Debt Restructuring Rules and Guidelines for Customers Facing Financial Hardships

WIKI OVERVIEW

- **Wiki Purpose:** To establish a standardized process for updating contracts, requiring a 13-year renewal with a full term pagaré, while allowing exceptions for contracts to be adjusted to the remaining years, subject to written approval from a person with the Delegation of Authority, and to define the standard and exceptional processes for restructuring debts, including downpayments with associated fees, interests, and financing options, with the provision for exceptions granted by authorized personnel.
- **Wiki Owner:** Fernando Hidalgo
- **Validity:** n/a

Debt Restructuring Rules

- **Contract rules:**
  - **Standard process:** The current contract will be updated for another 13 years requiring signing again and will include a full term pagaré.
  - **Exception:** to have the new contract be just the remaining years of the current contract.

    Approved with written approval from a person with the Delegation of Authority corresponding to the total debt amount (suggest in RealSoftware Ops approval workflow but we can use email approval temporarily)
- **Restructuring rules:**
  - **Standard process:** The debt will be shown as a downpayment and will include late fees interests (2% per owed month of fees for contract versions <3.5 and 3% for contract versions 3.5) and interest for financing this downpayment (additional 1.5% per month of financing). The down payment can be split into 3, 6, 9, 12 payments
  - **Exception:** we can finance the debt over up to 24 months OR the remaining term of the

    contract with written approval from a person with the Delegation of Authority corresponding to the total debt amount (suggest in RealSoftware Ops approval workflow but we can use email approval temporarily)

Debt restructuring for customers that will keep a valid solar contract with Bright

1. Billing agents, collection office, or litigator firm contact clients identify a customer going through financial hardships and offer to restructure the debt.
2. If customer is in collection office portfolio they should collect 1 payment of at least 1 monthly fee from the customer as evidence of their good will to solve the challenge, and then hand over the customer back to the Bright billing team.
3. Billing Agents will negotiate with customer the rules outlined above during a call:
4. Billing Agents should define the amount to finance and add as an extra cost (including the 2% late fee interest per month) by going to the contract section of the lead in ops, selecting ALL the late fees, and visualizing the total debt + late fee interest. sample below:

5. Billing Agent should create add a "System Change" checklist to the lead and fill out the "Descripcion del Cambio" item by selecting "Restructura de Deuda" on the "Tipo de cambio" field
6. Notify the Approvals manager on the #customer_payments_collections channel in slack that a new System Change for debt restructure checklist has been created
7. Approvals manager will approve the "Descripcion del cambio" item and will add the items to that must be approved and hide those unnecessary for the request. The items needed for this request are:
   - New Proposal Request
   - Special Request or Delegation of Authority (only if request is for an exception according to this wiki)
   - Contrato de Suscripcion
   - Contrato de Suscripcion (Firmado por Jonah)
8. Billing agents should fill out each of the items as follows:
   1. New Proposal Request:
      1. Add a filled out version of this template so the approvals team can get the info needed to create the debt restructure contract
      2. If the request is for an exception according to this wiki, the approvals manager will reject it, indicating a special request or delegation of authority item is required and why, before a proposal can be created
      3. If the items is rejected because it is an exceptional request, once the Special Request or Delegation of Authority items are approved, the Billing Agent should submit the request again for approvals team review
      4. After this item is approved, the approvals team will make available a contract in the proposal section of the lead labeled as "debt restructure"
   2. Special Request/Delegation of Authority (Only needed if the proposal if the restructuring is for an exception as outlined in the first section of this wiki, follow the Delegation of Authority wiki, and if someone other than Jonah can approve, then contact the approvals manager so they can change this item for a custom one called "Delegation of Authority")
      1. Fill out the contents of the item
      2. If its a Special Request item: Once the approvals team approves, it will be escalated automatically to Jonah
      3. If its a Delegation of Authority item: Ask the person with the right DoA to approve the item
   3. Contrato de Suscripcion (This item must be approved before the contract is sent to Jonah)
      1. Identify the proposal that the customer approves on the proposals tab in the Ops platform
      2. Click on "e-sign" in the proposal options and this will send the contract for signer and co-signers to sign
   4. Contrato de Suscripcion: (Firmado por Jonah):
      1. Approvals send the contract to Jonah via legal approval process
      2. Approvals addsvthe contract once its signed by the customer and Jonah
9. Once all checklist items are approved, notify the Approvals managers so they can perform the system change in sofware
10. Billing agent should verify the new contract is active and that the monthly fees correspond to the debt restructure contract
11. Billing agent should send an email to accounting to align on the right process to eliminate the past invoices (cancelling them or creating credit notes or adding coupons)
12. Billing agent should clean up the past contract invoices following accounting team guidance (through manual work or submitting a software request)
13. Once the past contract invoiced are cleaned up the billing agent should notify the customer and resume collection efforts

Email template to send debt refinancing contracts to customers that will keep a solar contract with Bright

Title: CNUM - Nuevo contrato Bright para firmar

¡Hola Maria del Pilar Lopez Peña! Te adjunto tu nuevo contrato para firmar. Los puntos claves son:

Tu pago previo con Bright: $1,935 MXN pago base mensual
Tu nuevo pago con Bright: $1935 MXN pago base mensual + $1200 MXN downpayment durante los primeros 12 meses del contrato.
Tamaño de tu sistema actual: 10 paneles / 3700 W
¿Tu sistema cambiará de tamaño?: NO
El motivo del cambio: Reestructura de deuda
¡Gracias por generar energía limpia con nosotros!

Email template to send debt refinancing contracts already signed by customer and approved in the Ops System Change Checklist item

> Title: CNUM - New Bright Customer contract to sign
>
> Jonah,
>
> Can you help us sign the attached contract for a debt restructuring? Here are the contract details
>
> - **Link the checklist item with details of the proposal and approval:** [Add link here]
> - **Why is the customer facing financial hardships:** [Add 1 line of detail here, make it SMART)
> - **Has the contract already signed by customer been approved by approvals?** Y/N
> - **Who had the Delegation of Authority to approve this proposal:**[Add the name of the person that approved, add Jonah if this was approved via a special request item]
>   - **Do we have evidence of this in Ops?:** Y/N
>
> Regards

Debt restructuring for customers that no longer have a valid solar contract with Bright and their system was decommissioned

1. After a system is decommissioned, but the customer still has outstanding debt. CE billing agents, collection office, or litigator firm contact clients to agree on the payment conditions for the debt.
2. If customer is in collection office portfolio they should be directed to the Bright billing team.
3. If the billing agent identifies the customer going through financial hardships but is willing to pay the debt, they can offer to restructure it.
4. We can offer a plan that meets the customer needs, and the payment plan can be as long as the customer requires it as long as:
   - The customer signs a pagare for the total amount of the payment plan with included owed amount and interest
   - The monthly fees of the payment plan are calculated considering an interest rate of 15% for Residential projects, and 18% for Commercial and Industrial ones
5. To calculate the monthly fee amount of the payment plan, the billing agent must provide the number of months of the payment plan, and the total outstanding debt (considering outstanding late fees) to the the billing manager
6. The billing manager will use the PMT formula in a gsheet to calculate the monthly fee the customer will need to pay
7. The billing agent will ask the approval teams for a pagare
8. The billing agent will get a signature from the customer on the pagare and will store it in Ops
9. The billing agent will manually create the payment plan for the customer on the billing ops platform and will mark the lead as decommissioned

10. The billing manager will audit the contract and payment plan
11. The billing agent will start charging the payment to the customer