



GREEN BANK
FOR RURAL AMERICA
A Subsidiary of Appalachian Community Capital

Frequently Asked Questions

Updated December 3, 2024

DISCLAIMER:

This document reflects our current understanding of program parameters and is subject to change as we receive updated guidance. We are committed to keeping this document current and will provide timely updates as new details become available.

Questions - Click a Question to Jump to the Answer

About the Green Bank for Rural America

1. [What is the Green Bank for Rural America?](#)
2. [What is the Greenhouse Gas Reduction Fund and how is it related to the Green Bank for Rural America?](#)
3. [Who is on the Green Bank for Rural America Steering Committee?](#)
4. [Where can I sign up for updates from Green Bank for Rural America?](#)
5. [How do businesses, developers and project sponsors obtain financing from community lenders supported by the Green Bank for Rural America?](#)

Community and Community Lender Eligibility

1. Who is eligible to apply for Green Bank for Rural America funding?
2. Can communities or municipalities apply directly to the Green Bank, or does that have to go through a community lender?
3. I am a community lender and I'm not sure which CCIA program is right for me.

Funding Opportunity – Capitalization and TA Grants

1. What types of funding does the Green Bank for Rural America offer?
2. Can my organization receive awards from more than one CCIA program?

Project Eligibility

1. What projects are eligible for financing?
2. What are examples of net-zero buildings or retrofits/renovations?
3. What are examples of distributed energy generation and storage?
4. What are examples of Zero-emissions transportation?
5. Do you have guidance on lending to businesses that are involved with emissions / pollution reduction in LIDAC communities?
6. How are Low-Income and Disadvantaged Communities (LIDAC) defined?
7. How does the EPA define Geographically Dispersed Low-Income Households?
8. How does the EPA define Properties Providing Affordable Housing?
9. How does the EPA define Federally Recognized Tribal Entities?
10. How does Green Bank for Rural America define eligible Appalachian, Energy, Rural, and Tribal communities?
11. Can funds be used for pre-development activities?
12. What types of financial products can be offered with the Green Bank Awards?

13. For Built Environment projects, what project components are eligible to be financed with Green Bank funding?
14. Is a Distributed Energy / Community Solar Project eligible if it is in a geography that doesn't qualify as a LIDAC, but the off takers served by the project are low-income households?

Technical Assistance

1. How are Technical Assistance Awards determined?
2. How can Technical Assistance Awards be used?
3. What types of Technical Assistance will be offered by Green Bank?
4. How will TA providers be selected?
5. Can I be both a TA provider and a Community Lender?

Applying for Awards

1. How do I apply for Funding?
2. What is the due date for applications?
3. How will my application be evaluated?
4. Does receiving funding from a National Clean Investment Fund awardee count toward the \$10 million cap that a single organization can receive from the CCIA program?
5. How quickly after receiving the funds do we need to deploy them?

Reporting and Compliance

1. What are the reporting requirements for award recipients?
2. Will Community Lenders need to report on actual greenhouse gas emissions reductions?
3. What compliance standards must recipients adhere to?
4. How is Davis-Bacon applicable to projects that my organization finances?

Workforce Development and Community Engagement

1. What are the Green Bank for Rural America's requirements related to Workforce Development?

2. What are the Green Bank for Rural America's requirements related to Community Engagement?

Accounting Treatment of the Funds

1. When do the EPA restrictions on the capitalization awards uses end?
2. Will the Capitalization Award earn program income and if so how will that be treated?
3. How will a capitalization award from the Green Bank be treated on my balance sheet? Will it increase my net asset position?

Leverage

1. What are the Green Bank for Rural America's goals for leveraging capital?
 2. What counts as leveraging private capital?
 3. How can we get more information about the tax credits available for energy efficient projects such as Direct Pay?
-

About the Green Bank for Rural America

1. What is the Green Bank for Rural America?

Appalachian Community Capital is starting the Green Bank for Rural America to help rural areas gain the most benefit from the new energy economy. Rural energy communities in Appalachia and across the country have been the heart of energy production in America, powering the growth of our nation. The Green Bank aims to build upon and revitalize this spirit, working alongside communities to build resilient local economies and to create new opportunities for a prosperous future.

The Green Bank will make investments— beginning with a \$500 million award from the U.S. Environmental Protection Agency – to connect rural communities to new sources of financing. The EPA award will help attract even more private capital, for an estimated \$1.6 billion into 2,000 diversified energy projects. This means 13,000 good jobs and a way to preserve the quality of life in rural communities, where local businesses and community leaders work together to control their future.

2. What is the Greenhouse Gas Reduction Fund and how is it related to the Green Bank for Rural America?

The Greenhouse Gas Reduction Fund is a \$27 billion initiative of the Environmental Protection Agency and consists of three grant competitions. The Green Bank for Rural America's parent company, Appalachian Community Capital, won a \$500 million award through one of the grant competitions, the Clean Communities Investment Accelerator program.

3. Who is on the Green Bank for Rural America Steering Committee?

The Steering Committee for this effort is composed of representatives from leading regional and national development finance organizations with a track record of high impact investments in low-wealth rural communities. This team has deep knowledge of community needs and financing opportunities, supporting thousands of transactions in the targeted rural communities, as well as exceptional expertise at structuring and managing development finance portfolios exceeding \$5 billion. For more information visit the Green Bank for Rural America website

4. Where can I sign up for updates from Green Bank for Rural America?

Visit the Green Bank for Rural America website at:
www.greenbankforruralamerica.org

5. How do businesses, developers and project sponsors obtain financing from community lenders supported by the Green Bank for Rural America?

By visiting the Green Bank website, potential borrowers / investees can identify community lenders serving their location. Potential borrowers / investees can then obtain and review the financing priorities of community lenders, and submit loan packages / prospectus if lender priorities align. In addition, if a community or potential borrower / investee would like help planning or structuring a project, they may work with a community lender to support pre-development activities. If you cannot identify a community lender with which to engage, please contact the Green Bank for a referral.

Community and Community Lender Eligibility

1. Who is eligible to apply for Green Bank for Rural America funding?

Only community lenders are able to apply for funding from GBRA. Businesses, developers and project sponsors may obtain financing from Community Lenders supported by the Green Bank for Rural America.

For the Green Bank program, Community Lenders must serve Appalachia, energy communities, rural communities, or Tribal communities. The Green Bank does not limit eligibility to ACC members or to a specific type of Community Lender.

For the EPA CCIA program, eligible community lenders must fall into one of these categories:

- U.S. Treasury certified Community Development Financial Institutions (CDFIs), including Native CDFIs

- Public-sector lenders, including state, municipal, and Tribal governments, and federal agency affiliated lenders, such as U.S. Economic Development Agency (EDA) Revolving Loan Funds, U.S. Department of Agriculture Intermediary Lending Funds
- Not-for-Profit Entities that are legally eligible to make loans and investments.

Non-Eligible Entities: Entities not fitting the above descriptions of a Community Lender are not eligible to apply for this funding. This includes for-profit organizations, other than those that also meet the criteria above such as certified CDFIs that have a for-profit structure.

2. Can communities or municipalities apply directly to the Green Bank, or does that have to go through a community lender?

Communities or municipalities should go through a community lender, unless they have a revolving loan fund program that meets the eligibility criteria. Then that program can apply for a capitalization award and be subject to the responsibilities that come with deploying the funds to eligible projects. If, however, a community or municipality would like help financing a project or identifying local development priorities, they should work with a community lender. If they do not know one, please contact the Green Bank for a referral.

3. I am a community lender and I'm not sure which CCIA program is right for me.

Here is a description of the other four CCIA programs:

Opportunity Finance Network: OFN's program is open to all organizations that meet its membership and CCIA program eligibility requirements. However, OFN is prioritizing members not served by other awardees.

Justice Climate Fund: In the near term, lenders affiliated with one of Justice Climate Fund's (JCF) five Trade Coordinators (AAA, NALCAB, Oweesta, NBA, PCG) that also meet the EPA's eligibility requirements are invited to apply to JCF's program. In alignment with EPA guidelines, JCF will prioritize CDFI banks. In the future, JCF may consider expanding its program to other EPA-eligible lenders not covered by a CCIA award recipient.

Native CDFI Network: Eligible lenders were named participants in the Native CDFI Network application for CCIA funding to EPA. If you are a Native CDFI and not a named participant in Native CDFI Network's application, contact NCN. If NCN is unable to support your request, the Native CDFI will be referred to another CCIA awardee (including OFN and Appalachian Community Capital/the Green Bank for Rural America).

Inclusiv: Inclusiv's Clean Communities Investment Accelerator focuses specifically on credit unions, enabling them to develop and implement clean energy and resiliency projects within their communities. This initiative supports credit unions in accessing the necessary capital and technical assistance to finance sustainable energy solutions, ensuring that credit unions can serve as catalysts for economic and environmental development in underserved areas.

Funding Opportunity – Capitalization and TA Grants

1. What types of funding does the Green Bank for Rural America offer?

The Green Bank provides Capitalization Grants and Technical Assistance Grants, ranging from \$1 million to \$10 million, with exceptions for a small number of awards up to \$35 million based on certain criteria. Community Lenders may apply for the greater of: 100% of net assets or the cumulative of the past three years' total loans and investments originated. For emerging Community Lenders with limited track record, maximum award may be determined by

additional factors such as organizational capacity, project pipeline, community needs, and/or community lender coverage.

2. Can my organization receive awards from more than one CCIA program?

Yes, eligible community lenders can receive awards up to a total of \$10 million from all CCIA grantees. Green Bank for Rural America and other CCIA awardees may approve certain exception awards above \$10 million.

Project Eligibility

1. What projects are eligible for financing?

Projects must meet the requirements of three criteria as established by the EPA:

- Project, activity, or technology that reduces or avoids greenhouse gas emissions
- Project, activity or technology that falls within one of these categories
 - Net-zero emission buildings or building retrofits/renovations that make a substantial contribution to reducing energy use
 - Distributed energy generation and storage
 - Zero-emissions transportation
 - Business Financing: Energy efficient / renewable energy products and services supporting the above.
- Project, activity, or technology in a Low-Income and Disadvantaged Community

2. What are examples of net-zero buildings or retrofits/renovations?

Eligible for financing are projects, activities, and technologies that:

- Retrofit an existing building, making a substantial (minimum >20%) contribution to moving that building toward a net-zero

emission building, along with a plan to move the building to net-zero emissions over time (~20 year horizon). EPA guidance requires a minimum 20% energy use reduction per year. Alternatively, measurable reduction of at least 1 ton of CO₂e reduced per year, housing unit.

- Construct a new net-zero emissions building.
- Built environment includes:
 - Residential – single or multi-family; for rent or ownership; manufactured housing.
 - Commercial, industrial, community facilities, small business retail, mixed use or other facilities.
- Examples of projects in this category include (but are not limited to):
 - Reducing carbon emissions/energy use through energy and water efficiency, geothermal heating and cooling, and appliance electrification.
 - Whole or partial building retrofits to improve energy efficiency.
 - Adaptive reuse of existing buildings incorporating energy efficiency features such as installation of energy efficient windows, doors, HVAC systems, and all-electric ENERGY STAR appliances.
 - Businesses that provide products and services to support the above.
- Note: All ground up new construction must be net zero - Net Zero | US EPA

3. What are examples of distributed energy generation and storage?

Distributed Energy Generation and Storage:

- Eligible for financing are projects, activities (businesses), and technologies that develop and deploy renewable power generation.

- Examples include (but are not limited to):
 - Building/Residential rooftop solar
 - Building/Residential rooftop solar-plus-storage
 - Community solar, wind, hydro, and geothermal
 - Stand-alone energy storage
 - Replacement of diesel generators with battery storage
 - Energy generation and/or storage systems that support microgrids
 - Distribution system upgrades necessary for project interconnection

4. What are examples of Zero-emissions transportation?

Zero-emission transportation examples are provided below:

- Eligible for financing are projects, activities, and technologies that increase the accessibility and use of zero-emission vehicles and supporting infrastructure.
- Examples of the types of projects in this category include (but are not limited to):
 - Fleet electrification, such as school buses
 - Electric trucks to support commercial activity
 - Public transportation, such as buses or community transportation
 - Charging infrastructure for all EVs

5. Do you have guidance on lending to businesses that are involved with emissions / pollution reduction in LIDAC communities?

The EPA has provided the following guidelines for meeting the LIDAC requirement for businesses that reduce or avoid greenhouse gas emissions. The LIDAC requirement for providing Financial Assistance to a business could be met in any one of these ways:

- The business is located in a LIDAC
- The business is a property providing affordable housing

- The business has at least 51 percent of its equity ownership by members of Federally Recognized Tribes
- Manufactured products are used by LIDAC customers
- Staff and/or trade time serving LIDAC customers

For example -

- A manufacturer of solar racking systems is located in a LIDAC
- A distributor of HVAC or similar energy efficient products ships its products to a LIDAC
- An installer of energy efficient windows, doors, and/or HVAC systems serves LIDAC customers
- An affordable housing developer or operator retrofits a property to include energy efficient equipment to reduce energy consumption by 20% or create a Net Zero property.

Note - use of proceeds is restricted to eligible activities.

6. How are Low-Income and Disadvantaged Communities (LIDAC) defined?

GGRF defines low-income and disadvantaged communities as encompassing the following five categories, as defined below: (a) communities identified as disadvantaged by the [CEJST mapping tool](#); (b) a limited number of additional communities identified as disadvantaged by the [EJScreen mapping tool](#); (c) geographically dispersed low-income households (see definition below); (d) properties providing affordable housing (see definition below); and (e) Federally Recognized Tribal Entities (see definition below).

Meeting any of those four categories will qualify as a low-income and disadvantaged community.

Community Lenders must deploy 100% of their Capitalization and TA Grants to finance and/or support projects in EPA-defined Low-Income and Disadvantaged Communities (LIDAC). Climate United Fund, a GGRF awardee, is developing a mapping site to identify all eligible

LIDAC communities. When the site is available, we will provide a link to it here.

7. How does the EPA define Geographically Dispersed Low-Income Households?

Geographically dispersed low-income households are low-income individuals and households that fall within **either** of the two categories listed below:

- a. Individuals and households with incomes at or below the greater of:
 - i. For Metropolitan Areas: 80% Area Median Income (AMI) or 200% of the Federal Poverty Level
 - ii. For Non-Metropolitan Areas: 80% AMI; 80% Statewide Non-Metropolitan Area AMI; or 200% of the Federal Poverty Level
- b. Individuals and households currently approved for assistance from or participation in at least one of the following income-based or income-verified federal assistance programs, with an award letter within the last 12 months:
 - i. U.S. Department of Health and Human Services (HHS) Low Income Home Energy Assistance Program;
 - ii. U.S. Department of Agriculture's (USDA) Supplemental Nutrition Assistance Program;
 - iii. U.S. Department of Energy's (DOE) Weatherization Assistance Program;
 - iv. Federal Communications Commission's Lifeline Support for Affordable Communications;
 - v. USDA's National School Lunch Program;
 - vi. U.S. Social Security Administration's Supplemental Security Income; or
 - vii. Any other verified government or non-profit program serving Asset Limited, Income Constrained, Employed (ALICE) individuals or households designated by the EPA Administrator

8. How does the EPA define Properties Providing Affordable Housing?

Properties providing affordable housing includes properties serving low-income individuals and households that fall within **either** of the two categories listed below.

- a. Multifamily housing with rents \leq 30% of 80% AMI for at least half of residential units and with an active affordability covenant from one of the following federal or state housing assistance programs:
 - i. Low-Income Housing Tax Credit
 - ii. A housing assistance program administered by the U.S. Department of Housing and Urban Development (HUD), including Public Housing, Section 8 Project-Based Rental Assistance, Section 202 Housing for the Elderly, Section 811 Housing for Disabled, Housing Trust Fund, Home Investment Partnership Program Affordable Rental and Homeowner Units, Permanent Supportive Housing, and other programs focused on the goal of ending homelessness funded under HUD's Continuum of Care Program;
 - iii. A housing assistance program administered by USDA under Title V of the Housing Act of 1949, including under Sections 514 and 515;
 - iv. A housing assistance program administered by a tribally designated housing entity, as defined in Section 4(22) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 USC § 4103(22)); or
 - v. Any other housing assistance program designated by the EPA Administrator (not currently applicable)
- b. Naturally occurring (unsubsidized) affordable housing with rents not exceeding 30% of 80% AMI for at least half of residential units

9. How does the EPA define Federally Recognized Tribal Entities?

- a. Federally Recognized Tribal Entities includes:
- i. Individual member(s) of a Federally Recognized Tribe
 - ii. For-profit business that has at least 51% of its equity ownership (or the equivalent in limited liability companies) by members of Federally Recognized Tribes
 - iii. Non-profit entity with at least 51% of its Board of Directors (i.e., Governing Board) composed of members of Federally Recognized Tribes; Federally Recognized Tribal government entity.
 - iv. Under this definition, any Federally Recognized Tribal Entity is included within the definition of Low-Income and Disadvantaged Communities, regardless of where that entity is located (i.e., the entity may be located in areas outside of the CEJST land area dataset, including but not limited to tribal service areas or counties).

10. How does Green Bank for Rural America define eligible Appalachian, Energy, Rural, and Tribal communities?

Green Bank for Rural America Requirements and Portfolio Priorities: Community Lenders must deploy 100% of their Capitalization and TA Grants to finance and/or support projects in 1) Appalachia or 2) rural communities, which may include priority communities such as Energy Communities, rural communities of color, Native communities, and rural Persistent Poverty Counties. Please visit our mapping site to review eligible communities in rural areas, Appalachia, and other priority communities.

- Appalachia as defined by the Appalachian Regional Commission: Appalachian Counties Served by ARC - Appalachian Regional Commission
- Rural defined as either:
 - Communities not in Metropolitan Statistical Areas. Rural communities include micropolitan statistical areas and non-core counties - Office of Management and Budget, 2020 data.

- Census tracts that are not Urban Areas - US Department of Census, 2020 data.
- USDA Rural Urban Commuting Areas - USDA ERS. The Green Bank for Rural America is currently using 2010 data to determine eligibility for this data point, and will be updating with 2020 data when USDA completes its analysis of 2020 census data. The 2010 data set is available [here](#).
- Priority Energy Communities as outlined by:
 - The Interagency Working Group on Energy Communities: [Priority Energy Communities](#) , or
 - Applicants identifying communities experiencing economic impacts from the closure of coal mines or coal fired power plants, related economic impacts in supply chain businesses, and economic impacts resulting from transitions in other energy industries such as oil or natural gas.
 - Federally Recognized Tribal Entities: Federally Recognized Tribal Entities: All Federally Recognized Tribal entities, which are considered disadvantaged regardless of whether a Federally Recognized Tribe has land, consistent with M-23-09 (memorandum dated as of January 27, 2023) and CEJST. A “Federally Recognized Tribal Entity” means (i) any individual member of a Federally Recognized Tribe; (ii) any for-profit business that has at least 51 percent of its equity ownership (or the equivalent in limited liability companies) by members of Federally Recognized Tribes; (iii) any non-profit entity with at least 51 percent of its Board of Directors (i.e., Governing Board) comprised of members of Federally Recognized Tribes; 17 or (iv) any Federally Recognized Tribal government entity. Under this definition, any Federally Recognized Tribal Entity is included within the definition of Low-Income and Disadvantaged Communities, regardless of where that entity is located (i.e., the entity may be located in areas outside of the

CEJST land area dataset, including but not limited to tribal service areas or counties).

- Persistent Poverty Counties (PPC): Information on PPC counties can be found from the Census Bureau [here](#) and [here](#).

11. Can funds be used for pre-development activities?

Yes, funds can be used for pre-development activities such as market studies, business planning, preliminary architectural and engineering, environmental assessments, energy audits, and financial structuring including tax credit structuring. These may be forgivable, or repaid upon closing of project financing.

12. What types of financial products can be offered with the Green Bank Awards?

Community Lenders may provide the following debt, equity, credit enhancements, or hybrid variation of financial assistance/products with Capitalization Awards. While these types of financial assistance leave room for below market rate features and subsidy into transactions, it should be noted that grants are not an allowable form of financial assistance and use of the Capitalization Award.

Debt Instruments:

- **Loans:** Traditional loans including partially forgivable loans, forgivable loans, and zero-interest or below-market interest loans of any term.
- **Predevelopment Loans:** loans that finance pre-construction activities such as market studies, business planning, preliminary architectural and engineering, environmental assessments, energy audits, and financial structuring including

tax credit structuring. These may be forgivable, or repaid upon closing of project financing.

- o **Loans with Interest Rate Buydowns:** Loans paired with mechanisms to reduce the interest rates to the borrower.
- o **Secured and Unsecured Loans:** Both collateralized and uncollateralized lending options.
- o **Subordinated Debt:** Debt that ranks below other loans with regard to claims on assets or earnings.
- o **New Markets Tax Credit Leveraged Debt:** Financing that uses leverage to increase the investment capital available under the New Markets Tax Credit (NMTC) program to stimulate economic growth in distressed areas.
- o **Bridge Financing for Tax Credit Investments:** Short-term loans used to bridge the gap between when a tax credit is awarded and when it can be claimed, ensuring project continuity.
- o **Construction Financing:** Loans provided to cover the expenses associated with building new structures or renovating existing ones, typically dispersed in phases as project milestones are completed.
- o **Lines of Credit / Working Capital Loans:** Lines of credit without a particular use of proceeds restriction, are eligible so long as they are to a “Qualified Project”. EPA plans to provide additional guidance on how working capital loans can meet the definition of Financial Assistance to Qualified Projects.
- o **Business / Corporate Financing:** EPA plans to provide additional guidance on how forms of corporate (business) finance can meet the definition of Financial Assistance to Qualified Projects.
- o **Loan Purchasing Programs:** Programs to buy loans from the original lenders, providing liquidity and risk distribution.

Equity Instruments:

- o **Equity Project Finance:** Direct equity investments in projects for a share of the ownership and profits.
- o **Private Equity Investments:** Investments in private companies in exchange for equity ownership.

Hybrid Instruments:

- **Mezzanine Debt:** Debt that incorporates equity-based options, such as warrants, with lower-priority debt.
- **Preferred Equity:** Equity which provides a priority return ahead of common equity but behind debt.

Credit Enhancements:

- **Loan Guarantees:** Guarantees to back loans made by others to enhance credit worthiness.
- **Loan Guarantee Funds:** Funds set aside to cover defaulted loans up to a certain percentage.
- **Loan Loss Reserves:** Reserves to cover potential losses on loans.

Non-Eligible Uses of Funds:

Subgrants: Direct sub-granting of the awarded funds to third parties is not permitted under this funding opportunity.

Note on Eligible Financial Products: Financial products provide opportunities for Community Lenders to offer subsidy to projects that would not otherwise be financed and which can have impact in EPA and Green Bank Priority Communities. Applicants are encouraged to outline ways in which they will use the allowable subsidy to finance projects. For new construction, 100% of a project may be financed using Green Bank funding. Note, all new construction must be Net Zero Emissions [Net Zero | US EPA](#).

- For renovations that are Net Zero Emissions [Net Zero | US EPA](#), 100% of the renovations may be financed using Green Bank funding.
- For renovations that are not Net Zero Emissions, Community Lenders can provide a loan for the cost of the clean energy portion of the total renovation budget plus "necessary and reasonable" activities. Necessary and reasonable expenses in a retrofit/renovation include costs required to ensure the green

energy / emission reducing features are installed. For example, a new roof if 'necessary and reasonable' for a solar installation, interior construction if necessary and reasonable for HVAC install, façade improvements if necessary and reasonable for energy efficient windows and doors, and other components.

Community Lenders may provide the following debt, equity, credit enhancements, or hybrid variation of financial assistance/products with Capitalization Awards. While these types of financial assistance leave room for below market rate features and subsidy into transactions, it should be noted that grants are not an allowable form of financial assistance and use of the Capitalization Award.

Debt Instruments:

- **Loans:** Traditional loans including partially forgivable loans, forgivable loans, and zero-interest or below-market interest loans of any term.
- **Predevelopment Loans:** loans that finance pre-construction activities such as market studies, business planning, preliminary architectural and engineering, environmental assessments, energy audits, and financial structuring including tax credit structuring. These may be forgivable, or repaid upon closing of project financing.
- **Loans with Interest Rate Buydowns:** Loans paired with mechanisms to reduce the interest rates to the borrower.
- **Secured and Unsecured Loans:** Both collateralized and uncollateralized lending options.
- **Subordinated Debt:** Debt that ranks below other loans with regard to claims on assets or earnings.
- **New Markets Tax Credit Leveraged Debt:** Financing that uses leverage to increase the investment capital available under the New Markets Tax Credit (NMTTC) program to stimulate economic growth in distressed areas.
- **Bridge Financing for Tax Credit Investments:** Short-term loans used to bridge the gap between when a tax credit is

awarded and when it can be claimed, ensuring project continuity.

- o **Construction Financing:** Loans provided to cover the expenses associated with building new structures or renovating existing ones, typically dispersed in phases as project milestones are completed.
- o **Lines of Credit / Working Capital Loans:** Lines of credit without a particular use of proceeds restriction, are eligible so long as they are to a “Qualified Project”. EPA plans to provide additional guidance on how working capital loans can meet the definition of Financial Assistance to Qualified Projects.
- o **Business / Corporate Financing:** EPA plans to provide additional guidance on how forms of corporate (business) finance can meet the definition of Financial Assistance to Qualified Projects.
- o **Loan Purchasing Programs:** Programs to buy loans from the original lenders, providing liquidity and risk distribution.

Equity Instruments:

- o **Equity Project Finance:** Direct equity investments in projects for a share of the ownership and profits.
- o **Private Equity Investments:** Investments in private companies in exchange for equity ownership.

Hybrid Instruments:

- o **Mezzanine Debt:** Debt that incorporates equity-based options, such as warrants, with lower-priority debt.
- o **Preferred Equity:** Equity which provides a priority return ahead of common equity but behind debt.

Credit Enhancements:

- o **Loan Guarantees:** Guarantees to back loans made by others to enhance credit worthiness.
- o **Loan Guarantee Funds:** Funds set aside to cover defaulted loans up to a certain percentage.

- o **Loan Loss Reserves:** Reserves to cover potential losses on loans.

Non-Eligible Uses of Funds:

Subgrants: Direct sub-granting of the awarded funds to third parties is not permitted under this funding opportunity.

Note on Eligible Financial Products: Financial products provide opportunities for Community Lenders to offer subsidy to projects that would not otherwise be financed and which can have impact in EPA and Green Bank Priority Communities. Applicants are encouraged to outline ways in which they will use the allowable subsidy to finance projects.

13. For Built Environment projects, what project components are eligible to be financed with Green Bank funding?

For new construction, 100% of a project may be financed using Green Bank funding. Note, all new construction must be Net Zero Emissions [Net Zero | US EPA](#).

For renovations that are Net Zero Emissions [Net Zero | US EPA](#), 100% of the renovations may be financed using Green Bank funding.

For renovations that are not Net Zero Emissions, Community Lenders can provide a loan for the cost of the clean energy portion of the total renovation budget plus "necessary and reasonable" activities. Necessary and reasonable expenses in a retrofit/renovation include costs required to ensure the green energy / emission reducing features are installed. For example, a new roof if 'necessary and reasonable' for a solar installation, interior construction if necessary and reasonable for HVAC install, façade improvements if necessary and reasonable for energy efficient windows and doors, and other components.

14. Is a Distributed Energy / Community Solar Project eligible if it is in a geography that doesn't qualify as a LIDAC, but the off takers served by the project are low-income households?

Distributed Energy / Community Solar projects must be located in a LIDAC to be eligible for financing. EPA notes this provision may be reviewed and updated.

Technical Assistance

1. How are Technical Assistance Awards determined?

Community Lenders will receive a Technical Assistance Award equal to 10% of the amount of their Capitalization Award. For instance, a Community Lender receiving a \$5 million capitalization award would also receive a \$500,000 Technical Assistance award.

2. How can Technical Assistance Awards be used?

Community lenders may use Technical Assistance awards to build their capacity - and support communities and projects - to provide financial assistance to CCIA-eligible projects such as:

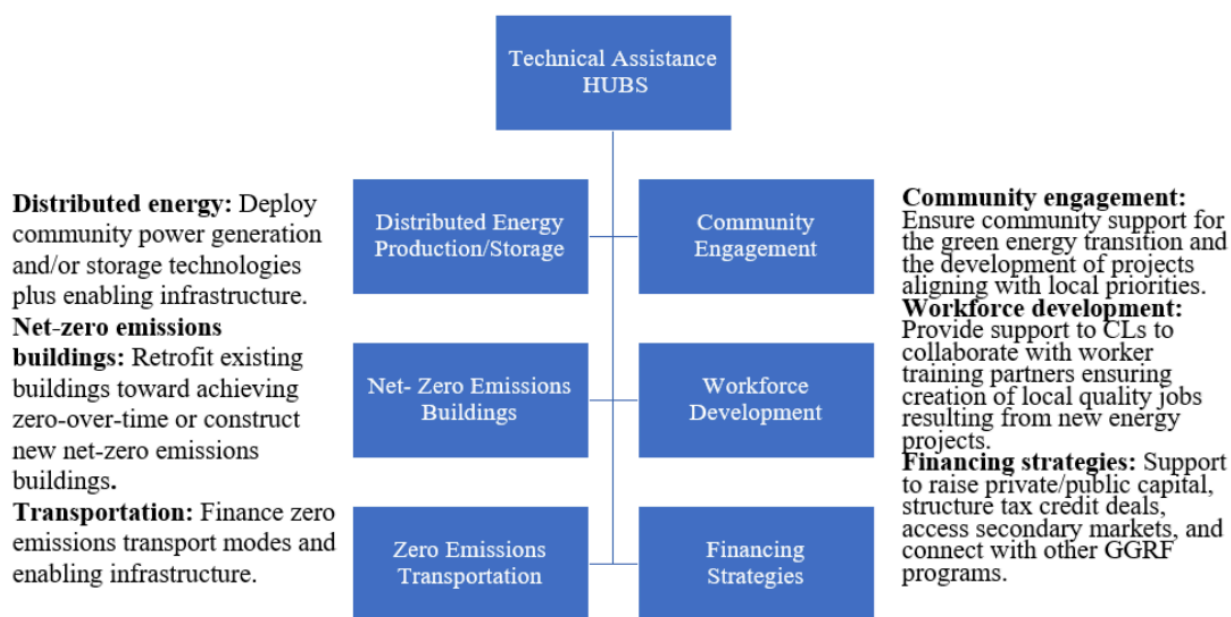
- Training, staffing, developing new financial products, building organizational capacity and internal systems in a variety of areas such as compliance and reporting.
- Pre-development activities such as - engineering, design, site and building assessments (e.g. energy audits), market research, business planning / project development, financial structuring, ...
- Community Engagement - visioning, planning, project development
- Workforce Development – with community colleges, workforce boards, unions, and training organizations.

- o Awards to non-profit organizations to undertake the above activities.

Note - 10% of the Technical Assistance Award must be spent on Community Engagement Activities and 10% of the Technical Assistance Award must be spent on Workforce Development activities.

3. What types of Technical Assistance will be offered by Green Bank?

Technical Assistance Hubs will provide specialized services to community lenders, projects, and participating communities to finance projects that enable rural areas to gain the most benefit from the new energy economy, revitalize communities, and generate good jobs. Six TA Hubs will provide free resources, webinars, and access to training opportunities.



TA Hubs will provide specialized services for the transaction types described above, as well as needed workforce development support

to meet the demand for new energy economy jobs, and community engagement activities to ensure financed projects address local priorities.

In addition, Green Bank for Rural America will provide rosters of qualified and vetted consultants – including for profit service providers, non-profit organizations, and public agencies - through our Technical Assistance Hubs. Local and national consultants may apply to participate through an RFP process. Please see our website -- TA Hubs -- for more information.

4. How will TA providers be selected?

The Green Bank for Rural America will post a Request for Proposal (RFP) for Technical Assistance providers on our website within the next several weeks.

5. Can I be both a TA provider and a Community Lender?

Yes. Organizations that are selected to provide Technical Assistance may also apply for Capitalization Funding and Technical Assistance awards, provided they meet all the eligibility criteria.

Applying for Awards

1. How do I apply for Funding?

Community lenders will apply for funding from the Green Bank for Rural America through Application Form available on the Green Bank website. The application asks for detailed information about your organizational capacity, lending and impact track record, the proposed use of funds, and your community engagement and workforce development plans. Additionally, you must submit the Application Workbook, which includes financial information, portfolio characteristics, green lending pipeline, and required attachments as

specified in the Application Guide. Applications are accepted on a rolling basis. For more guidance, please refer to the Application Guide or attend one of the informational webinars hosted by the Green Bank. More information can be found on the [Green Bank for Rural America website](#).

2. What is the due date for applications?

We do not have application deadlines, but rather consider applications on a rolling basis. We anticipate keeping the application period open through 12/31/2026, and applications may be submitted at any time as long as funds are available.

3. How will my application be evaluated?

Your application for funding from the Green Bank for Rural America will be evaluated through a multi-stage process designed to ensure a comprehensive assessment of your proposal's alignment with the Green Bank for Rural America's objectives. The evaluation stages include:

- Initial Review by Green Bank Investment Team: This includes a detailed scoring of your application based on predefined criteria such as your commitment to target markets, organizational capacity, impact record, and financial sustainability.
- Stakeholder Review: Applications that meet the initial threshold score are forwarded to a Stakeholder Review Panel, which focuses on the potential impact and likelihood of successful deployment of requested funds.

- Steering Committee Decision: The final decision is made by the Green Bank Steering Committee, which reviews the comprehensive recommendations provided by the Chief Investment Officer based on prior evaluations.

Each stage is designed to assess your plan and organizational capacity to utilize funding effectively to support priority communities and contribute positively to the established investment goals. Feedback and opportunities for resubmission are provided to applicants not advancing in the process.

4. Does receiving funding from a National Clean Investment Fund awardee count toward the \$10 million cap that a single organization can receive from the CCIA program?

No, it does not. An organization can receive \$10 in capitalization funding from CCIA and still be eligible to receive an investment from the National Clean Investment Fund (NCIF).

5. How quickly after receiving the funds do we need to deploy them?

We expect your deployment schedule should align with the planned uses of funds proposed in your application. There will be semiannual reporting requirements to assess each organization's progress in fund deployment and to review changes to deployment activity based on community needs. In other words, we expect your application will provide information about your projected timeline for deploying funds, and lenders will demonstrate reasonable efforts to stick to that timeline. The Green Bank for Rural America's Workplan requires all

Capitalization Awards (grant funds) to Community Lenders be fully deployed in eligible projects no later than March 31, 2030.

Reporting and Compliance

1. What are the reporting requirements for award recipients?

Award recipients are required to submit detailed reports on fund usage, project progress, and impact metrics to demonstrate compliance and effectiveness of the funded projects. Transaction reporting will be semi-annual, and a narrative report on program performance will be required annually. Award recipients must comply with 2 CFR 200 and be subject to single audit requirements if more than \$750,000 in federal funds are expended annually.

2. Will Community Lenders need to report on actual greenhouse gas emissions reductions?

No. Community Lenders will need to report on **projected** emissions reductions. Green Bank will provide further guidance on methodologies and reporting tools.

3. What compliance standards must recipients adhere to?

Award recipients must comply with federal regulations including the Davis-Bacon and Related Acts for construction financing, the Build America Buy America Act, and ensure projects meet environmental and economic standards set by the EPA and other relevant agencies. Here is a summary of key federal statutes. Green Bank intends to provide training and support to help award recipients understand and

comply with these requirements.

- **Davis-Bacon and Related Acts (DBRA):** DBRA labor standards apply to construction projects funded by CCIA. However, the timing and purpose of the CCIA funding can impact whether DBRA requirements are triggered. DBRA requires contractors and subcontractors to pay employed laborers and mechanics no less than locally prevailing wages. DBRA applies to contractors and subcontractors performing construction, alteration, or repair of buildings in excess of \$2,000. Activities such as the installation of solar panels, installation of heat pumps, and retrofits of buildings for energy efficiency are considered construction projects. DBRA does not apply to pre-construction activities, such as environmental assessments, site acquisition, permitting, and engineering and design, nor does it apply to post-construction take out financing such as mini-perm or permanent financing after completion of construction.
- **Build America Buy America (BABA):** BABA establishes a domestic procurement preference for all “public infrastructure” projects funded by federal financial assistance. EPA interprets the definition of public infrastructure consistent with OMB guidance in 2 CFR 184 and M-24-02, including the “public function” test, when determining whether projects qualify as public infrastructure. Public infrastructure can include residential projects that serve a public function and privately owned commercial buildings that meet the public function test. BABA requires that all iron, steel, manufactured products, and construction materials used on projects deemed “public infrastructure” must be produced in the United States. Currently, GGRF awardees understand that the following types of projects are not considered public infrastructure: privately-owned vehicles for private use, single family homes, privately-owned multi-family homes that are not mixed use and have no publicly accessible retail or commercial facilities; privately owned manufacturing, industrial facilities, or office buildings; EV charging stations installed at private homes or privately owned

manufacturing or industrial facilities that have no public accessibility.

- **National Historic Preservation Act (if applicable):** This act establishes permanent institutions and creates a clearly defined process for historic preservation in the U.S. Section 106 of this act requires federal agencies to take into account the effects of their undertakings on historic properties and to provide the Advisory Council on Historic Preservation a reasonable opportunity to comment on such undertakings. Projects impacting buildings on the National Register of Historic Places that are eligible for listing will be subject to more extensive National Historic Preservation Act reviews to be an eligible use of CCIA funding. Note, the Advisory Council on Historic Preservation is developing an expedited review process for GGRF funded projects.

4. How is Davis-Bacon applicable to projects that my organization finances?

Davis Bacon and Related Acts (DBRA) requires payment and reporting of prevailing wages on federally funded or assisted construction projects of more than \$2,000. Green Bank is working with other CCIA and NCIF Awardees to understand the applicability and reporting requirements for projects funded with CCIA awards. It is currently the understanding of the CCIA and NCIF Awardees that DBRA will apply to all construction project loans or loan guarantees. However pre-development and permanent financing of projects does not trigger DBRA requirements.

Workforce Development and Community Engagement

1. What are the Green Bank for Rural America's requirements related to Workforce Development?

Workforce Development is a pillar of Green Bank for Rural America's

strategy to ensure that the loans and investments generate meaningful job creation and economic revitalization in communities. As a reflection of that, Green Bank provides robust technical assistance for communities and community lenders around workforce development. In addition, at least 10% of the Technical Assistance awards must be allocated to Workforce Development activities. These activities should focus on enhancing local workforce capabilities to support new energy projects, ensuring the creation and retention of quality jobs resulting from financings remain in the target communities. Activities may include partnerships with educational institutions, workforce boards, and unions to support apprenticeship programs, certification programs, and the development of career pathways for people facing barriers to employment - and may include wrap-around services such as child care, transportation, and training.

2. What are the Green Bank for Rural America's requirements related to Community Engagement?

Community Engagement is a pillar of Green Bank for Rural America's strategy to ensure that the loans and investments incorporate community feedback and reflect community priorities. As a reflection of that, Green Bank provides robust technical assistance for communities and community lenders around community engagement. The Green Bank for Rural America requires that at least 10% of the Technical Assistance award be allocated to Community Engagement activities. These activities should ensure that local communities are actively involved in the projects supported by the Green Bank, enhancing social acceptability and success. This includes engaging local stakeholders in planning processes, conducting public awareness campaigns, and facilitating inclusive decision-making to reflect the community's needs and priorities.

Accounting Treatment of the Funds

1. When do the EPA restrictions on the capitalization awards uses end?

The Capitalization Award is treated as a permanently restricted grant to be used for eligible financing and technical assistance activities.

2. Will the Capitalization Award earn program income and if so how will that be treated?

All community lenders that receive Capitalization Funding awards will earn program income and must retain and reuse program income for additional capital deployment to CCIA-eligible projects. Program income includes but is not limited to income from origination fees, interest payments, principal repayments, dividends, and interest from short-term securities (e.g., cash deposits). Subrecipients must be prepared to track, document, and report on program income to comply with federal requirements. Program income may be used to offset program costs.

3. How will a capitalization award from the Green Bank be treated on my balance sheet? Will it increase my net asset position?

It is the Green Bank's understanding that a capital award will be treated as a non-exchange capital contribution which will increase the net asset position of a community lender. Additional information on this matter will be forthcoming.

Leverage

1. What are the Green Bank for Rural America's goals for leveraging capital?

Green Bank for Rural America has a commitment to leverage the CCIA award 3-1 with private capital. Community lenders are

encouraged to mobilize private capital to expand the impact of the financial assistance. Technical assistance services will be provided to help community lenders structure transactions to take advantage of private sources of leverage.

The Green Bank anticipates that some Community Lenders will prioritize transactions and financial products that leverage a significant amount of private financing, while other Community Lenders may prioritize projects and financial products that leverage a modest amount of private financing. While Community Lenders are encouraged to structure loans and investments using private capital, not every loan must leverage private financing.

2. What counts as leveraging private capital?

Private capital is any non-public source or form of capital. This includes all capital except capital from federal, Tribal, state, territorial, and local government entities. Sources of private capital in projects include, but are not limited to:

- Tax equity contributions,
- Tax credit transfers,
- Sponsor or borrower equity contributions,
- Subsidies and incentives from utilities (including renewable energy certificates) and other non-government entities, and
- Other debt capital blended into the transaction from the community lender and other private lenders.
- Grants from private entities such as philanthropies, corporations, and non-profit organizations.

Any CCIA or other Greenhouse Gas Reduction Fund (GGRF) funding source—whether directly or through a third-party lender—is **not** considered private capital but can be included in the project financing. GGRF funding sources include CCIA, National Clean Investment Fund, and Solar for All.

3. How can we get more information about the tax credits available for energy efficient projects such as Direct Pay?

One of the Technical Assistance Hubs that Green Bank is standing up will be focused on helping structure financing including techniques such as accessing tax credits, including ones that specifically focus on renewable energy and energy efficiency. One of the powerful innovations of the Inflation Reduction Act was the establishment of Direct Pay which pays non-profits for the value of the tax credit had they been a taxable entity. This guide from Climate United Fund and RMI provides a good overview of the Direct Pay program. [Direct_Pay_Guide_APR2024.pdf \(ctfassets.net\)](#)

4. Are there any limitations to using a USDA REAP award in conjunction with GGRF financing?

USDA REAP requires that 50% of project funds be non-federal and considers GGRF financing to be federal funding. Since REAP awards are capped at \$1M, a project that used the maximum REAP award and has total costs of \$2M would be ineligible to use Green Bank funds (and any EPA GGRF funds from any source, either CCIA, NCIF). Please see FAQ #12 of the Project Eligibility section to review project costs that are eligible to be financed by Green Bank funding. Note - 100% of new construction may be financed by Green Bank funding, and up to 100% of renovations may be financed depending on project features.

Examples –

- A \$500k business expansion has \$150k of REAP eligible energy costs. The business could use \$100,00 in financing from Green Bank funding, with the balance of financing coming from non-federal sources.
- A \$4M downtown development renovation has \$800k of REAP eligible costs. The project could use \$1.2M in financing from Green Bank funding, with the balance of financing coming from non-federal sources.

- Note: A project that financed all related energy costs with REAP would still be able to use Green Bank funding for other eligible project costs up to 50% of total project costs.