



**M E M O R A N D U M**

**TO:** Low Income Consumer Advisory Task Force (LICATF)

**FROM:** Denise Kuehn, Energy Efficiency Services Director

**DATE:** August 7, 2015

**SUBJECT:** Questions Concerning the Success of the Better Buildings Grant – Establishing of the Loan Loss Reserve Submitted in July 17, 2015 Low Income Consumer Advisory Task Force

**1. Question: How many had defaulted loans?**

**Answer:**

*None - The loan loss reserve program was established in October 2012. Since then, over \$5.4 million in loans have been extended to over 632 residential customers providing the avenue to purchase energy efficiency measures over a period of up to ten years at a reduced interest rate. Through June 2015, these customers have repaid \$1.3 million without any loan defaults requiring the use of loan loss reserve funds. Currently, AE is working with Velocity Credit Union to reduce the \$1 to \$1 leverage (loan loss reserve) previously required, create opportunities for those customers that have slightly lower credit scores and reduce the amount of the monthly payment. Over 1.1 MW of demand savings were attributed to this effort as reported under the AE Home Performance program.*

<b>AE Revolving Loan</b>	<b>Total Since Offering Launch (10/1/12 – 5/16/15)</b>
Applications Received / Audits Completed	1,904
Retrofits Completed	1,863
Total Rebate Payments	\$4,237,001
Number of Loans Pre-approved	759
Loan Amount Pre-approved	\$6,676,422
Buy Down Cost	\$357,308
Number of Loans Closed per Velocity	632
Loan Amount Closed per Velocity	\$5,430,306