

# IOWA ENERGY SAVING LOAN PROGRAM APPLICATION GUIDE



## OVERVIEW

The Iowa Energy Saving Loan program is a new revolving loan fund that will power energy savings for Iowans by offering low-interest loans for building audits, upgrades and retrofits that increase building energy efficiency. The goal of the program is to support the Iowa Energy Plan pillar of promoting energy efficiency and conservation.

This program will assist projects in commercial buildings and affordable multifamily housing to reduce energy usage, improve occupant comfort and enhance indoor air quality. A total of \$5,462,028 is available for loans to eligible projects. Interest rates will range from 0% to 2%, with a 1% origination fee. Loans are available to owners of commercial buildings and affordable multifamily buildings (20 or more units) that participate in the Section 8, Low-Income Housing Tax Credit or HOME programs administered by the Iowa Finance Authority. Recipients must conduct a majority of their business in Iowa. The program will provide loans to eligible applicants on an open-enrollment basis. Loans provided must be fully amortized by the year in which the upgrades exceed their expected useful life, up to seven years after the upgrades are completed.

### Loan funding is available for projects that meet the following requirements:

1. Each upgrade or retrofit is recommended in a qualifying energy audit completed for the building.
2. The project is life-cycle cost effective.
3. The project either reduces the building's energy intensity or improves energy control and management during peak usage times.
4. The project addresses at least one of the following:
  - Energy efficiency of the building
  - Physical comfort for occupants
  - Building's air quality

Launch Date:	July 21, 2025
Expansion Date:	March 2, 2026
Submission Deadline:	May 1, 2026
Amount of Funding:	\$5,462,028
Program Manager:	Molly Kiick <a href="mailto:molly.kiick@iowaeda.com">molly.kiick@iowaeda.com</a> 515.348.6219
Webpage:	<a href="https://opportunityiowa.gov/energy-saving-loan-program">opportunityiowa.gov/energy-saving-loan-program</a>

### Important Note

If an applicant does not have an IowaGrants account — or a State of Iowa Enterprise A&A account — the applicant will need to register for one. It is recommended the applicant **allow at least two weeks between registration and the grant application deadline** to ensure everything is set up properly.

The preferred browser for IowaGrants is Google Chrome. If an applicant uses Microsoft Edge, compatibility mode must be enabled to complete the application.

### Sample eligible project measures may include, but are not limited to:

- Weatherization measures, such as replacement of weatherstripping
- Heating, ventilation and air conditioning system upgrades or replacement
- Building energy management systems

The Iowa Energy Saving Loan program is funded by the Energy Efficiency Revolving Loan Fund Capitalization Grant Program, established as part of the Infrastructure Investment and Jobs Act to provide capitalization grants to states to establish revolving loan funds. All grant awards made under this program shall comply with applicable laws including, but not limited to, 2 CFR Part 200 as amended by 2 CFR Part 910, IIA Section 40501 and 40502, National Environmental Policy Act (NEPA), Davis-Bacon Act, Section 106 of the National Historic Preservation Act (NHPA), and the Build America, Buy America Act. Construction or purchase of equipment cannot occur ahead of award selection and federal requirement clearance.

This guide provides guidance on the application process. Further program details and materials are provided on the Iowa Economic Development Authority (IEDA) website at [opportunityiowa.gov/energy-saving-loan-program](https://opportunityiowa.gov/energy-saving-loan-program). Questions may be directed to Molly Kiick, [molly.kiick@iowaeda.com](mailto:molly.kiick@iowaeda.com) or 515.348.6219.

## HOW TO APPLY

Applications will be available and accepted through IowaGrants.

- Applications will only be accepted during the established application period, as identified at IowaGrants.gov and IowaEDA.com.
- Organizations planning to apply **must create an IowaGrants account**.
  - If the person completing the application already has an IowaGrants account or a State of Iowa Enterprise A&A account, this same account will be utilized.
  - If the person completing the application does not have an account, the applicant must allow a minimum of two weeks to register and activate their account.
- Applicants must obtain a Unique Entity Identifier (UEI) from the federal System for Award Management (SAM), if not already obtained. This process may take several weeks, and applicants are

encouraged to start the SAM registration process as soon as possible. If entities have technical difficulties, they are encouraged to utilize the help feature on SAM.gov.

- Although a qualifying audit must be completed before applying for a project loan, applicants seeking a loan to cover the cost of the audit may apply prior to completion of the audit.
- Before receiving an award, applicants must join a virtual interview with the IEDA program manager.

### Application Guidance

The application package will include:

- Completed digital application form in IowaGrants, which will include:
  - Contact Information
    - Applicant should be the Borrower entity.
  - Project Information
    - If available, utilize a recent appraisal to respond to questions regarding equity in the property. If a recent appraisal is not available, one may be requested.
    - Questions requesting descriptions of the work to be performed and their impacts are intended to prompt brief and high-level responses.
  - Budget
  - Self-Certifications
- A copy of the [Energy Saving Project Cost and Timeline Spreadsheet Template](#). Please provide the level of detail available at the time of application. The template will include:
  - List of upgrade measures included in the project.
  - Preliminary project plan with timeline.
  - Itemized project costs.
- Vendor quote estimating cost.
- Completed qualifying energy audit report (if applicable). See Policies and Procedures guide for details on qualifying energy audits. An [Audit Training guide](#) is available.
- 12-month history of utility bills (due at time of interview).



## APPLICATION REVIEW PROCESS

- IEDA will review applications on a first-come, first-served basis.
- All applications received will be screened by the program manager for eligibility and completeness. The program manager may request additional clarifying information or documentation from the applicant. Ineligible and/or incomplete applications may be denied by staff.
- IEDA and Iowa Finance Authority (IFA) staff will review the applications, request additional information from applicants when needed and prepare recommendations for funding. Staff involved in the review may include:
  - Program Manager
  - Other Energy Office Program Managers
  - Energy Team Lead
  - Legal Counsel
  - Underwriter
  - Business Finance Staff
  - Iowa Title Guaranty staff
- The authority may engage outside reviewers to complete technical, financial or other reviews of applications beyond the expertise of the authority staff.
- IEDA will notify applicants in writing of the approval or denial of an application. If the application is approved, the notice will include conditions and terms of the loan.

## Application Screening Criteria

- Application package is complete and submitted through IowaGrants.
- Applicant has provided documentation to validate their status as an eligible borrower.
- Funding request meets eligible project and eligible expense requirements according to the Iowa Energy Saving Loan program, NEPA and NHPA requirements.
- Funding request follows all federal procurement requirements.
- Request is for no more than \$2 million and 90% of project costs.
- Initial project plan duration does not exceed two years.
- Identified contractor acknowledges agreement to Davis-Bacon Act requirements.
- For publicly owned buildings or other eligible projects, applicant acknowledges Build America, Buy America requirements.
- Signature from the applicant organization's legally responsible official on the application approval document, which will be uploaded to IowaGrants by the applicant.

## Application Approval Criteria

Eligible applications will be evaluated based on the information provided in the application, responses to follow-up questions from the program manager, and additional analysis and research conducted during the review process. Applicants must clearly demonstrate how their proposed project meets the program's requirements. Considerations include:

- The eligibility and quality of the proposed scope of work.
  - Measures must be collectively life-cycle cost-effective.
    - The standard cost-effectiveness threshold is a simple return on investment (ROI) of greater than one. ROI is calculated by multiplying the annual energy savings of the measure (in dollars per year), which can be found in a Home Energy Score report, by the measure's useful life, available in the [National Residential Efficiency Measures Database](#). This product is then divided by the estimated cost of the measure provided by the contractor, also available in the National Residential Efficiency Measures Database.
    - Applicants may include changes in operation and maintenance costs and other project-related costs or benefits (i.e., increased comfort, improved air quality, reduced emissions or avoided replacement costs) if the valuation is well-reasoned and clearly justified.
  - The project must improve the property in at least one of the following ways:
    - Enhance physical comfort of the occupant(s).
    - Increase energy efficiency.
    - Improve indoor air quality.
  - The project must result in either:
    - A reduction in the energy intensity of the property of the borrower.
    - Improved energy control and management, particularly to reduce energy demand during peak times.
- A complete and detailed project plan must be submitted and should include:
  - A reasonable timeline for project completion within two years of project approval. Anticipated disbursement request dates will be evaluated.
  - Level of planning and engineering needed and completed thus far.
  - Regulatory or permitting considerations.
- The applicant's and project partners' backgrounds will be assessed, including:
  - Past performance on projects funded by IEDA or IFA.
  - Any history of violations with the State of Iowa.
  - Financial due diligence, which may include a review of financial records and/or a credit report conducted by or on behalf of IEDA.
- Consideration will also be given to the proposed equipment and infrastructure, including:
  - Warranties
  - Manufacturer reliability
  - Energy generation or delivery metrics, and the sources of those data
- The applicant must demonstrate the ability to repay the loan. Evaluation factors include:
  - Projected payback period and cash flow, if applicable, as estimated by the audit and application.
  - A pro forma analysis that may be developed to verify a reasonable debt service coverage ratio of at least 1.1x. Additional analysis may be necessary.
  - Availability and confirmation of additional funding (e.g., private investment or other loans).
  - Equity available in the project.
  - Analysis may inform the recommended loan terms to allow the Energy Saving Loan to be repaid while retaining viability for the project and applicant.

**In addition, each application must clearly describe:**

- The applicant’s plan to ensure the project will be completed in absolute compliance with all federal regulations (procurement, NEPA, Davis-Bacon, Build America, Buy America, etc.).
- The applicant’s goals and how achievement of the goals will be measured.
- The applicant and project team’s capacity to complete the project within the defined time frame.
- The project’s impact on energy use (total and peak), energy cost and fossil fuel emissions.
- The project’s impact on tenants and other building stakeholders.
- Project capital identified in the project application secured for the project and details on the project capital stack.
- The applicant’s plan to maintain the project benefits long term, and any plans to reinvest dollars saved or earned from the project.

