



# NSHCIC Bulletin

## Information Sheet Solar Energy and Energy Conservation Bank

The Solar Energy and Energy Conservation Bank (the Bank) was authorized by Title V, Subtitle A, of the Energy Security Act of 1980, P.L. 96-294. This Act was signed into law by President Carter on June 30, 1980.

This Information Sheet has been prepared to outline the structure of the Bank and the procedures used to apply for Bank assistance, to the extent that this information is now available. The reader is cautioned that regulations governing the Bank's operations are still being developed and that many details may change prior to publication of the final regulations.

### Structure

The Bank will be organized as a component of the Department of Housing and Urban Development (HUD). A Board of Directors consisting of the Secretaries of Housing and Urban Development (as chairperson), Agriculture, Commerce, Energy, and the Treasury will provide overall policy direction, while day-to-day management responsibilities will rest with the President of the Bank, appointed by the President with the advice and consent of the Senate.

The Act calls for two Executive Vice Presidents, one for energy conservation and one for solar energy. They will be supported by a small permanent Bank staff; the Bank may also draw upon HUD for additional support.

Two five-member Advisory Committees, one for energy conservation and one for solar energy, will be established to provide advice to the Bank President from various elements of the private sector and consumers.

### Funding

Funds for the operation of the Bank will be appropriated to HUD. At this writing, the funding levels to be included in HUD's FY 1981 Appropriation Act have not been established.

### Operations

The Bank will not provide direct loans. Instead, it will provide funds to local "financial institutions" who will, in turn, make loans for solar energy or energy conservation projects. The subsidy payments will be used either to reduce the interest rates on these loans or to reduce the loan principal amount. In certain cases, the financial institutions may make grants for energy conservation projects undertaken by low-income owners or tenants.

"Financial institutions" may be local banks and lending institutions, non-profit organizations, or States or local governments, who meet the requirements for Title I lenders under HUD's property improvement program, or utility companies meeting the requirements of Title II of the National Energy Conservation Policy Act.

### Applications

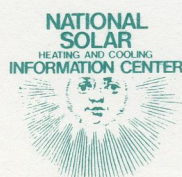
Once the Bank is in operation, individuals seeking support will deal with their local lender or other financial institution, which will, in turn, process all documents and receive the funding from the Bank.

### Subsidy Levels

The Bank will establish the levels of subsidy for various energy conservation and solar energy applications within the general requirements of the Act. These levels have not been determined as yet.

Subsidies for energy conservation and active solar projects will be calculated as a percentage of the cost of these projects; subsidies for passive solar projects will be based on the value of the energy saved through the use of the passive solar system.

The maximum subsidies available for solar projects will be \$5,000 for single family homes, \$7,500 for two-family buildings, \$10,000 for three- or four-family buildings, and \$2,500 per unit for multifamily buildings. The maximum subsidy for energy con-



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servation projects will depend on the income of the borrower.

### Relationship to the Energy Tax Credit

The Energy Tax Credit of 40% of the first \$10,000 spent on a qualified solar energy installation may not be claimed for any project financed through a Bank-subsidized loan. In many cases, it may be more desirable for an owner to claim the tax credit rather than to apply for such a loan.

### Schedule

Regulations for loans for single family homes and buildings with two to four dwelling units must be published about the first of the new year. Following this, financial institutions must be selected and trained. It is hoped that the Bank may begin making subsidy payments during the spring of 1981.

### Information

The Bank will establish a promotion and information program to publicize the availability of subsidized loans for solar energy and energy conservation activities. In the meantime, current information will be available through the National Solar Heating and Cooling Information Center, P.O. Box 1607, Rockville, Maryland 20850. The Center may also be contacted by toll-free telephone:

From Pennsylvania:	800-462-4983
From Alaska and Hawaii:	800-500-4700
From the other States, Puerto Rico and the Virgin Islands:	800-523-2929

## NATIONAL SOLAR HEATING AND COOLING INFORMATION CENTER



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