

SUNLIGHT FINANCIAL SALES TRAINING



Last Updated: 8.19.19

Our goal is to empower you to:

- **understand** Sunlight's loan product
- **navigate** Sunlight's platform (Orange)
- **sell** with confidence 😊



OVERVIEW

- **Sunlight Financial** partners with solar companies all across America to secure simple, easy to sell loans for solar systems.
- Operations Center in Charlotte, North Carolina with offices in NY, SF, and Boston.
- Closed more than **\$2 billion in loan capital to date!**
- Top Tier Pricing


Sunlight Financial Announces \$400 Million Annual Guarantee for Solar Loans

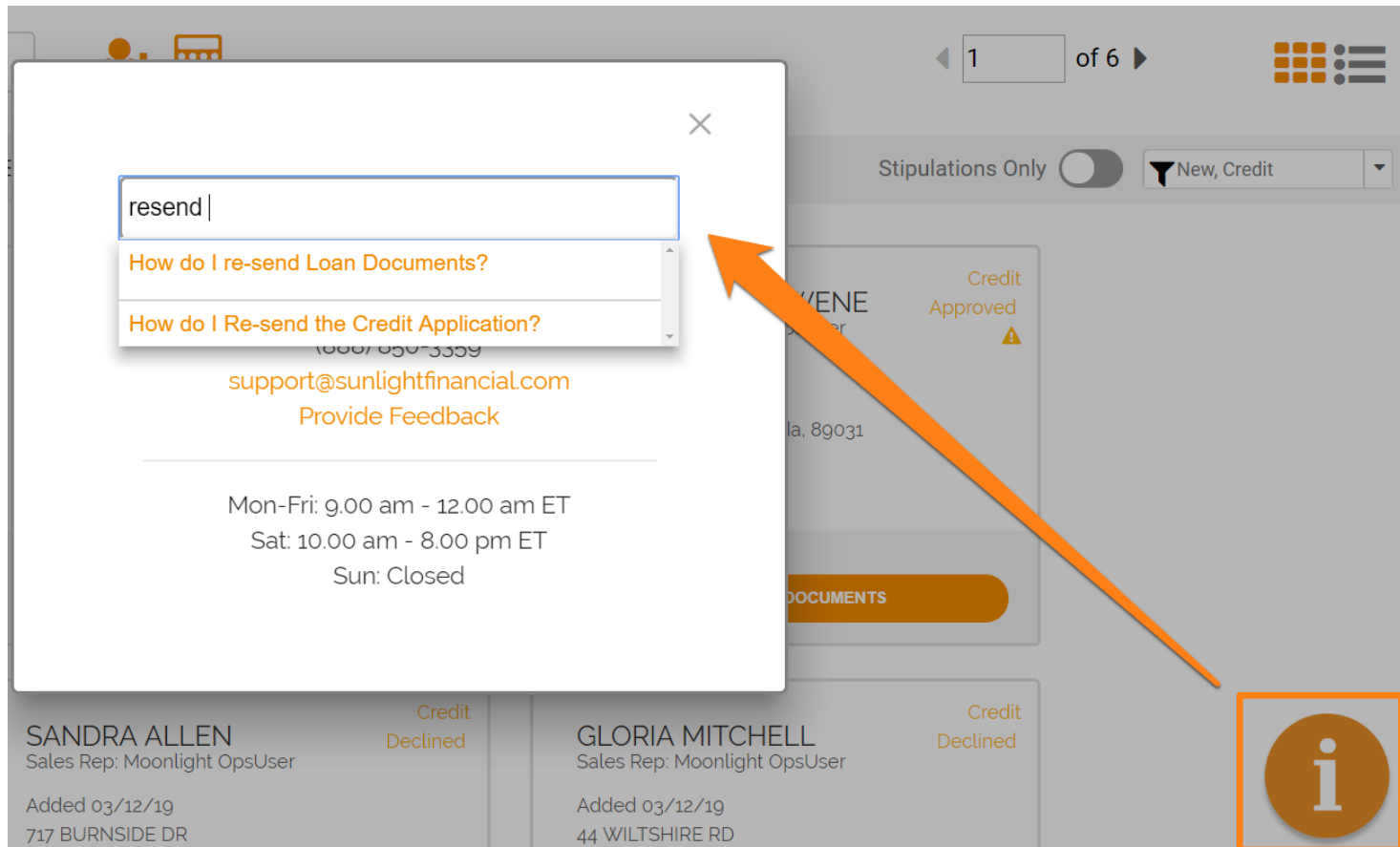
The funding from Technology Credit Union follows a previous \$500 million commitment TCU made in May.



"Last week, Sunlight Financial announced that San Jose-based Technology Credit Union will offer \$400 million more each year to fund about 15,000 solar loans. That adds to the credit union's already hefty commitment of \$500 million to fund 20,000 rooftop installations. "

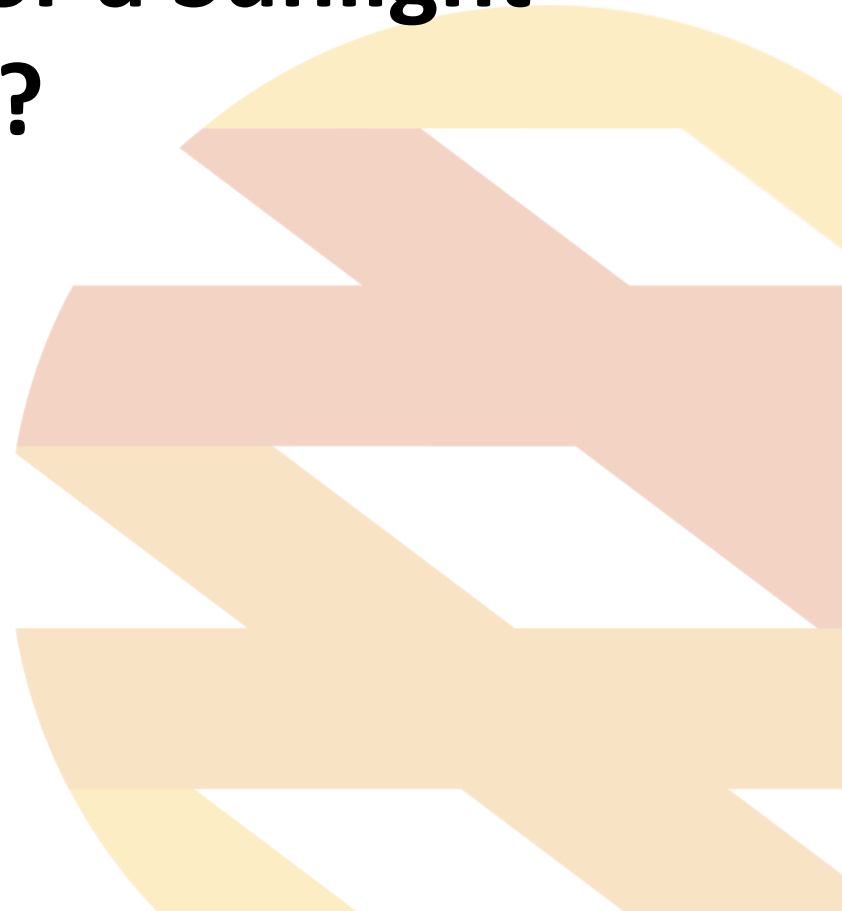
"This is up there among the largest loan funds raised to date," said Cory Honeyman, a solar analyst with GTM Research.

When you see this logo today  it means
Search the Help Center to Learn More!



The screenshot shows a web application interface. A search dropdown is open, displaying the text "resend |" and two search results: "How do I re-send Loan Documents?" and "How do I Re-send the Credit Application?". Below the search results, the email address "support@sunlightfinancial.com" and a "Provide Feedback" link are visible. At the bottom of the dropdown, the business hours are listed: "Mon-Fri: 9.00 am - 12.00 am ET", "Sat: 10.00 am - 8.00 pm ET", and "Sun: Closed". In the bottom right corner of the application, a circular help icon with the letter "i" is highlighted with an orange border. An orange arrow points from this icon to the search dropdown.

Who's Eligible for a Sunlight Loan?



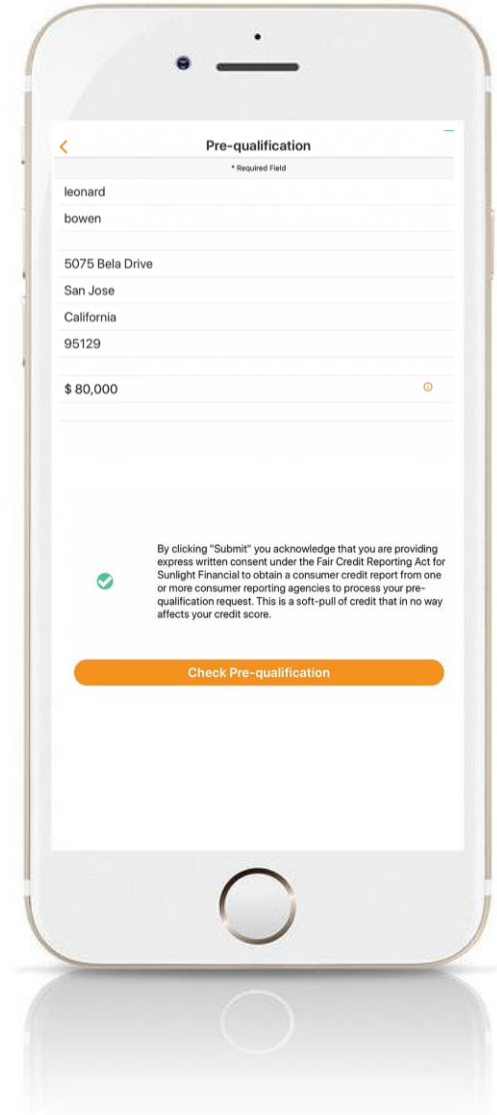
- At least one borrower must be on title
- Minimum \$10,000 per system

Maximum Approval Amount	FICO Requirements	Debt to Income Requirements
Up to \$70,000 Instantly Approved	650-699	55% or Lower
Up to \$100,000 Instantly Approved	700+	No DTI Requirement

Maximize Your Approval Rate by Pre-qualifying First

Pre-qualify customers **before** running a credit application

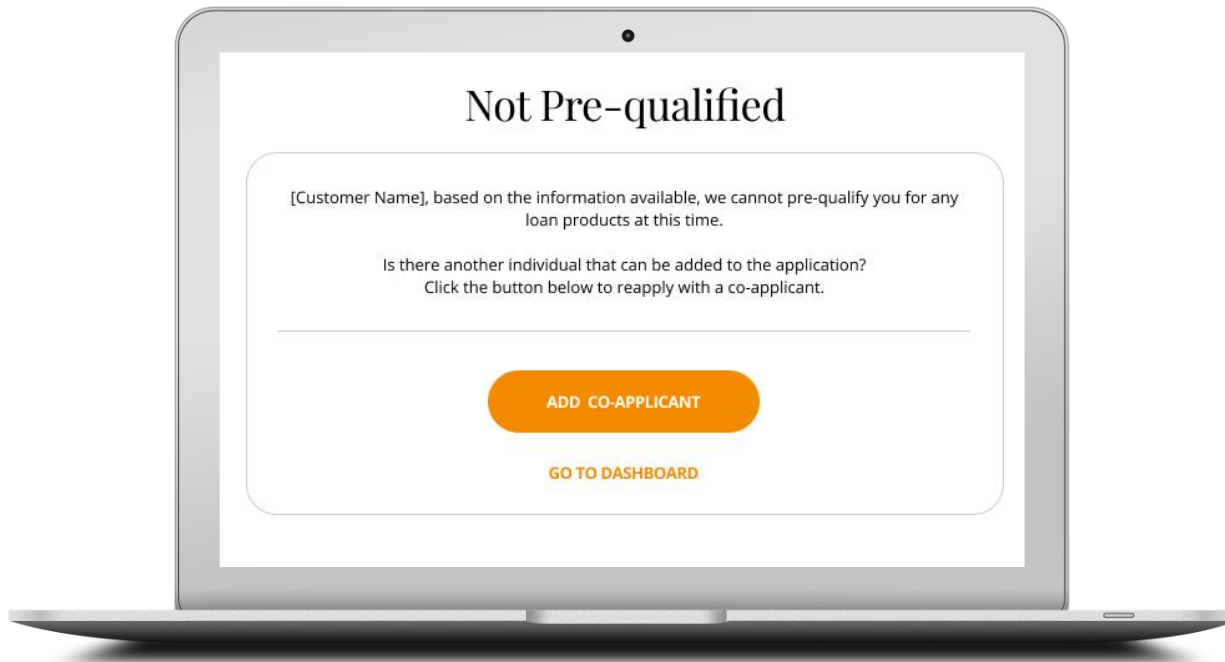
- Takes less than 10 seconds
- Soft pull of credit that doesn't affect customer's FICO score
- Typically only requires individual annual income
- Send a pre-qualification request by email before the consultation to save yourself drive time



Maximize Your Approval Rate by Pre-qualifying First

Recommend adding a co-applicant only if the consumer's DTI is too high

- Pre-qualification tool will notify you if a co-borrower is needed
- Both borrowers must meet all credit requirements
- Second borrower does not need to be on title





What Properties to Work With?



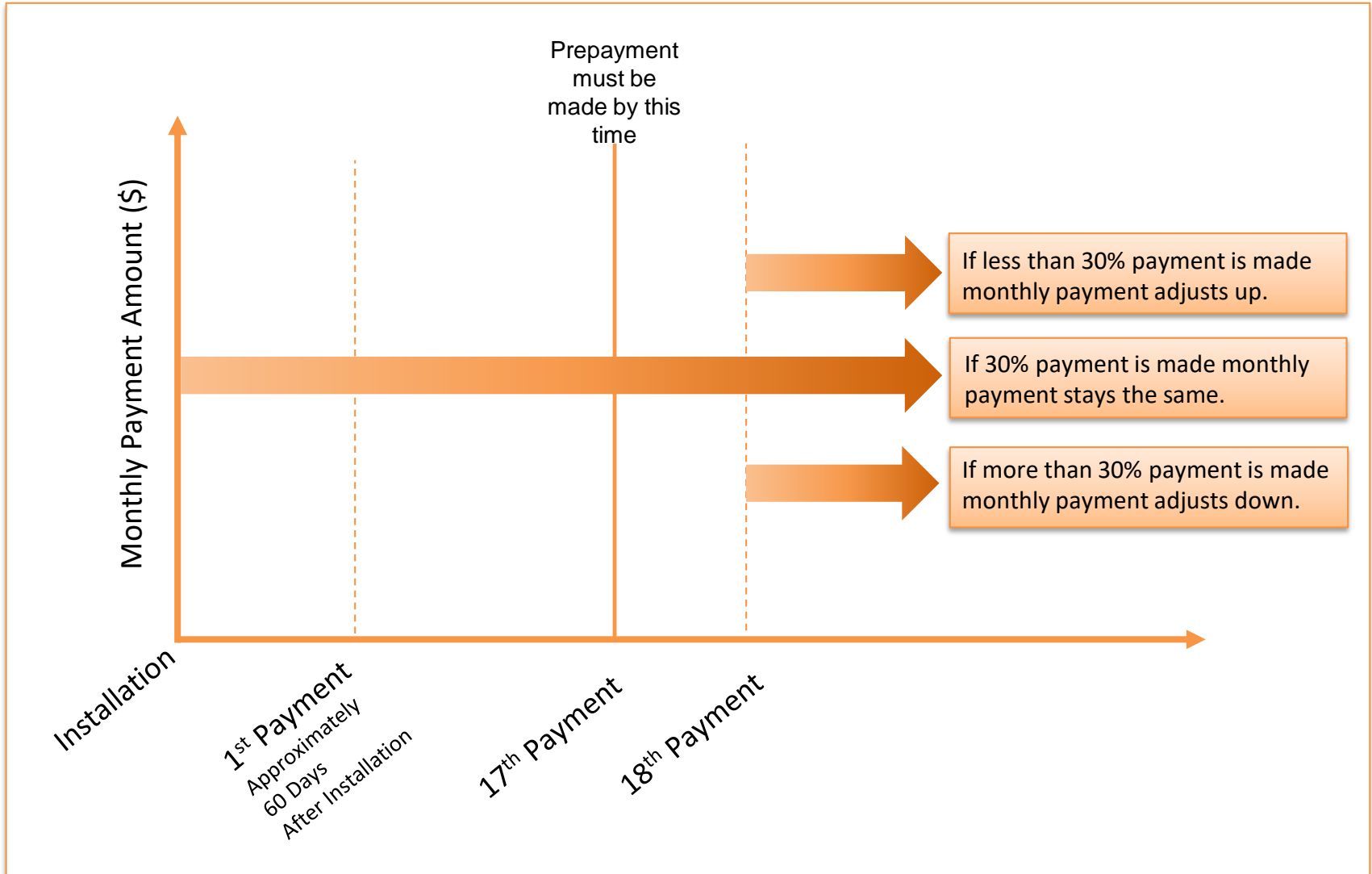
APPROVED PROPERTY TYPES

- ✓ Owner-occupied primary or secondary homes
- ✓ Single-family residences
- ✓ Multi-family residences (duplexes, triplexes, 1 – 4 units), *borrower must be a resident*
- ✓ Townhomes, rowhomes
- ✓ Modular homes
- ✓ Trusts: borrower is a trustee
- ✓ Ground mounts ok
- ✓ Farms / agricultural land if borrower is a resident and the utility rate code is residential

UNAPPROVED PROPERTY TYPES

- ✗ No condominiums* 
- ✗ No mobile/manufactured homes* 
- ✗ No investment properties
- ✗ No multi-family homes with 5+ units
- ✗ No commercial properties
- ✗ No LLCs

CUSTOMER PAYMENT STRUCTURE



Features of the Loan

- No Pre-Payment Penalty
- No lien on the home - UCC-1 is filed on the system
- Reamortization at the 17th payment
- Fixed APR, even if prepayment is not made by the 17th payment.
- Customer can pay more than their monthly payment to reduce total balance





What Else Can You Finance With The Loan?

What You Are Financing	\$ / Watt Limit	Other Limitations on the Loan
Solar Only	\$6 / Watt	
Solar and Non-Solar Add-On Related to Installation of System	\$6 / Watt	Add On Cannot Exceed 15% of the Total Loan Amount
Solar and Battery	\$10 / Watt	

- Examples of acceptable Add-On Products may include roof repair, tree trimming and electrical repair related to the installation of the system.

Add-On Products may or may not be covered by the ITC – Borrowers should consult with their tax advisors.

- Re-Roof and Battery must be listed as a line item on the Installation Agreement.



Key Points About the Loan

- First payment occurs 60 days after installation even if system is not producing electricity
- Encourage your customers to take advantage of automated payments to have the best experience -

“Most customers set up automatic payments to save themselves time and make sure they never have the hassle of a late payment”

- Change orders cannot be requested once installation is completed





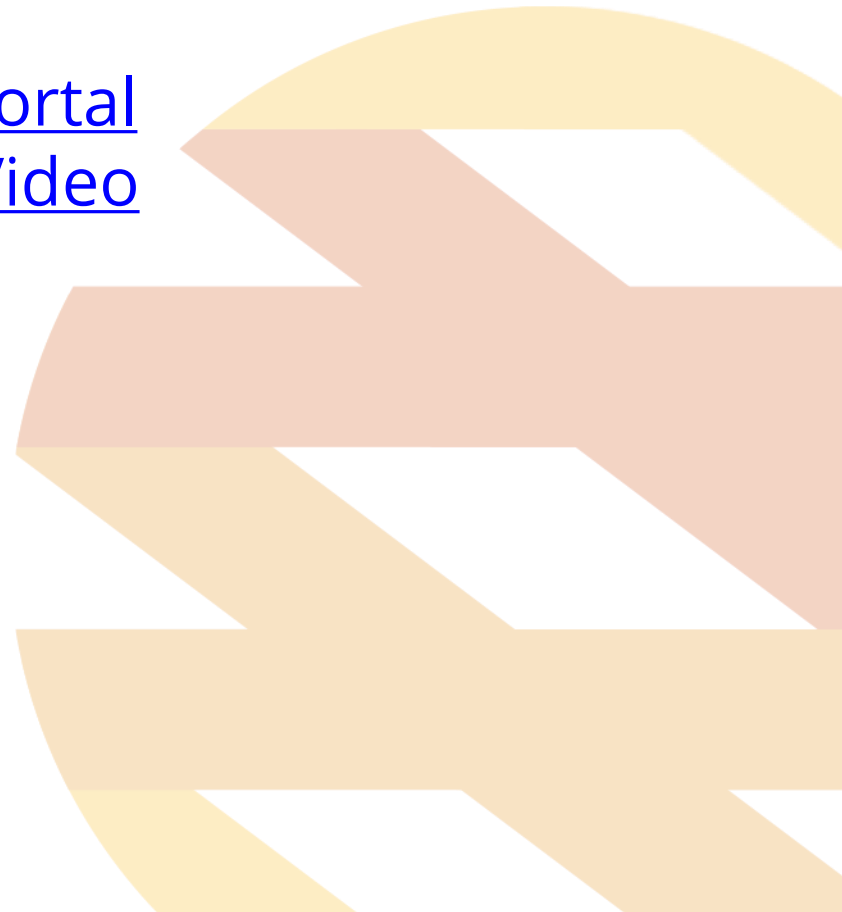
**it's
giveaway
time!**

Participate in a roleplay = Get Swag!




How to Use “Orange” The Sunlight Portal

[Demo Portal](#)
[Portal Video](#)



What do I do if I get stuck?



1. Read the responses in the portal and any emails to understand the next steps.
2. Search your question in the “Help Center” by clicking the  **i**
3. For urgent issues contact Support Team
 - Real time stipulation resolution!
 - Answer questions about the portal and the loan.

Only the customer should call in to learn about the details of their credit results

(888) 850-3359
support@sunlightfinancial.com

Who Will Be Managing User Accounts In Your Org?

The screenshot shows a software interface with a sidebar on the right and a main content area. The sidebar contains the following menu items:

- Client Management
 - Client- Sales
 - Client- Operations
- Reporting
 - Sales Reporting
- Help
 - Help Center
 - Training Materials
 - Need to Add a User?** (highlighted with an orange box)
- Logout

The main content area shows a list of contacts with the following details:

- REQUIRED
- WAITING ON CUSTOMER
- SUNLIGHT REVIEWING
- 5 Stip
- GLORIA B HUTCHINSON (Kitting)
- Randy Davis (Installation)

A dialog box titled "Need to Add a User?" is overlaid on the main content. It contains the following text:

Please email one of the contacts below who have the "User Management" feature to get a new user added.

NAME	E-MAIL ADDRESS
Pam Beesly	Pam.Beesly@installer.com
Andy Bernard	Andy.Bernard@installer.com
Creed Bratton	Creed.Bratton@installer.com
Andy Dwyer	Andy.Dwyer@installer.com
Jerry Gergich	Jerry.Gergich@installer.com
Jim Halpert	Jim.Halpert@installer.com

An orange arrow points from the dialog box to the "Need to Add a User?" menu item in the sidebar.

Sunlight Financial Mobile App For iOS

What's New In The Mobile Version?

- Login using face or fingerprint
- Scan an ID and have consumer's info instantly filled into portal
- Take pictures of documents and upload them to Sunlight in real time!

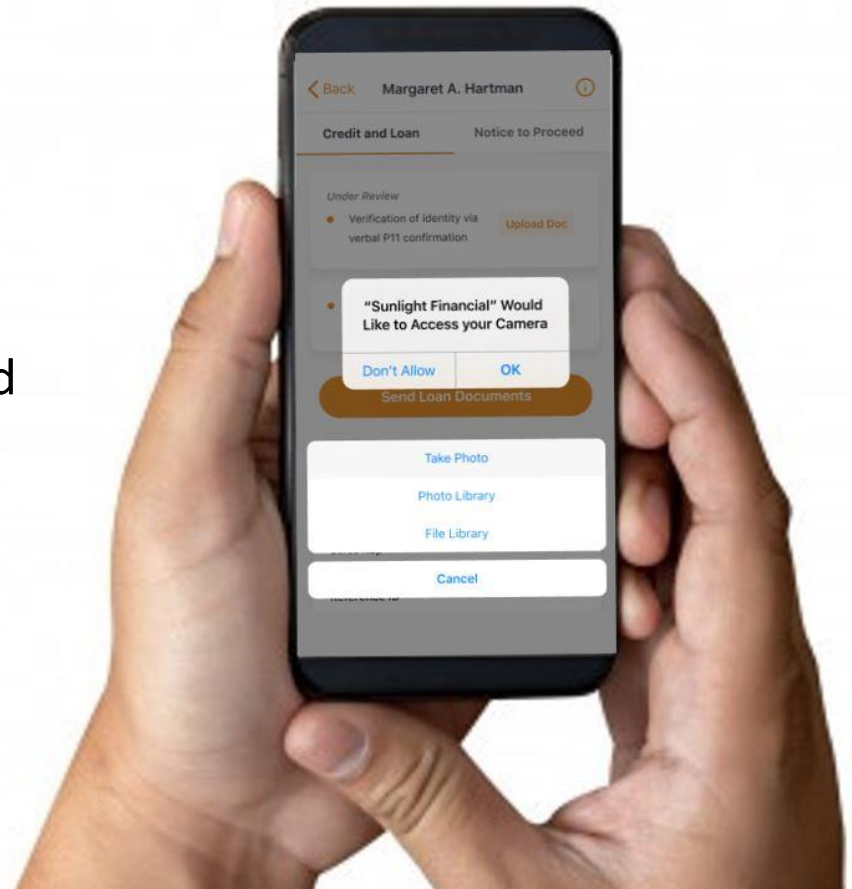


Download the app in the
Apple or Google Store

Sunlight Financial Mobile App For iOS

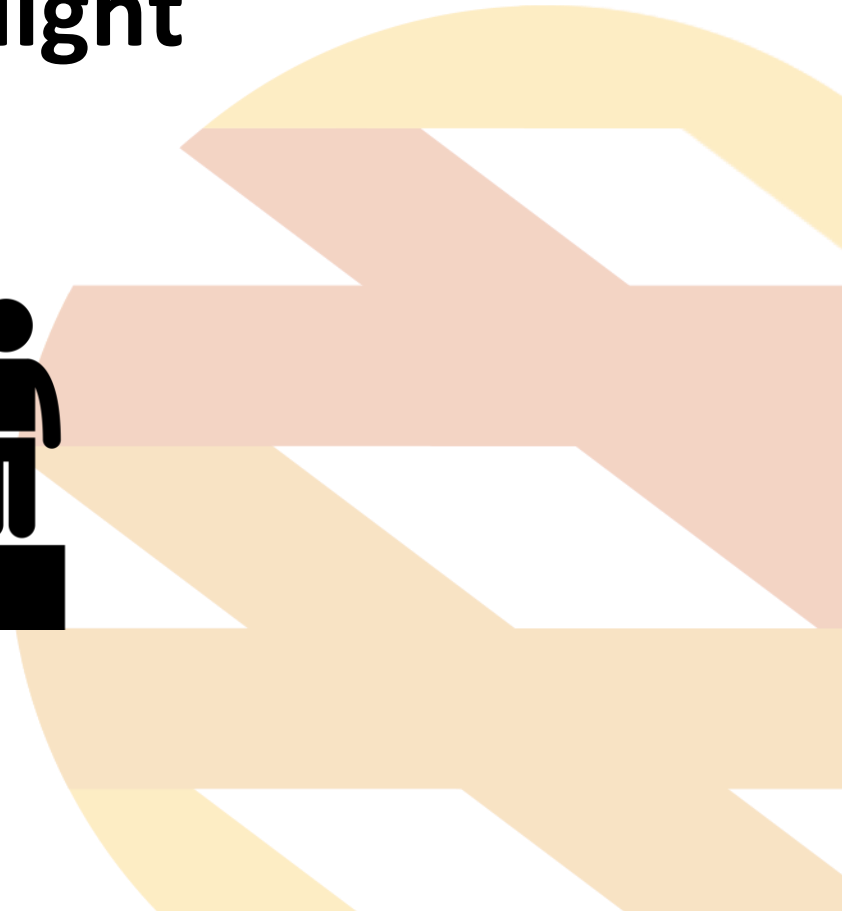
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How to Sell Compliantly With Sunlight





Sunlight builds trust with customers through clear, straightforward, and **compliant** sales practices



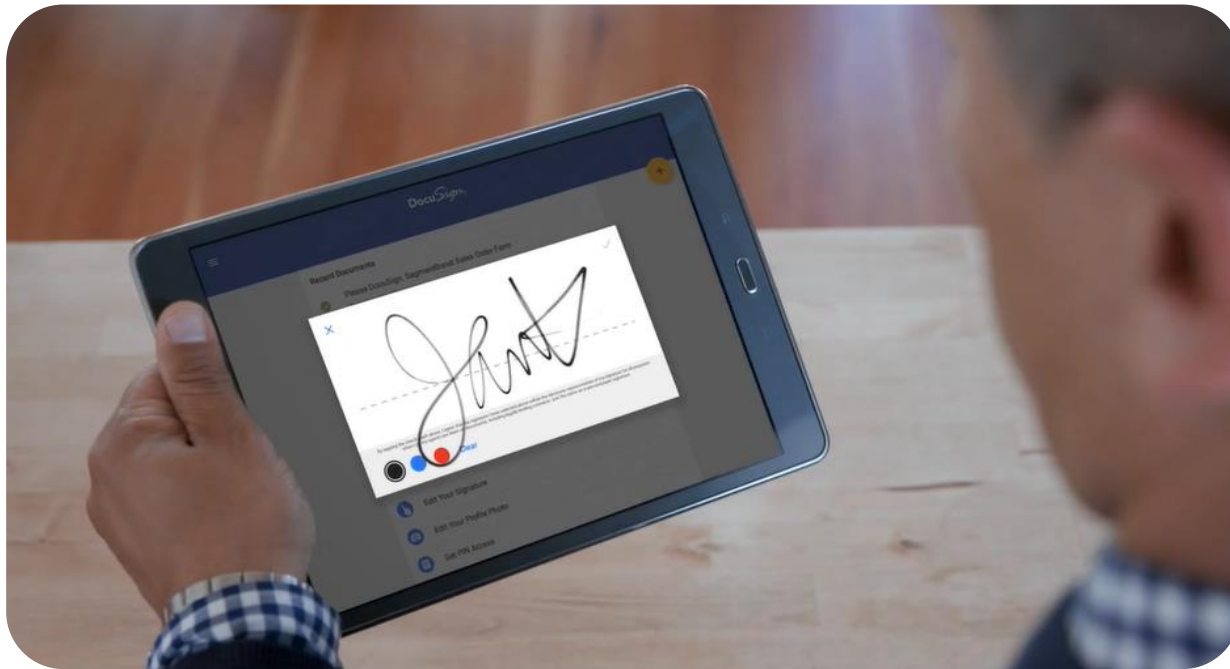
Sunlight expects and requires you to:

- Uphold regulations
- Protect customers
- Champion fair business practices

Legal Requirements for Solar Sales – Legal consent

✓ Customer must submit credit request and sign documents themselves.

- When a customer submits a request for his/her own credit, it constitutes legally required customer consent.
- Co-borrowers must also submit their own credit request and sign their own paperwork.



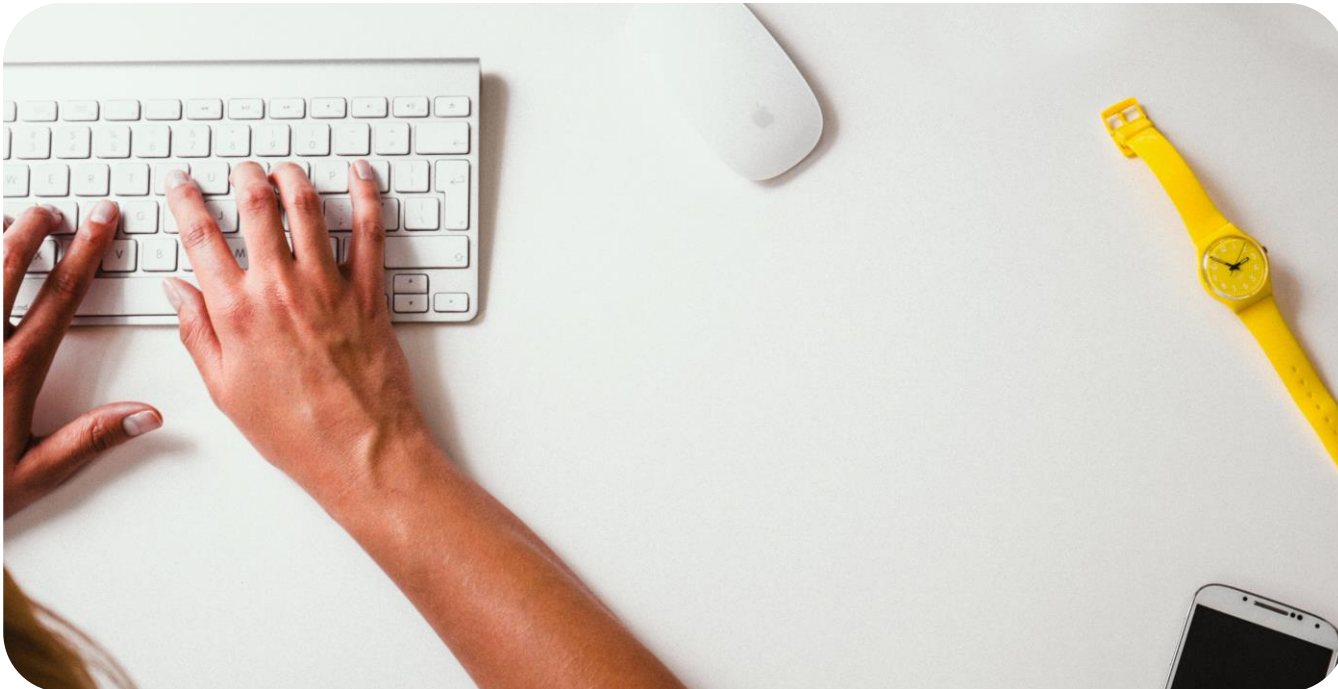
Do not request a credit pull or sign for the customer.

Legal Requirements for Solar Sales – All customers are offered financing



Offer every customer the option to apply for financing.

- Allow all potential customers to apply if they are interested in financing their solar system.

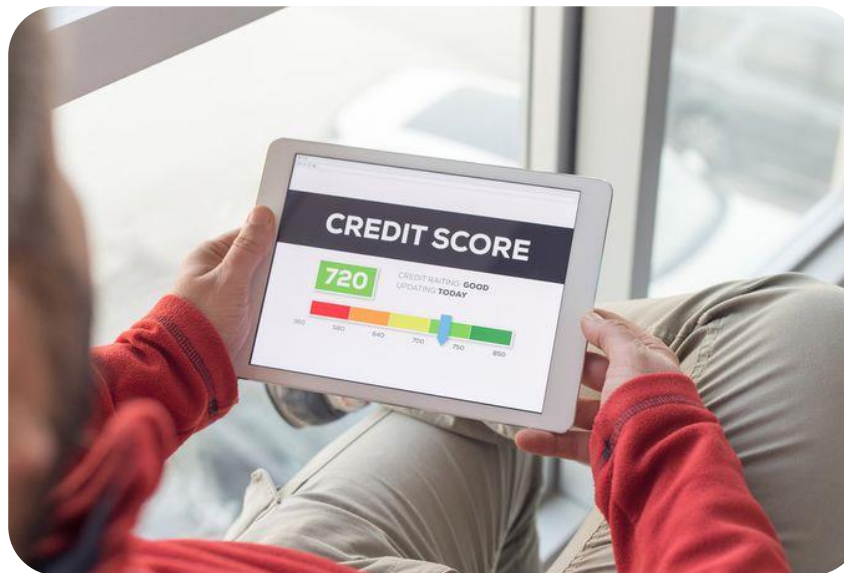


Do not avoid offering financing as an option **assuming** a customer will not qualify.



Always inform the customer that the credit application is a hard inquiry and will show up on their credit report

- Sunlight requires the customer's name, date of birth, social security number and physical address to confirm their identity.
- Pre-Qualification is a soft inquiry that will not effect the customer's credit score.



Do not pull hard credit without making sure the customer understands the potential for impact to his or her credit report.

Sunlight Compliance Requirements - Proposals



Sunlight requires all proposals given to customers to reflect the following:

- No estimated increase of the utility pricing may exceed Sunlight's limit of 4% per year.
- Income Tax Credit disclosures make clear that the tax credit may not be available to all customers and that customers should seek advice of their tax advisor to understand its applicability to them personally.
- Regulation Z disclosure describing the payment structure (prepayment of 30% prior to the 18th month is required to maintain flat payments through the life of the loan).

Sunlight Compliance Requirements – Income Tax Credit



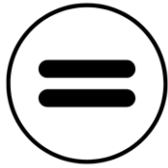
Always inform the customer that all incentives, including the Federal Income Tax Credit (ITC), are estimates and subject to customer eligibility.

- Customers should check with a tax professional to confirm their eligibility.
- Always be clear with customers that the ITC is not a refund. The ITC is a credit and its availability is dependent on the income reported by the customers.
- Add-on products are typically not covered by the ITC. Savings calculations should be made with consideration to this fact.
- The ITC will step down to 26% for customers beginning construction in 2020.
- Neither you nor Sunlight Financial are tax experts!

“Anyone who begins construction on a solar system in 2019 may be eligible for a 30% tax credit. Eligibility is based on your taxable income and product eligibility. I’m not a tax expert so if you want to confirm your eligibility, I recommend checking in with a tax specialist.”



Sunlight Compliance Requirements - TILA



When you quote a customer on cash and loan options, the price quoted for the solar system must be identical – you cannot sell financed systems for more to recoup the dealer fee or a cash system for a discount solely because the customer is paying in cash.

- Pricing a solar system paid for in cash at a discount effectively passes along the dealer fee on systems financed to those customers. This practice is in violation of federal regulations (violates TILA) and is a breach of the dealer's program agreement.



Sunlight Compliance Requirements – English loan products

✓ Customers must speak and understand the terms of the loan in English.

- Sunlight only offers English loan products.
- Review of the system details and solar financing must be negotiated in English.
- Sunlight will decline transactions if the home improvement contract is not written in English or Sunlight becomes aware that the transaction was not sold in English.
 - Having a family member or friend translate for the potential customer does not satisfy this requirement.



Do not sell Sunlight loan products to customers that do not understand the loan terms in English.

Sunlight Compliance Requirements - Add-on Assets



Only a very limited amount of assets or work not directly related with the installation of the solar system (“Add-on assets”) may be financed with a Sunlight loan.

- No more than 15% of the aggregate loan amount can be used to finance Add-on assets.
- The Add-on assets must be for work related to the system installation (examples include roof repair, upgrading the electrical box or trimming additional trees to augment performance).
- Home Improvement Contracts submitted with greater than 15% of the work related to Add-on assets or ineligible asset classes (even if within the 15%) will be declined.
- Add-on assets are typically not included in the ITC. The savings calculation shown to the customer should reflect this fact.



Do not include any assets or work that are not related to the install in the request for financing (such as an HVAC system).

Sunlight Compliance Requirements – Key Loan Terms



Clearly explain the key loan terms to the customer.

- Loan term (years until paid off – no prepayment penalty)
- APR (interest charges)
- Payment structure and schedule, including the start date for the accrual of interest (at installation) and the first payment date (60 days after installation)
- Payment amount
- Payment amount if the loan is not prepaid by 30% by the end of the 17th month
- The ITC is an estimate and subject to customer eligibility
- The grant of the security interest in the panels and Sunlight’s ability to disable the system in the event of a default on the loan.

KEY LOAN TERMS

What Happens Next:

- Once you sign the Solar Energy System Loan Agreement and Promissory Note (Loan Agreement), a copy will be available through DocuSign.
- Due to installation timelines, it may take up to 180 days before your loan is set up.

Payment Information:

- Amount Financed: \$30,000.00
- Annual Percentage Rate (APR): Fixed APR of 4.99%
- Term: 240 months
- Initial monthly payment and payment after month 18 when the 30% tax credit IS applied to your loan: \$143.74
- Monthly payment after month 18 when the 30% tax credit IS NOT applied to your loan: \$205.93
- Your first monthly payment will begin approximately 60 days after the system is installed. You may be required to make payments before your system begins generating electricity. The first payment date on your Solar Energy System Loan Agreement and Promissory Note is an estimate only.

Initials: _____

- You may prepay the unpaid balance in full or in part at any time without penalty.
- Interest accrues on the unpaid balance of the amount financed on a daily basis.

Important Reminders:

- Your obligation to repay this loan is independent of system performance.
- You are providing a security interest in the solar equipment related to this transaction.
- We may disable the system in the event of default.
- Please consult your tax advisor regarding the Federal Tax Credit of 30%. Your loan and your requirement to make payments is not contingent on the availability or your receipt of a tax credit or other benefit.

Initials: _____

- To protect your solar system from an unforeseen disaster, you should reach out to your homeowner insurance company and update your coverage to include the solar system.

This information can also be found in your Solar Energy System Loan Agreement and Promissory Note, included within this package.
If you have any questions or concerns, please call us at (888) 850-3359 or email us at support@sunlightfinancial.com.

Sample of the Summary Page of the Loan Agreement.

Sunlight Compliance Requirements – Rescission Rights



A customer has 3 days from signing to cancel their loan agreement

- Please notify Sunlight immediately if a customer chooses to cancel his or her Home Improvement Contract or financing.

Leonard Bowen

CANCEL PROJECT

✓ Credit and Loan Notice to proceed Installation Permission to Operate

SEND LOAN DOCUMENTS

DETAILS ✎

Status	Credit Approved
Sales Rep	Solardemo Opsuser
Installer	Solar Demo
Solar Loan Amount	\$19,000.00
Max Loan Amount	\$100,000.00
Credit Decision Date	07/10/19 exp. 01/06/20

NOTES +

No Notes Found

Sunlight Compliance Requirements - Elder Protection Policy

Sunlight Financial is committed to protecting our elderly customers

Sunlight will complete a courtesy call with customers who are 80 + years old **before** providing Notice to Proceed.

Inform the customer to expect a phone call from Sunlight; the customer must speak to Sunlight to move the project forward.



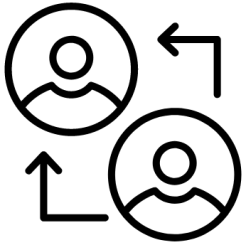
Additional Questions Related to Sunlight Financing

Additional Questions About Sunlight Financing

Customers may have questions related to other features of Sunlight financing such as:

- loan transferability in connection with the sale of the customer's home
- the ability to refinance the customer's home
- requirements for home owner's insurance
- the secured nature of the loan





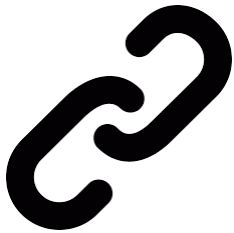
Sunlight loans **may be assigned** in connection with the sale of customers house if the buyer meets the relevant lender's credit and other eligibility criteria.

- Assignee of the loan must meet the same borrower eligibility criteria as the initial borrower.
- Assignee of the loan must meet the relevant lender's credit criteria.
- Assignee's will be asked to sign new loan documentation.



Sunlight loans are **not available to refinance loans** made to a customer by another lender when the solar system was initially purchased.

- Sunlight Lenders provide “purchase money” financing which carries a priority interest in the solar system equipment over other lenders– including over the mortgage bank or any other pre-existing creditor that may have a claim to customer assets. Refinancing assets do not have the same priority and therefor Sunlight Lenders will not make refinancing loans.
- Sunlight loans are pre-payable at any time without penalty.



Customers grant a **security interest** in the solar system to secure their Sunlight loan. A lien is filed to notify any other party with a potential claim against the system.

- In the event a customer defaults on a loan, by executing the loan agreement, the customer consents to Sunlight’s right to exercise its remedies – including disabling the system or entering the property to repossess the panels.
- Sunlight has no interest in the customer’s real property, though Sunlight does file documentation notifying others of its lien on the system in the land records. This filing is to make certain the customer’s mortgage bank understands that Sunlight’s lender has a superior interest in the system.
- Customers agree in the loan agreement to not remove or disable the system without Sunlight’s consent.
- Substantial destruction of the system constitutes a default under the loan agreement in most states – accelerating the customer’s obligation to pay off the loan.



More Questions – Check out additional Sunlight Resources.

- ✓ Sunlight Loan Agreement “Doc Walk” – provides specific information about the meaning of various loan terms. (Search Help Center for this resource)
- ✓ Use our [Help Center](#) search to find the answers you need
- ✓ Feel free to contact us at (888) 850-3359 or support@sunlightfinancial.com



Sunlight Quiz

Please complete the Sunlight Quiz to be approved to sell Sunlight

- Min score to go live: 80%
- Check your incorrect answers
- [Link to Quiz](#)

Sunlight Sales Training Evaluation

Please enter your company email address and full name

* Required

Email address *

Your email

Full Name *

Your answer

Installer *

Your answer

Page 1 of 4

Never submit passwords through Google Forms.



**Thank you! Go forth and sell Sunlight
loans!**