



Department of Energy
Washington, DC 20585

EECBG PROGRAM NOTICE 12-001
EFFECTIVE DATE: June 4, 2012

SUBJECT: GUIDANCE FOR ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT GRANTEES ON INTEREST RATE BUY-DOWN PROGRAMS.

PURPOSE

To provide guidance to the Department of Energy's (Department or DOE) Energy Efficiency and Conservation Block Grant (EECBG) grantees on financing programs. This guidance supplements and clarifies the EECBG Program Notice 09-002C (effective date March 14, 2011) with regard to interest rate buy-downs.

SCOPE

The provisions of this guidance apply to grantees of EECBG funds, pursuant to Formula Grant or American Recovery and Reinvestment Act of 2009 (Recovery Act).

LEGAL AUTHORITY

Title V, Subtitle E of the Energy Independence and Security Act, as amended, authorizes the Department to administer the EECBG program. All grant awards made under this program shall comply with applicable law including the Recovery Act and other procedures applicable to this program.

GUIDANCE

EECBG Program Notice 09-002C¹ provides guidance on the use of EECBG funds for financing programs, including programs that leverage funds through the use of EECBG funds for interest rate buy-downs.

This guidance document clarifies that the association of a potential revenue stream with an interest rate buy-down, in and of itself, does not alter the characterization of the use of funds as an interest rate buy-down. The subject conditions for interest rate buy-downs identified in EECBG Program Notice 09-002C would continue to be applicable. Additionally, this document clarifies that following application to a specific loan, the Federal character of funds used for an interest rate buy-down is severed.

A handwritten signature in black ink, appearing to read "AnnaMaria Garcia".

AnnaMaria Garcia
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Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy

¹ http://www1.eere.energy.gov/wip/pdfs/eeecbg_financing_guidance_2011-03-15.pdf