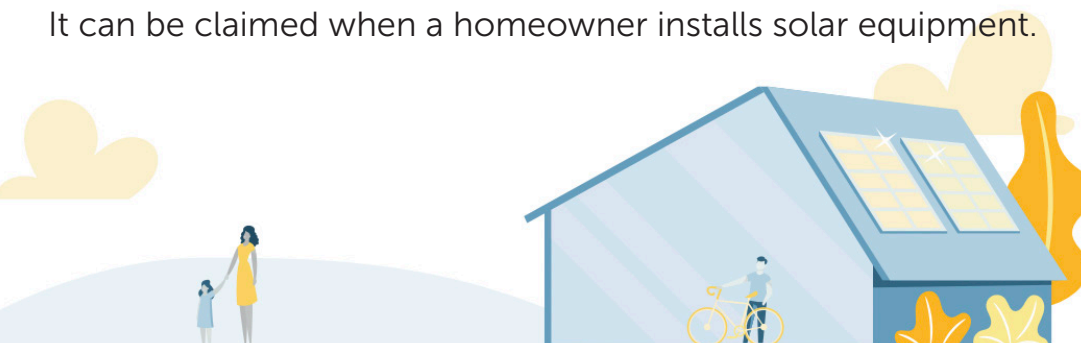


Understanding Solar Tax Credits



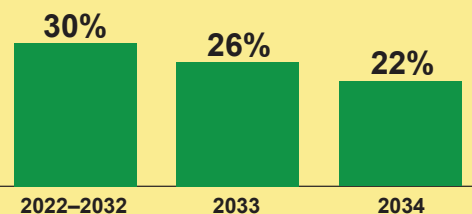
What is the Solar Investment Tax Credit (ITC)?

The ITC is a federal tax credit that can be used to decrease the tax liability of residential investors in solar property. It can be claimed when a homeowner installs solar equipment.



How much is it?

The ITC is currently calculated as 30% of the net cost of the solar system (excluding state and local subsidies). Batteries can be included if powered solely by solar.



What is a tax credit?

Tax credits provide a dollar for dollar reduction of your income tax liability. For example, a \$1,000 tax credit saves you \$1,000 in taxes.



What is a tax deduction?

In contrast, a tax deduction lowers your taxable income. For example, if you are in the 25% tax bracket, a \$1,000 tax deduction saves you \$250.



Will I get the ITC?

It depends...

- Homeowners do need to have tax liability.
- Some homeowners may not pay enough taxes to take advantage of the entire credit. Unused portions often may be carried forward to the next tax year.
- Certain tax circumstances may prevent the use of credit (e.g., alternative minimum tax).
- Individual tax circumstances vary. Borrowers should always consult a tax professional.

The Sungage Solar Loan helps you take advantage of tax credits and reduce up-front costs.

Sample Loan

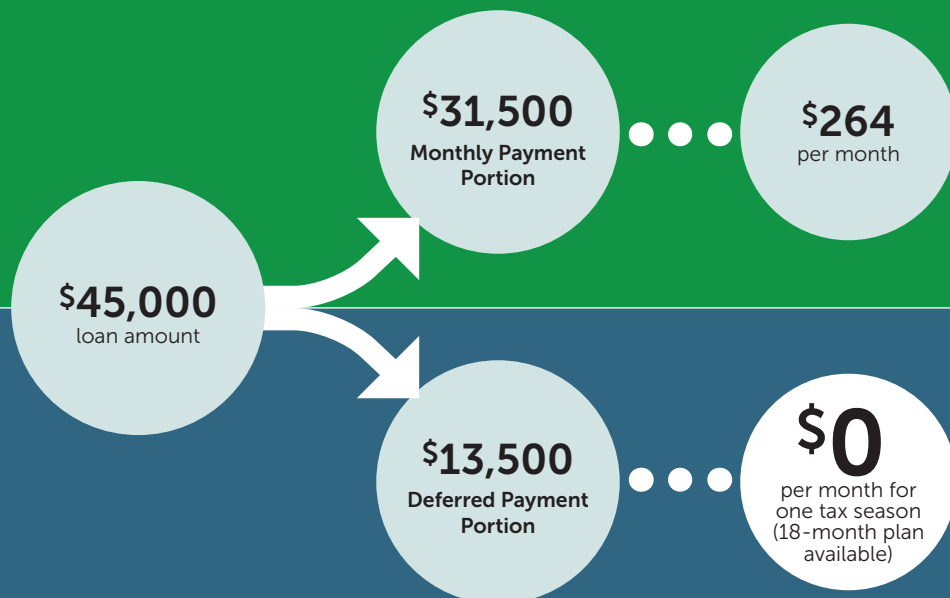
Amount based on 25-year term at 8.99% APR.

Monthly Payment Portion

Determines the monthly payment using the loan interest rate or APR (Annual Percentage Rate) and the loan term of 5, 10, 15, 20, or 25 years.

Deferred Payment Portion

Calculated to assume 30% Federal tax credit will be applied. Borrowers should consider if they have enough tax liability to benefit from the tax credit and consult a tax professional. This amount is deferred for up to 18 months with no payment or interest accruing during the deferral period.



The Deferred Payment Portion is reamortized up to 18 months following installation

If the Deferred Payment Portion isn't paid in full by the end of the deferral period, any remaining balance will be added to the Monthly Payment Portion. With Sungage's "soft landing" feature, **you will not pay any penalties or experience interest rate charges** on the Deferred Payment amount. However, your monthly payment will increase.

Some Example Scenarios

When the **full payment of \$13,500** is made by the reamortization date:



Your monthly payment **stays the same at \$264.**

When a **partial payment of \$6,500** is made by the reamortization date:



Your monthly payment **increases to \$321.**

When **no payment** is made by the reamortization date:



Your monthly payment **increases to \$373.**