



# Tax Equity Financing

Pursuant to Section 524.901(7)(a)(6) of the Code of Iowa, a state bank shall request approval from the Superintendent of Banking to make an investment for tax equity financing. Per Section 524.901(7)(a)(6), the following requirements must be adhered to:

- bank can take a majority financial position in a tax equity financing project but is to be a passive investor and not take a management position.
- bank cannot participate in the operation or facility resulting from the transaction, or the sale of energy, if any.
- bank cannot share in any appreciation in the value of its interests in the project or in any of the associated real or personal assets.
- bank is to obtain a legal opinion or a good faith determination that the tax credits are available before engaging in the transaction.
- The tax credits or other payments received are to repay the bank’s investment and provide the expected rate of return.

Tax equity financing investments are limited to 5 percent of aggregate capital in an individual project and 20 percent of aggregate capital in all projects. Pursuant to Section 524.901(7)(b) of the Code of Iowa, the 20 percent limit includes all projects approved under 524.901(7)(a)(1-6). The bank is encouraged to read Section 524.901(7) in its entirety before submitting this form. This completed form is to be submitted to your bank analyst at least 30 days before any planned investment. Please contact the Iowa Division of Banking at (515) 281-4014 with any questions. Management will also need to contact their primary Federal regulator.

## Bank Information

Bank Name:	Mailing Address:
FDIC Cert Number:	City, State, ZIP Code:
Bank Telephone Number:	Contact Person:
Contact Person Email:	Contact Person Telephone Number:

# Overview of the Investment

Include or attach the following information:

- Name, amount, and location of the project.
- Description of the project.
- Note how the investment is structured (example: subsidiary, limited partnership, limited liability company, etc.).
- The legal opinion or good faith determination that the tax credits are available.
- Detail any involvement in the project by the bank beyond the financial investment.
- Detail how the tax benefits and other payments received from the transaction will repay the investment and provide the expected rate of return.
- Board minutes noting discussion and approval of the investment.
- Provide calculations showing the project complies with the investment limitations noted in Sections 524.901(7)(a) and 524.901(7)(b) of the Code of Iowa.
- Other pertinent information (examples: operating agreement, prospectus, economic development proposal, etc.).

## Certification

The undersigned hereby certifies that the foregoing information in this form is accurate and complete. It is further certified that the undersigned is authorized to file this form for the bank.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_