

Ensure the Minnesota Climate Innovation Finance Authority (MnCIFA) has financing tools **to draw in and leverage private sources of capital** for financing projects that save Minnesotans money, reduce energy use and grow Minnesota's clean energy economy.

### RECOMMENDATION

Expand financing tools for MnCIFA to have authority to accept loans, to securitize loans and to spend grant funds. *This is a budget neutral proposal.*

#### Why is this legislation needed?

In the two years since MnCIFA was established in state law, we have demonstrated a need and filled a gap in financing a wide range of clean energy projects. One challenge we are facing is that demand for MnCIFA financing is on track to exceed capital we have available for loans. In MnCIFA's statute, we are called to provide innovative financing and to crowd in capital from other sources in order to accelerate the state's transition to a clean energy future. These financing tools expand MnCIFA's access to capital, particularly from private sector sources, such as private banks, private investors, philanthropic, foundation and donor-advised funds.

#### Who is impacted?

Expanding capital for clean energy lending impacts Minnesotans in a number of ways. MnCIFA loans have demonstrated benefits of reducing energy costs, which saves money for businesses and consumers. Our loans have also expanded Minnesota's clean energy economy, bringing job opportunities to the state.

#### What would this legislation do?

This legislation would clarify MnCIFA's authority to accept loans, to securitize loans and to spend grant funds in order to expand the capital available for MnCIFA to provide loans. The lending practices are common in the banking and financial institution industry. Green banks in other states have demonstrated the value of having these financial tools, particularly in drawing in philanthropic, foundation, and donor-advised funds.

**Accepting loans** – This authority would encompass private bank lines of credit, philanthropic and donor-advised funds known as Program-Related Investments (PRI), loaned at below-market interest rates.

**Securitizing loans** – This authority would incorporate the practice of bundling a portfolio of loans for sale to other financial institutions, which speeds up the loan repayment timeline and frees up capital for more loans.

**Spending grant funds** – MnCIFA has authority to accept grants; the bill would clarify it could spend grants.

## Who is MnCIFA?

The Minnesota Climate Innovation Finance Authority (MnCIFA) supports our state's clean energy economy by expanding financing options for clean energy projects. The purpose of MnCIFA is to accelerate deployment of clean energy projects through innovative green financing.

We make strategic use of public funds through innovative financing mechanisms in order to leverage existing public and private sources of capital. Our flexible financing serves to reduce upfront and total costs of clean energy projects, especially in low-income communities, ensuring that all Minnesotans share the benefits of clean and renewable energy.

### CLIMATE

Tackling challenges of our changing climate by:

- Building our state's clean energy economy
- Helping communities prepare for more extreme weather
- Transitioning Minnesota to a future where energy is more affordable and reliable, safer and cleaner

### INNOVATION

Innovative financing that:

- Fills the gaps in financing for clean energy projects
- Leverages private, public and nonprofit investments
- Emphasizes capital for underserved markets and communities most challenged by our changing climate
- Overcomes barriers to finance projects, offers innovative financing and flexible interest rates

### FINANCE AUTHORITY

Lending for projects that qualify under statute and financial requirements:

- Loans (not grants) with financial ability to repay
- Minimum \$250,000 loan, with option for intermediaries
- Site jobs paid prevailing wage
- Demonstrated benefits for the community

Loans approved by the MnCIFA Board of Directors encompass a range of projects, including:

- Energy systems: Geothermal energy district, geothermal system, geothermal integrated with solar
- Energy efficiency: Net-zero new construction; high-efficiency HVAC plus windows and roofing
- Revolving loans and multi-project portfolio loans for energy efficiency and solar projects
- Innovative energy technology: patented technology for carbon reduction and carbon sequestration

Learn more:



More about MnCIFA:

[mncifa.mn.gov](https://mncifa.mn.gov)

Government Affairs contact at MnCIFA:  
Mo Schriener | [mo.schriener@state.mn.us](mailto:mo.schriener@state.mn.us)



MINNESOTA COUNCIL  
ON FOUNDATIONS

March 17, 2026

Representative Chris Swedzinski  
Representative Patty Acomb  
Energy Finance and Policy Committee  
Minnesota House of Representatives  
658 Cedar Street  
St. Paul, MN 55155

Dear Co-Chairs Chris Swedzinski and Patty Acomb and Committee Members:

I write on behalf of the **Minnesota Council on Foundations** to express our strong support for **House File 4059**, which expands the financing tools for the Minnesota Climate Innovation Finance Authority (MnCIFA) to include the authority to accept loans and securitize, or sell, a portfolio of loans. MCF is the host of the **Minnesota Climate Donor Table**, and we support efforts to expand the capital available to MnCIFA in order to accelerate the state's transition to a clean energy future. This would also create a clearer pathway for philanthropy to partner with MNCIFA in the future.

MnCIFA was created to fill the gap in financing for a wide range of clean energy projects. Building our state's clean energy economy has a number of benefits, including reducing energy costs for both businesses and consumers, creating local energy jobs, increasing local ownership of our state's energy systems, and helping communities prepare for more extreme weather events.

The proposed legislation would clarify MnCIFA's authority to accept loans and to securitize loans in order to expand the capital available for MnCIFA to provide loans. Green banks in other states have demonstrated the value of having these financial tools, particularly in partnering with philanthropic foundations and donor investment funds. Foundations have a history of making investments known as Program-Related Investments (PRI), impact-focused investments loaned at below-market interest rates, and this legislation would make it possible for MNCIFA to attract these kind of philanthropic investments.

Please support **House File 4059** to increase MnCIFA's access to capital, reduce energy costs, create local energy jobs, increase local ownership of energy systems, and prepare communities for extreme weather events.

Thank you for your time and consideration.

Sincerely,

Dave Anderson  
Manager, Policy and Partnerships

The Minnesota Council on Foundations connects, strengthens and mobilizes Minnesota's vibrant philanthropic community to advance prosperity and equity. Learn more at [mcf.org](https://mcf.org) **#WeAreMCF**



**House Energy Finance and Policy Committee**  
Minnesota House of Representatives  
Saint Paul, MN

March 12, 2026

**Re: Support for MnCIFA Financing Tools Legislation (SF 4142 / HF XXXX)**

Dear Chair and Members of the Committee,

We're writing on behalf of Sunrise Banks to express our support for the bill that expands the Minnesota Climate Innovation Finance Authority's (MnCIFA) ability to accept loans and securitize loan portfolios. Since MnCIFA was created, it has stepped into a much-needed role which includes helping get clean energy and efficiency projects off the ground, lowering energy costs, and supporting jobs across the state. Demand for these financing tools has grown quickly and now exceeds the capital MnCIFA currently has available.

The changes included in this legislation are straightforward and reinforce MnCIFA's core mission: using public funds in a way that attracts additional private, philanthropic, and donor-driven capital. Allowing MnCIFA to accept private bank lines of credit and Program-Related Investments would open up new and affordable funding streams for projects that benefit Minnesota communities.

Similarly, giving MnCIFA the ability to securitize loans, essentially bundling and selling a portfolio of loans, is a standard financial tool that would help recycle capital more quickly. This is something other state green banks have already used effectively, and it would allow MnCIFA to lend to more projects without requiring new state spending.

This proposal is practical, budget-neutral, and aligned with MnCIFA's statutory purpose. It would help expand clean energy investment in Minnesota while supporting businesses, families, and communities that benefit from lower energy costs and improved resilience.

Thank you for considering our position. We appreciate your work on this issue and encourage you to move the bill forward.

Sincerely,

Signed by:

A handwritten signature in black ink that reads "Rick Beeson".

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**Rick Beeson**

Executive Vice President, Corporate Development and Government Relations

Sunrise Banks

DocuSigned by:

A handwritten signature in black ink that reads "Laura Wildenberg".

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**Laura Wildenberg**

Vice President, Strategic Lending

Sunrise Banks



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To: Co-Chairs Patty Acomb and Chris Swedzinski  
Members of the House Energy Finance and Policy Committee  
Honorable Members of the Minnesota Legislature

Fr: Mark Lucke, Executive Vice President, Chief Commercial Banking Officer  
Minnwest Bank

Re: Letter of support for MnCIFA legislation

March 13, 2026

Dear Co-Chairs Acomb and Swedzinski and Members of the House Energy Finance and Policy Committee:

On behalf of Minnwest Bank, I am asking for your support for the Minnesota Climate Innovation Finance Authority to add to its financial tools the authority to accept loans and to securitize loans. Minnwest sees this legislation as a valuable opportunity to increase private investment in clean energy projects across Minnesota while maintaining prudent financial practices.

As a family-owned bank founded during the 1987 farm crisis, we are a team of doers who take actions for our communities to thrive. Minnwest bank is one of Minnesota's largest community banks, with 36 bank locations and more than \$3.1 billion in assets, and one of Minnesota's leading lenders in agriculture. We value collaboration with partners, such as MnCIFA, that share our commitment to the local economy, by listening and responding to community lending needs, and to the regional economy by providing lending products often not available through larger financial institutions. Since its creation, MnCIFA has played a key role in financing projects that reduce energy costs and save money for Minnesota businesses and consumers. Its loans are growing Minnesota's economy and bringing job opportunities to the state.

Minnwest has already partnered with MnCIFA on financing for loans on two projects:

- Sandstone School Workforce Housing is a renovation of a century-old building in the City of Sandstone into 32 affordable apartments. With MnCIFA's loan, the housing will have a highly energy efficient system that will significantly reduce energy costs, a long-term benefit to the renters and to the value of the property.
- Minnwest is collaborating with MnCIFA on another substantial project, which has MnCIFA Board approval. We are working to negotiate final terms and are expecting to close the loan in the coming weeks. This project will also deliver significant energy savings.

Minnwest hopes to have future collaborations with MnCIFA. But demand for MnCIFA's financing is growing rapidly and it is facing the challenge that current capital levels cannot meet critical community financing needs. The result is Minnesotans – particularly from communities that are rural, or low-income, or economically stressed – risk missing out on the cost-saving and economic benefits these projects deliver.

The proposed legislation helps address this need directly by enabling MnCIFA to leverage private capital through two well-established financial practices:

- Accepting loans, including private bank lines of credit and philanthropic Program-Related Investments, which can offer flexible or below-market interest rates.

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- Securitizing loans, which involves bundling a portfolio of loans for sale to other financial institutions. This accelerates repayments to free up capital for reinvestment into new projects.

Both financial tools are widely used across the banking industry. By having these tools, MnCIFA could strengthen its ability to crowd in private capital, expand access to financing, and operate sustainably. Green financing institutions in other states have shown that this type of financing authority can attract loans from traditional banks, philanthropic, foundation and donor-advised fund investments that would otherwise remain on the sidelines.

From our perspective as a community bank, expanding MnCIFA's financial authority will:

- Help Minnesota businesses and households reduce energy costs.
- Support job creation and growth within Minnesota's clean energy economy.
- Ensure that underserved communities have access to affordable financing options.
- Create opportunities for financial institutions like ours to partner with MnCIFA to support high-impact local projects.

This legislation is budget neutral, uses proven financial tools, and provides a clear pathway for Minnesota to unlock more private investment in clean energy projects.

For these reasons, Minnwest Bank encourages the Legislature to pass this important bill. We appreciate MnCIFA's commitment to innovative, responsible financing and look forward to continued partnership in strengthening Minnesota's economic and energy future.

Sincerely,



Mark Lucke  
Executive Vice President, Chief Commercial Banking Officer  
Minnwest Bank

# STEARNS BANK

To: Co-Chairs Patty Acomb and Chris Swedzinski  
Members of the House Energy Finance and Policy Committee  
Honorable Members of the Minnesota Legislature

Fr: Kelly Skalicky, CEO  
Stearns Bank, N.A.

Re: Letter of support for MnCIFA legislation

March 13, 2026

**Dear** Co-Chairs Acomb and Swedzinski and Members of the House Energy Finance and Policy Committee,

On behalf of Stearns Bank, I encourage the Committee and the Minnesota Legislature to approve the proposed legislation for the Minnesota Climate Innovation Finance Authority (MnCIFA) to add to its financial tools the authority to accept loans and to securitize loans.

Stearns Bank, founded and headquartered in central Minnesota, has been serving communities, businesses, and entrepreneurs for more than a century. As an employee-owned national bank with a community focus, our mission has always been to expand access to capital in ways that strengthen local economies and create opportunities. We believe financial institutions play an important role in helping communities adapt, grow, and invest in the future.

With decades of experience in financing projects through private-public collaborations, we have been impressed and encouraged by the early work of MnCIFA. In its first two years, the Authority has demonstrated an entrepreneurial and collaborative approach to financing clean-energy projects that benefit both Minnesota households and businesses. Stearns Bank is actively exploring opportunities to collaborate with MnCIFA on financing projects that support innovation, economic development, and long-term energy resilience across our home state.

To expand financing opportunities for MnCIFA, the proposed legislation addresses a key challenge for the Authority by enabling access to additional private capital through financing tools commonly used in the banking and philanthropic sectors:

- **Accepting loans**, including private bank lines of credit and philanthropic Program-Related Investments, which can offer flexible or below-market interest rates.
- **Securitizing loans**, which involves bundling a portfolio of loans for sale to other financial institutions to free up capital for additional lending.

From our perspective, expanding MnCIFA's financial authority will:

# STEARNS BANK

- Help Minnesota businesses and households reduce energy costs.
- Support job creation and growth within Minnesota's clean energy economy.
- Ensure that communities with challenges accessing capital, particularly Greater Minnesota communities, have more affordable financing options.
- Create opportunities for financial institutions like ours to partner with MnCIFA to support high-impact local projects.

Importantly, this legislation is budget-neutral and relies on financial tools that are well understood and proven successful within the banking sector. By expanding MnCIFA's financing capabilities, Minnesota can unlock additional private investment and accelerate projects that benefit communities across the state.

At Stearns Bank, we have experienced firsthand the power of innovative financing and how communities flourish and grow when strong public-private partnerships come together around a shared goal. MnCIFA represents an opportunity to do exactly that...bringing public and private capital together to support practical, forward-looking solutions for Minnesota.

For these reasons, we respectfully encourage the Legislature to pass this important bill.

Sincerely,



Kelly Skalicky  
CEO Stearns Bank