Solar & Energy Lending Practices by Credit Unions

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Opportunities Credit Union
Opportunities in Energy Lending

• Partnerships leverage your resources
• Source of Program Related Deposits, Guarantees, Interest Subsidy
• Positions Credit Union as a “Go To Financial Partner”, Innovative
• Joint Marketing –Expands Credit Union’s reach to New Markets
• Aligns with mission to provide Affordable, Financial Services to Low Income and Underserved Vermonters
• Members benefit by lower energy costs and targeted energy programs.
Challenges in Energy Lending

- Typically unsecured loans... larger may be RE Secured
- “Collateral” is not easily recovered and sold in the event of non-payment
- Programs require specialized underwriting, billing, reporting
- May require custom docs, quick turnaround & online apps
Partnerships....

• Utilities (Vermont Gas, Burlington Electric Vermont Electric Co-op)
• State Agencies (Vermont Public Service Department)
• Financial Institutions
Benefits Members:

- Rates as low as 0%
- Cold Climate Pumps
- Heating Systems
- Home Performance with ENERGY STAR
- Central wood pellet heating systems
- Solar Hot Water
## HEAT Saver Rates Income and Term Based

<table>
<thead>
<tr>
<th>Household Income Qualifications</th>
<th>Loan Term</th>
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<tbody>
<tr>
<td></td>
<td>Up to 5 years</td>
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<tr>
<td>Below $59,350</td>
<td>0.99%</td>
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<tr>
<td>Between $59,351-$89,040</td>
<td>2.99%</td>
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<tr>
<td>Over $89,040</td>
<td>4.99%</td>
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</tbody>
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Vermont Economic Development Authority

Source of:
• Loan Participations
• Loan Guarantees
Partner: VEIC, National Bank of Middlebury

Source of:
- Loan Origination and Servicing Income
- Loan Loss Reserves
Energy Lending has positive impacts...

- Partnerships
- Deposits
- Loan Loss Reserves/Guarantees
- Marketing/Outreach
- New Members
- Interest Rate Subsidies