

Energy Upgrade California – Financing Program

Reduce energy use. Save money. Create jobs.



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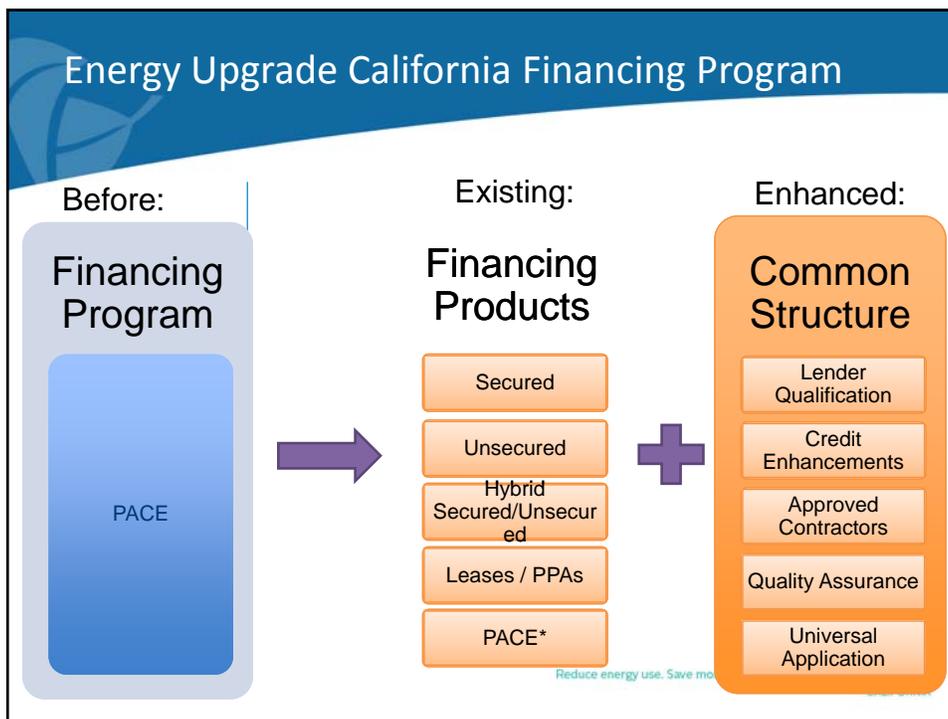
Finance Clearinghouse Description



Energy Upgrade California Financing Program

- Administered by California State-wide Community Development Authority
- Competitive solicitation will be offered for interested financial institutions offering residential and commercial retrofit loan products
- Low rates expected as the program will offer standard underwriting, comprehensive program roll-out (contractor qualification, quality assurance, etc.) and bundling of State-wide building stock
- Offered State-wide through Energy Upgrade California web-site application, subsidized with interest rate buy-down and loan loss reserve in leadership counties that commit local resources





Value Proposition

- **Consumers**
 - Increased awareness regarding available financing options
 - Ability to be pre-qualified and apply for loans online
 - Side-by-side comparison of loan offers
 - Subsidized rates only available via clearinghouse application
- **Lenders**
 - New distribution channel and lead generation service
 - Access to subsidies and infrastructure
 - Lower rates drive demand
 - Infrastructure can reduce risk
- **Government**
 - Fills gap left by PACE and allows for reinsertion of PACE
 - Serve constituents and address climate goals
 - Promotes competition amongst lenders
 - Efficient mechanism for deployment of local funds



Product Types

- **Secured**
 - Energy Efficiency Mortgage
 - Home Equity Loans (HELs) or Home Equity Lines of Credit (HELOCs)
 - HUD Title I Home Improvement Loan
- **Unsecured**
 - EGIA GeoSmart Loan
 - Fannie Mae Energy Loan
 - Personal Loan
- **Other**
 - PACE
 - Solar Lease or PPA

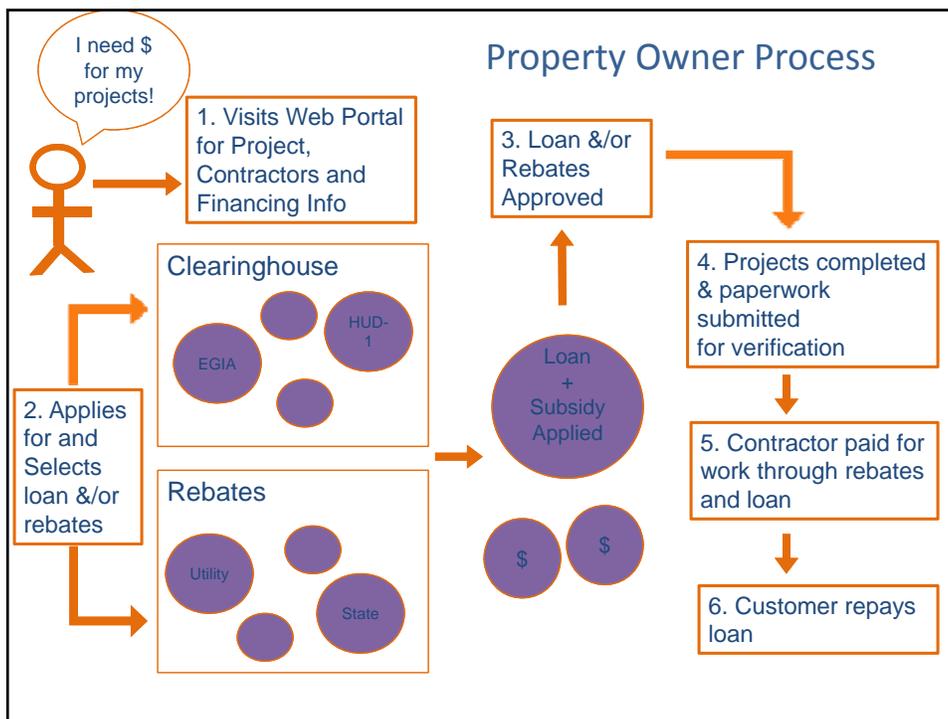


Lender Types

- National Banks and Financial Institutions
 - For Example: US Bank, Bank of America, GE Money
- Regional Banks
- Community and Local Banks
 - For Example: New Resource Bank
- Credit Unions

Credit Enhancements

- Interest Rate Buy Downs and Loan Loss Reserves available from several sources to increase the attractiveness of existing products to consumers and lenders
 - \$4 M to available to leadership counties through Energy Upgrade California Program
 - \$50 M from SB 77 (Pavley, 2010) established a state-financed reserve for PACE programs from the Energy Commission's Renewable Resource Trust Fund. Due to FHFA July 6 guidance restricts use of PACE, need for changes to statute to expand program beyond PACE
 - Local governments can apply additional financial subsidies from ARRA Funds for their geographic region



Timeline

- September – December 2010
 - Design and Stakeholder Engagement
- January 2011
 - Pilot Launch and Early Implementation
- March – May 2011
 - Full Launch and Implementation

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Thank You

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