and in turn the lower borrowing cost to our community partners. We'd like to recommend that Climate United consider possible subawards to CJEST focused lending partners that provided support to Climate United's NCIF proposal as a means for ensuring that CJEST communities receive the highest impact delivery from NCIF funds by supporting CJEST lenders with the lowest cost capital available.

Thank you for the input. CUF is working to build out our internal systems to support Subawards and expects to close our first transaction in 2025.