



Question 1:
What customer classes and customer groups
should be targeted for participation in financing
programs?

Austin Energy
Weatherization Program
Low Income Consumer Advisory Task Force
April 17, 2015



How Customers Obtain Financing

Impact of *FICO Scores

- Used to make credit approval decisions and assess risk
- Based on range from 300 to 850
 - ~35% Payment history
 - ~30% Amounts Owed
 - ~15% Length of Credit History
 - ~10% New Credit
 - ~10% Types of Credit in Use



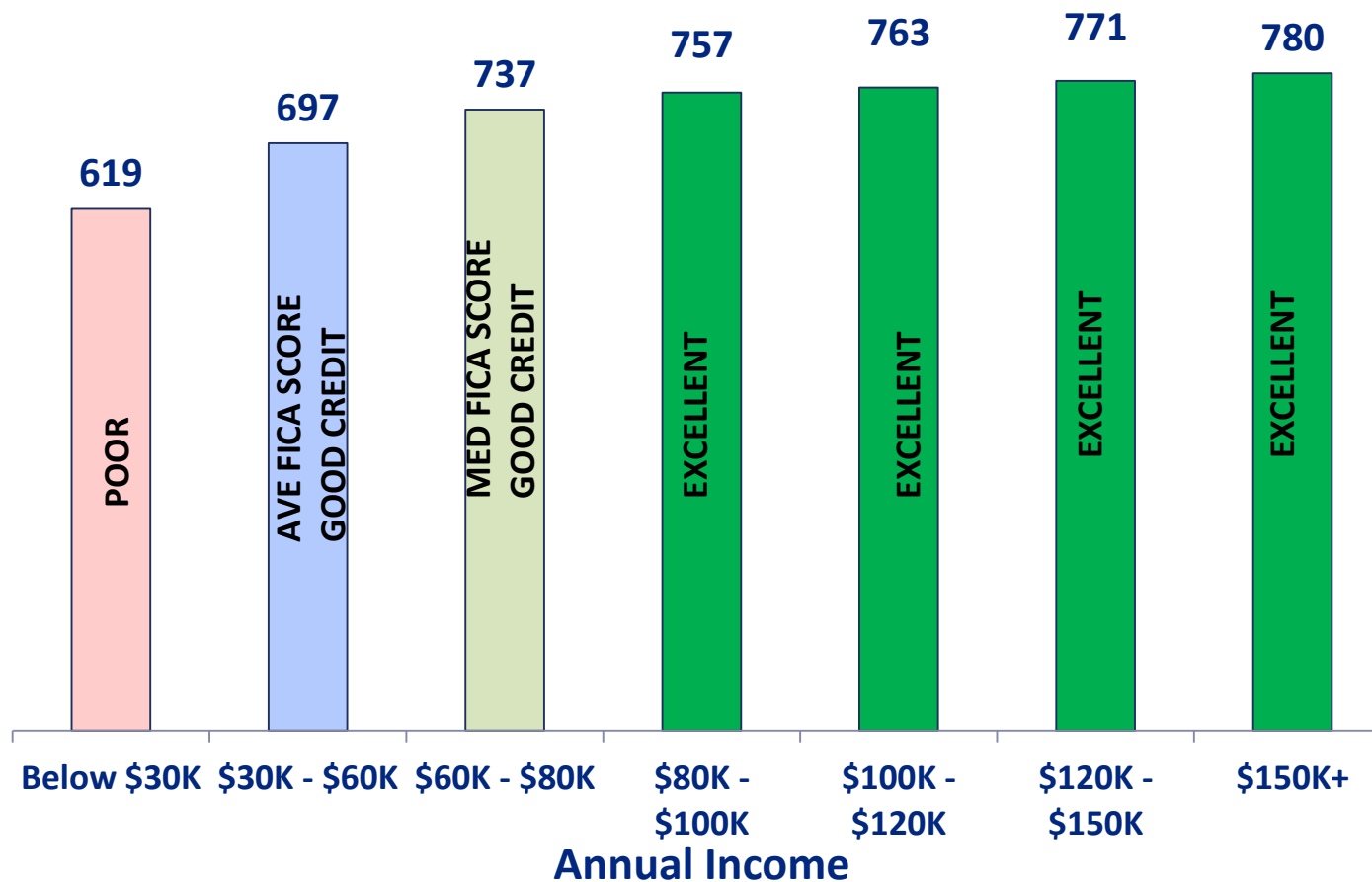


What Do Different Credit Scores Mean?

| Credit Scores | Rating | Credit Availability | Interest Rate |
|----------------------|---------------------------|---|----------------------|
| 300-579 | Bad Credit | Difficult to obtain | High |
| 580-629 | Poor Credit | May obtain unsecured credit card | High |
| 630-689 | Fair Credit | | |
| 687 | Average FICA Score | | |
| 723 | Median FICA Score | | |
| 690-749 | Good Credit | Qualify for most credit cards | Low |
| 750-850 | Excellent Credit | Highest credit limits | Lowest |



Average Scores Based on Income

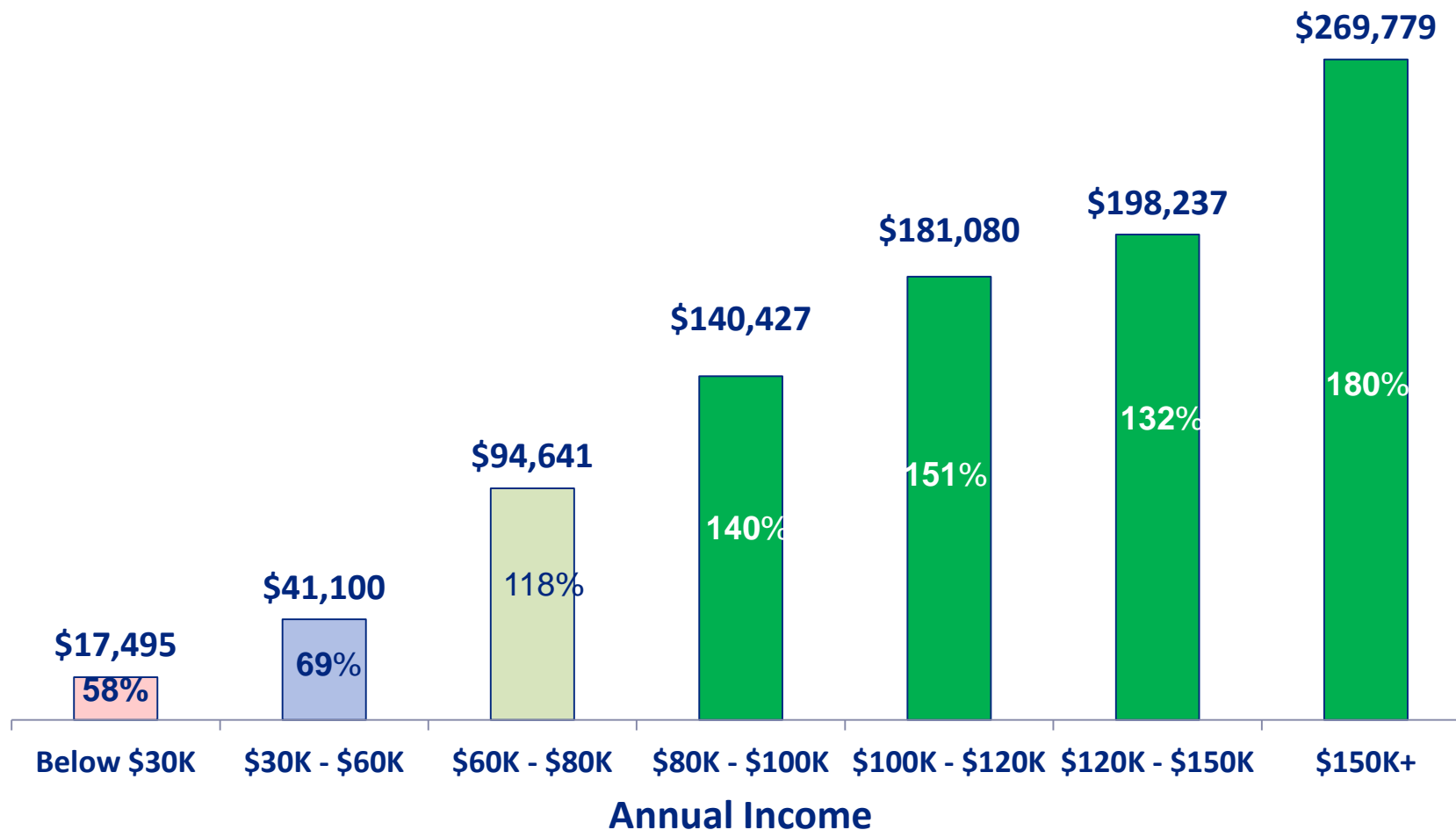


**Data from Credit Sesame

These average scores show a propensity based on income; however in each Income bracket, there are individuals with scores ranging from bad to excellent credit. Lower income has a tendency to pay cash or may not have credit established. 35% of score is based on credit.



Average Debt Based on Income

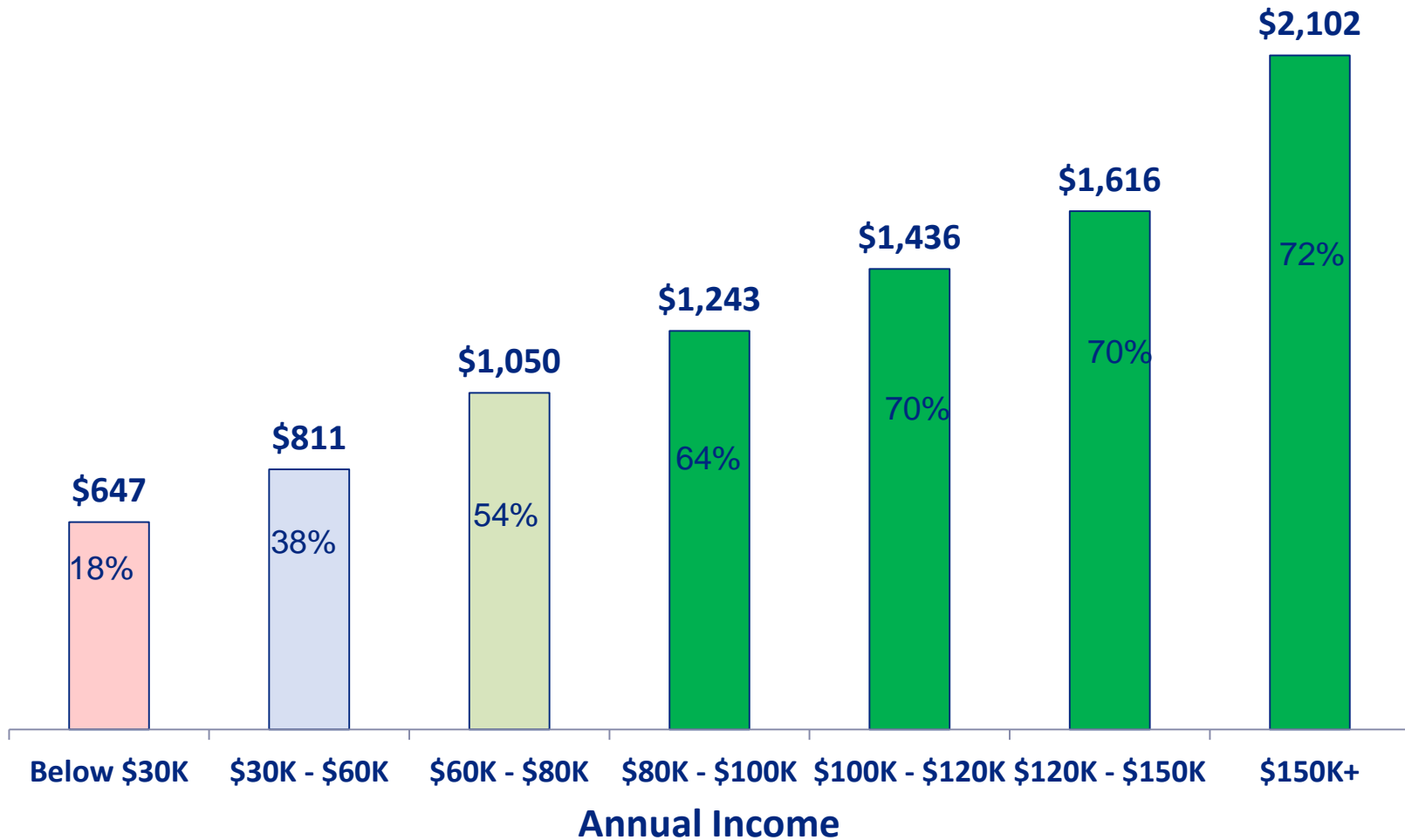


*Includes mortgage, credit card, auto and student loans

**Data from Credit Sesame



Mortgage Payment Based on Income



**Data from Credit Sesame



City of Austin - Austin Energy
Customer Energy Solutions

e denise.kuehn@austinenergy.com

Terry.Moore@austinenergy.com

Scott.Jarman@austinenergy.com

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