



## Illinois Energy Efficiency Revolving Loan Fund

### What Is the Energy Efficiency Revolving Loan Fund?

The fund will provide Direct Pay Bridge Loans to public sector and nonprofit building owners who complete qualifying clean energy projects. Building owners can use these loans to bridge the gap between project installation and receiving their federal direct pay tax credit. The Fund has been capitalized by a grant from the US Department of Energy.

### What Is a Direct Pay Tax Credit?

Public-sector entities, like counties and school districts, and nonprofits are exempt from income taxes. However, most of the clean energy funding from the federal Inflation Reduction Act comes in the form of income tax credits. To make this funding accessible to the public sector and nonprofits, the US Treasury will give a rebate (called a direct-, or elective-, pay tax credit) to public sector and nonprofit entities who complete projects that would qualify for tax credits.

### How Much Are Direct Pay Tax Credits Worth?

The Inflation Reduction Act includes [several tax credits](#) that can provide up to 50% of the cost of a qualifying clean energy project. See [this guide](#) or this [White House fact sheet](#) for more information on available tax credits.

### Who Can Use Direct Pay Bridge Loans?

Loans will be available for public sector and nonprofit building owners such as municipalities, school districts, or community organizations, that complete a qualifying project.

### What Kind Of Projects Qualify For Direct Pay Bridge Loans?

The loans can be used for energy efficiency assessments and upgrades resulting from an energy assessment that meets certain criteria. Health and safety improvements and solar energy systems can also be eligible for the loans if they are recommended by the energy assessment. Please note that some energy assessments may not meet the criteria for a loan.

### When Will Direct Pay Bridge Loans Become Available?

The Illinois Climate Bank will begin offering the bridge loans in late November 2024.

### What Are Direct Pay Bridge Loan's Terms?

The Illinois climate bank is in the process of determining the exact terms of the loan, and will be working with lenders, contractors, and interested stakeholders to finalize those details before late November. Stay tuned for more information on opportunities for input and program terms.