



CHEEF

CALIFORNIA HUB FOR ENERGY EFFICIENCY FINANCING

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How 3rd Party Implementers Can Integrate CHEEF Financing into their Programs

Fall 2018 Implementer Outreach

We need private capital to reach our building energy efficiency goals

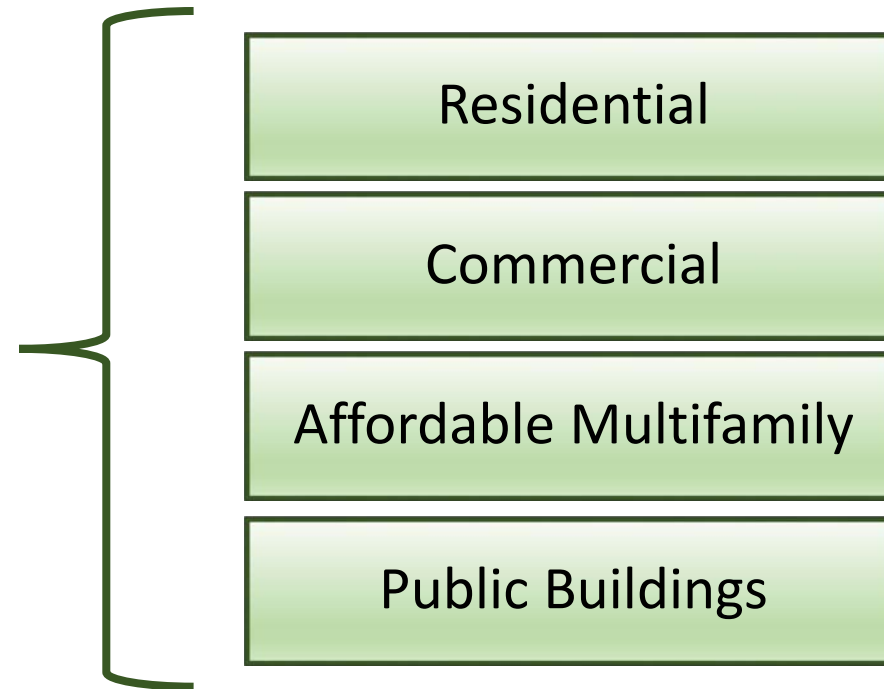
- There are not enough public or ratepayer \$ to upgrade all of California's buildings
- CPUC, through Decision 13-09-04, et al. authorized the utilities to use ratepayer funds for the administration of several finance pilot programs, and to provide credit enhancements to participating finance companies
 - Residential, Commercial, Affordable Multi-Family, Public Building markets
 - Designed to leverage third party, private capital and bring attractive financing options to customers
- CAEATFA implementing with the 4 Investor Owned Utilities as partners
- Financing not secured by the property
- Open market approach: multiple finance companies can participate
- On-Bill and Off-Bill repayment options

Take advantage of our financing programs to help your programs gain uptake

All measures approved for an IOU rebate or incentive program qualify.
Any EE or DR measure or project that is part of *your* IOU approved program is eligible for our financing.

Qualifying Projects:

- 70% of financed amount is for energy efficiency or demand response measures
- Up to 30% of financed amount can be non-EE improvements



How is CHEEF financing better than walking into a bank?

Tangible benefits provided by lenders to borrowers in CHEEF Residential Energy Efficiency Loan (REEL) Program due to the credit enhancement

Credit expansion	FICO minimums lowered to 600 Regional lenders lowered FICO minimums to 580
Rate reduction	546 – 1097 bps One lender lowered 1097 bps for FICO of 600
Term extension (means lower monthly payments)	Extended from 5 Years to up to 15 Years
Amount available to borrow	Raised from \$10k to \$50k



Over 200 utility customers have already used REEL, our residential financing

Lenders have financed more than

\$4.5 Million

In REEL Loans

7%

Average interest rate

\$17,000

Average loan size

52%

Homes located
in LMI Census
Tracts

277

Participating
Contractors

7

Approved
Lenders

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Borrower Requirements

Single-family home, townhome, condo, duplex, triplex, fourplex or manufactured home, up to four units.

Credit score minimum of 580*

Debt to income limit of 55%

* Some lenders have their own higher minimum FICO requirements. The 2 statewide lenders require FICO minimums of 600 and 640, respectively.

CHEEF commercial financing program can help your customers complete projects with no cash outlay

Program flexibility

- Up to \$5MM per project
- Fast and efficient approval
- On-Bill and Off-Bill repayment options
- Microloans under \$5,000 expected (CAEATFA actively recruiting a lender)

Expected benefits to customer (compared to traditional offerings)

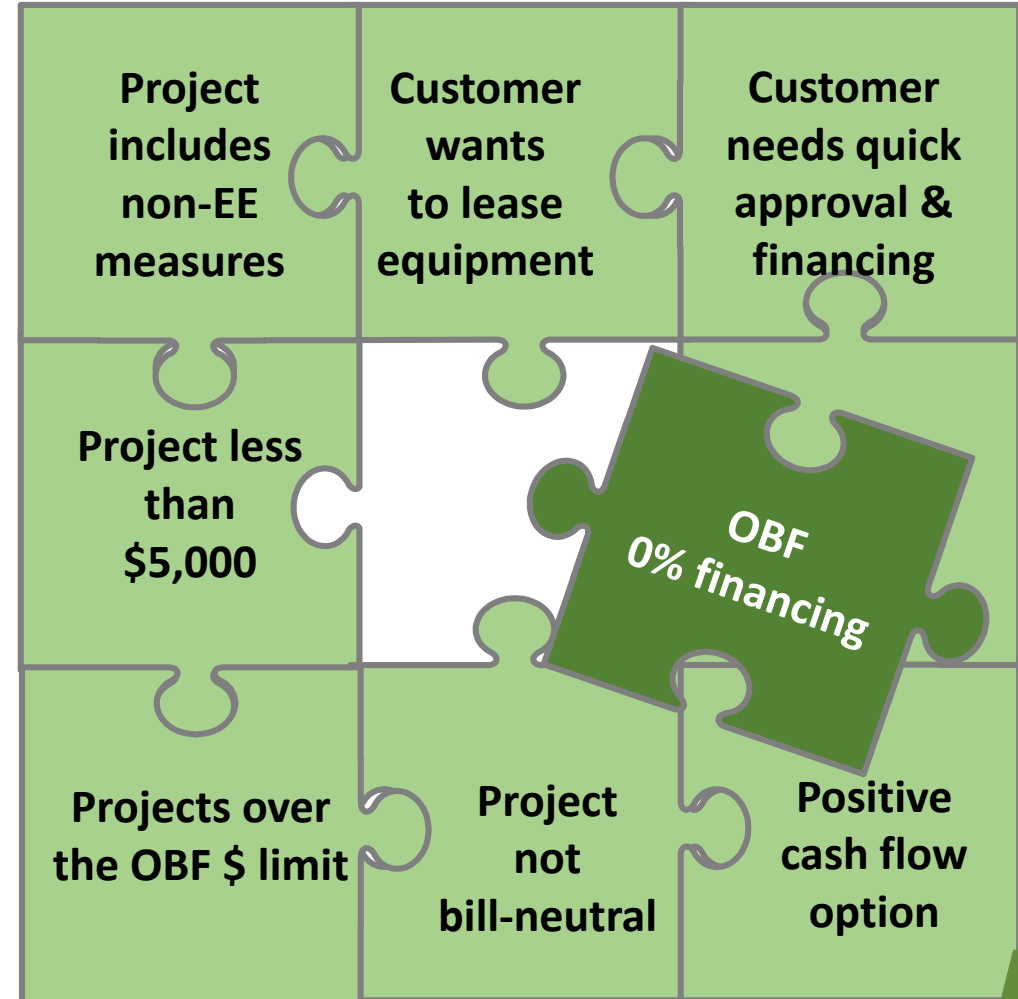
- Broader credit approval (customers with shorter time in business or lower credit scores)
- Lower interest rates
- Longer term financing and larger amounts available

Multiple product options

- Traditional loans
- Equipment leases and finance agreements
- Service agreements
- Savings-based payment agreements

Use CHEEF and OBF to complete the financing puzzle

Customers can use CHEEF financing when OBF doesn't apply OR after they've reached the OBF limit.



Incorporate our financing offerings into your program design

Open Now

Q4 2018

Q4 2018

Spring 2019

- Single family residential: 1-4 Units including townhomes, condos and manufactured homes

Residential



- Commercial customers
- Small business
- On-Bill option coming in 2019

Commercial



- Income-restricted affordable properties
- On-Bill option coming in 2019

Affordable Multi-Family



- Public buildings
- Large commercial
- On-Bill repayment

Non-Residential



Your finance and contractor partners can join our programs

Connect your program partners with the CHEEF so they can benefit:

- ✓ Be featured on GoGreenFinancing.com and as part of statewide marketing campaigns
- ✓ Affiliate with a state-backed financing program
- ✓ Finance entities get access to a credit enhancement in the form of a loan loss reserve contribution for every enrolled project



Connect with us

Visit **GoGreenFinancing.com**

OR

Contact the **California Hub for Energy Efficiency Financing (CHEEF)**

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