CLIMATE INNOVATION FINANCE AUTHORITY

2026 Call for Financing Applications – Round 2

MnCIFA Investment Team

Quarter 3, 2026

Agenda

MnCIFA 2026 Call for Applications

- Launching Round 2 for Call for Applications
- Introducing two new products: Community Loan Fund and Loan Loss Reserve

Featuring two projects with MnCIFA financing:

- Avenues for Youth – Executive Director, Katherine Meerse
- Neighborhood Development Center – Senior Loan Officer, Fu Hang

Q&A with featured project speakers

Open discussion on Call for Applications Round 2

Note: This session is being recorded to support MnCIFA Call for Applications.

MnCIFA 2026 Call for Applications

2026 Call for Applications - Strategic proactive outreach to generate applications for MnCIFA financing

- Round 1 – launched February 2026

Round 2 – timeline:

- Oct. 30 – current round closes
- Nov. 13 – MnCIFA extends invites for prelim applications to move to full applications

Open applications

- MnCIFA accepts applications at any time on a rolling basis
- Call for Applications objectives for specific financing, i.e. Greater MN projects
- Capital available – encouraging organizations to submit preliminary applications to get the conversation started

Minnesota Climate Innovation Finance Authority overview



CLIMATE

Financing clean energy, energy efficiency, climate innovation and resiliency projects.



INNOVATION

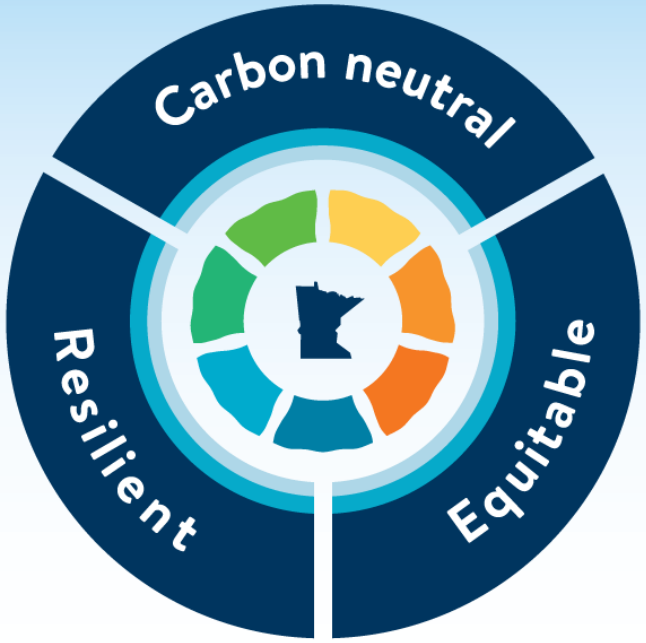
Filling gaps in green financing.
Serving historically underserved communities.



FINANCE AUTHORITY

Lending with flexibility for interest rates, repayment and other options.

Our mission: Accelerate Minnesota's transition to a clean energy future



Minnesota's climate vision

MINNESOTA

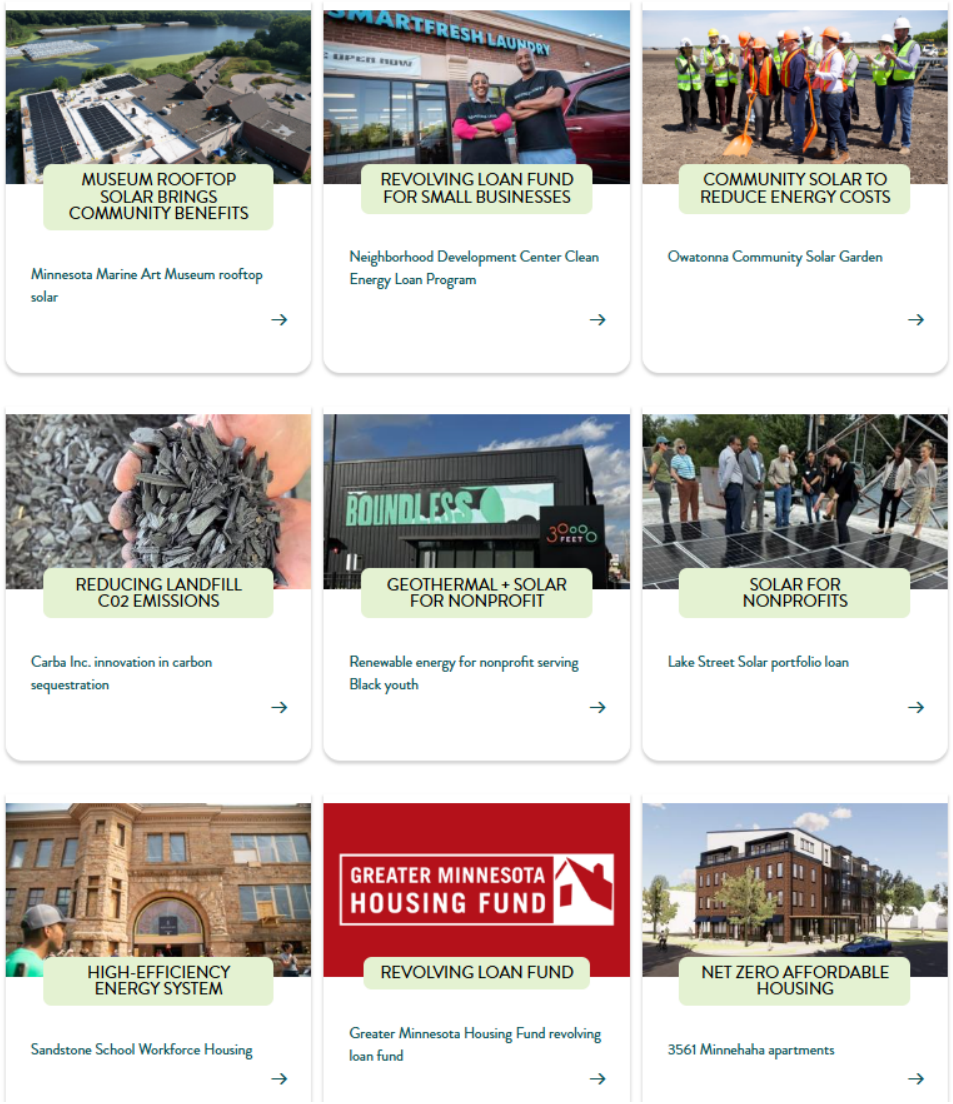
Projects with MnCIFA financing

MnCIFA $30M loan portfolio

Projects funded include:

- A community solar garden to reduce energy costs for low- and moderate-income households
- Geothermal for a newly constructed homeless youth shelter.
- Energy efficiencies for renovating a century-old building into housing.
- Innovative technology that reduces CO2 by converting woody biomass to biochar.

More info: mncifa.mn.gov/projects



What qualifies a project for financing?

MnCIFA project qualifications in state law:

- Clean energy
- Energy efficiency
- Electrifying homes
- Reducing carbon emissions
- Clean water, water efficiency
- Climate resiliency
- Located in Minnesota
- Minimum $250k direct loan
- Pays prevailing wage for projects over $100K
- Qualified project

See MnCIFA statute for detailed list.



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MnCIFA Financing Products: Direct Loan

Arpita Bhattacharyya | Chief Investment Officer

Direct Loan: Product Overview



What:

- Directly financing projects that are "shovel ready"
- Flexible terms and interest rates
- Loan terms are negotiated
- Bridge loans and patient capital
- Innovative financing, to fill gaps, serve as a catalyst, reduce risks for other investors

Potential borrowers:

- Local governments
- Tribal nations
- Nonprofits
- Project owners
- Project developers
- Private entities
- LLC or holding entity

Direct Loan: Terms

Term	Range and Information
Loan size	• Statutory minimum: $250,000 • Typical maximum: $5 million • Up to 50% of total project costs
Term/tenor	• Typically 2 – 7 years • MnCIFA has had terms up to 10 years
Interest rate	• Base rate at U.S. Treasury rate at corresponding term • Increases or decreases depending on underwriting and project qualifications, such as benefits to Environmental Justice Communities or jobs created.
Origination fee (one-time fee)	• 1.0% on loan amounts up to $2 million, plus 0.5% on any amount exceeding $2 million

Direct Loan Example: Avenues for Youth

$4.5 million loan with 10-year term

- Borrower: Avenues for Youth nonprofit
- New construction housing to serve youth ages 16-24 who are experiencing homelessness
- Clean energy financing:
  Geothermal energy system
- Leveraged federal investment tax credits for geothermal

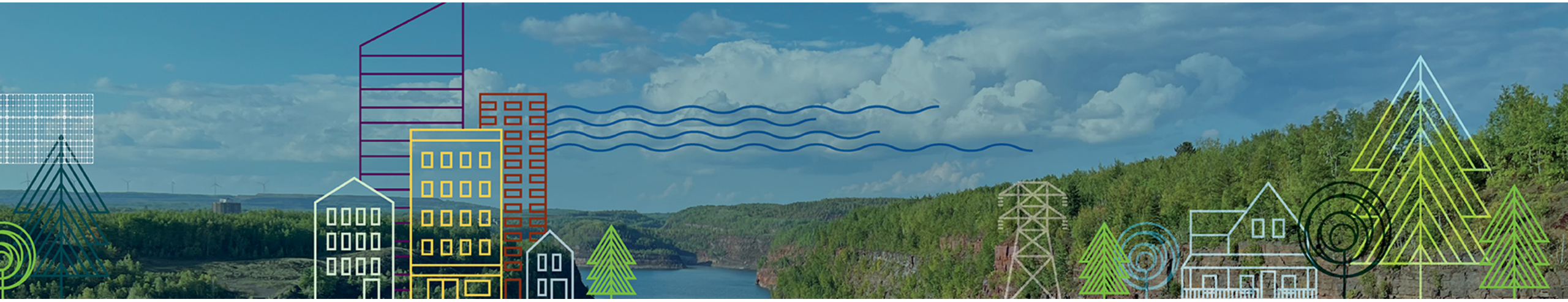
Additional project funders:

- Local govt: City of Minneapolis, Hennepin County
- State agencies: Met Council, DEED, DHS
- Federal: HUD, federal Investment Tax Credits





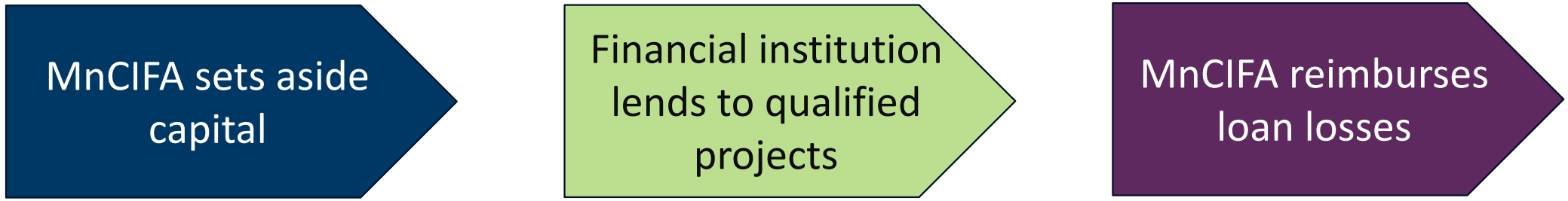
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MnCIFA Financing Products: Loan Loss Reserve

Peter Greenwood | Director of Investments

Loan Loss Reserve: Product Overview



Who:

- Chartered/licensed financial institutions

What:

- MnCIFA sets aside capital
- Financial institution lends to projects that meet MnCIFA project qualifications
- Financial institution reimbursed for loan losses

How LLR benefits Minnesotans:

Lowers risk and cost for financing:

- Clean energy and energy efficiency projects, particularly for residential or business customers with limited credit history
- Innovative clean energy technologies
- Historically underserved communities challenged by lack of access to capital

Loan Loss Reserve Hypothetical

How would a MnCIFA Loan Loss Reserve work?

SCENARIO:

- **Financial institution:** “Walleye Community Bank” that serves a Minnesota rural region.
- **Fund concept:** Launch a $5M portfolio for renovation loans for homes and small businesses for energy efficiency and small-scale solar installations.
- **Risk:** Anticipates up to 10% ($500K) in potential defaults of loans that do not get repaid.
- **Challenges:** No prior green lending experience; hesitant to expand access without risk protection.
- **MnCIFA solution:** Loan loss reserve financing to cover a portion of first-portfolio losses (up to $500K) to support product launch.
- **Outcome:** Successful pilot enables Walleye Community Bank to establish a permanent, self-sustaining green lending product without MnCIFA support.

Loan Loss Reserve: Terms

Term	Range and Information
Reserve size	• Statutory minimum: $250,000 • Up to 10% of borrower's proposed loan portfolio to qualified projects
Term/tenor	• Up to 10 years
Fees	• One-time reserve origination fee: 1% on loan amounts up to $2 million, plus 0.5% on any amount exceeding $2 million • Nominal fee for each loan issued in the borrower's loan portfolio
Loss share	• Proportion of loss shared by MnCIFA (up to maximum 95%)

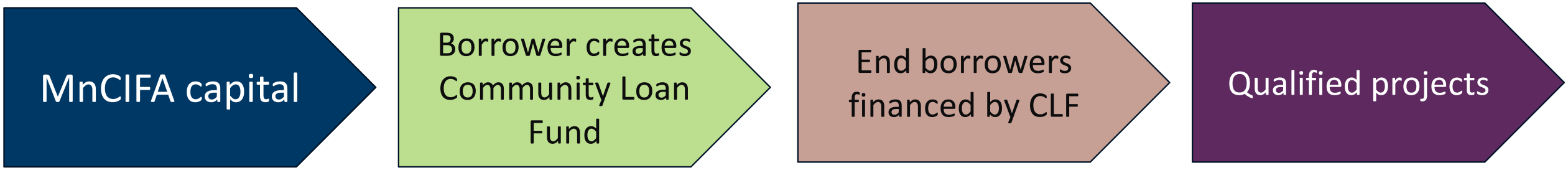
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MnCIFA Financing Products: Community Loan Fund

Delphine Ntegeye | Investment Officer

Community Loan Fund: Product Overview



Who:

- Nonprofits, CDFIs, community banks, credit unions, Tribal lenders, housing financing orgs

What:

- Revolving loan fund to finance clean energy projects
- Flexible capital, more affordable than market rate

How CLF benefits Minnesotans:

- Trusted community lenders
- CLF lenders can finance smaller projects (below $250k MnCIFA loan threshold)
- Lenders have incentive to finance community clean energy projects

Community Loan Fund: Terms

Term	Range and Information
Loan Size	• $1 million – $10 million
Term/tenor	• Up to 10 years
Interest rate	• 3% or higher • Lower rate depending on underwriting and projects to be financed in the borrower's loan portfolio, such as Environmental Justice Communities or Tribes
Fees	• Origination fee: 1% on loan amounts up to $2 million, plus 0.5% on any amount exceeding $2 million
Deployment period	• Funds must be deployed into end loans within 18-24 months of first disbursement

CLF Example: Neighborhood Development Center

$1.5 million loan with 9-year term

- Financing for NDC Clean Energy Loan Program
- Small business loans $5k-$250k for energy efficiency and clean energy projects
- Focus on Twin Cities metro businesses located in EJ communities



Thank you!

Questions?

Upcoming events

MnCIFA 2026 Call for Applications webinars:

- Hosted by Great Plains Institute and CERTs (Clean Energy Resource Teams), featuring the MnCIFA investment team (Arpita, Peter, Delphine)
- 11 am-12 pm Tuesday October 13 – lenders are encouraged to attend this webinar
- 11 am-12 pm Thursday October 15 – project developers are encouraged to attend this webinar

MnCIFA Quarter 4 Public Meeting:

- 12-1 pm Wednesday November 18 – virtual and in person
- **Topic:** Review and open discussion on updating MnCIFA's Strategic Plan
- Share your ideas and insights on MnCIFA's strategic engagement with and support for environmental justice and Tribal communities

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More info and contacts

mncifa.mn.gov

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