



CONNECTICUT
GREEN BANK

A Practical Take on Data, Featuring CGB's Residential Financing Programs

Finance Program Data Practices Panel

ACEEE Finance Forum

June 2, 2015



Connecticut Green Bank

Attract and Deploy Capital



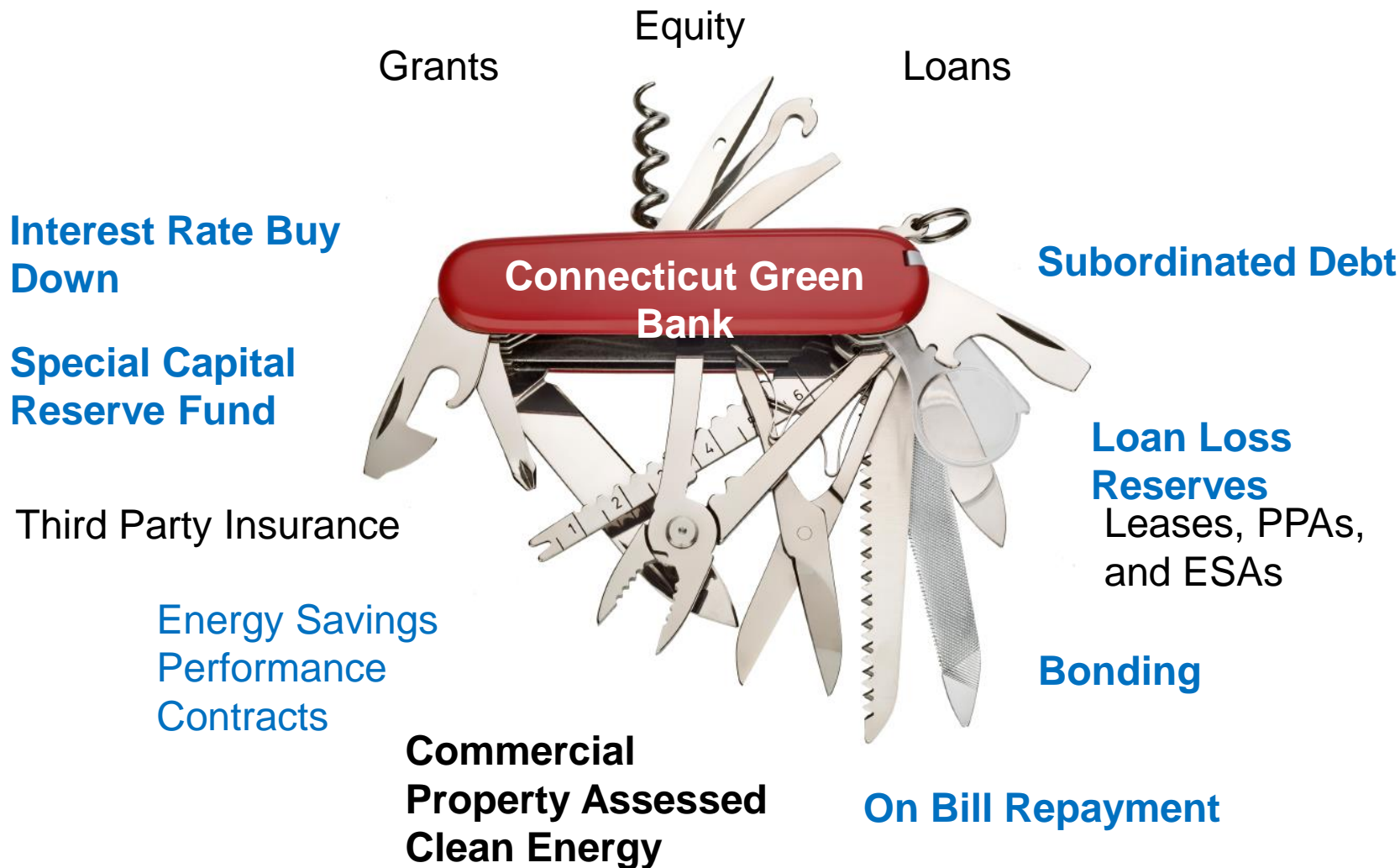
Attract and deploy capital to finance the clean energy goals for Connecticut

Increase the attractiveness to capital providers



Increase the attractiveness to consumers

Green Bank Financial Tools



Commitment to Data



Engaged with SEE Action Network & others on data practices, standards

Key sectors/financing programs we collect data for:

- C-PACE
- Residential – both Multifamily and Resi 1-4 programs

Legal framework comes first:

- Data release and collection provisions across all products covering following types of data:
 - Customer, building (some)
 - Financial product/underwriting and financial performance
 - Energy project and energy performance

Operationalized all but energy performance data



Data in Action – Residential Programs



4 different products with data coming from

- 15 financial partners (monthly)
 - Mix of community banks, credit unions, specialty lenders, servicers
- 120+ active contractors (daily), with 220 trained on products

Started in 2013 with spreadsheet templates and dashboards



- Monthly email delivery – with PII if secure, or PII stripped if not secure
- UGGGHH! Errors!!! 😳 😞

Migrating in 2015 to cloud-based platform



- Industry-leading security/data compliance
- Built-in data validation on uploads, real time availability
- Custom views, interactive dashboards/drill down



Data in Action – What We Use It For



1. Management and stakeholder reporting
2. Driving demand
3. Improving operations
4. Attracting lenders into programs
5. Product development



Data in Action – Important Users

Now:

1. CGB staff and Board
2. Lenders
3. Policy makers
 - a) Department of Energy and Environmental Protection
 - b) State Energy Efficiency ratepayer fund (Board and utility program administrators) – including data export to www.ctenergydashboard.com
4. Energy Efficiency/Renewable Energy market in CT
 - a) Contractors, trade groups
5. Other CGB stakeholders
 - a) Advocates, communities, press

Future: All of you?

Sample Quarterly Report-Out

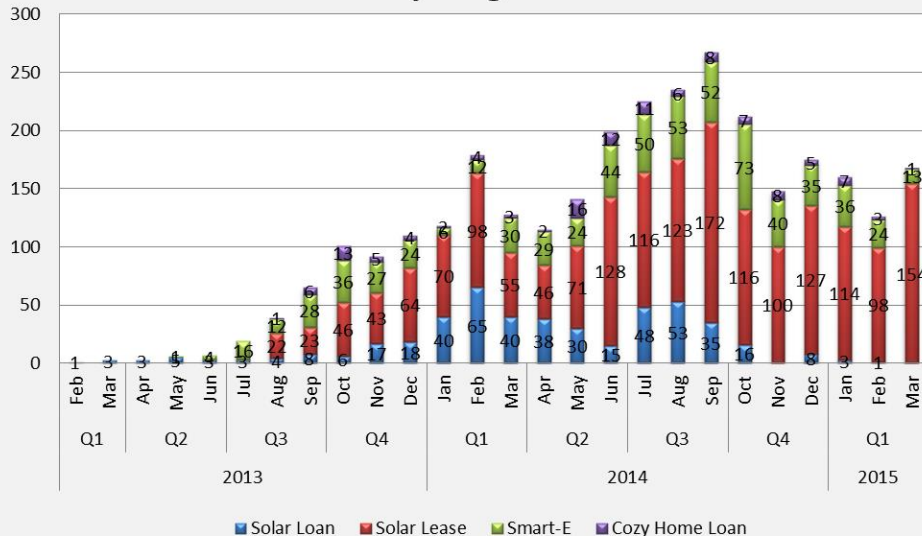
Residential Sector

Single Family (1-4 Units), as of 3/31/15



Applications # Received by Month
by Program

3/30/2015



- **Over 3,000 applications to date across 4 products**
 - 52% pull-through to approval/close
 - Good credit quality and early performance
- **\$43.5M in Approved/Closed projects to date**
 - 1,063 Closed Projects for \$26.7M
 - 494 Approved Projects for \$16.8M
- **220+ Eligible contractors**
 - Top 10 contractors = 40% of apps to date
 - 121 have submitted projects, 55%
- **17 capital providers**

Product	Applications to Date	Closed Loan/Lease (#)	Closed Loan / Lease (\$'s)	Avg. Loan / Lease	FY 2015 Approved (#)	FY 2015 Approved (\$'s)
CT Solar Lease	1786	419	\$14.9M	\$35,500	452	\$16.2M
CT Solar Loan	462	279	\$5.9M	\$21,300	2	\$0.04M
Smart-E	670	363	\$5.9M	\$16,100	40	\$0.6M
Cozy Home	124	2	\$0.02M	\$9,600	0	\$0.0M
Grand Total	3,042	1,063	\$26.7M	\$25,100	494	\$16.8M

Residential Sector Smart-E Loan



- ~\$1M closed in 2013, ~\$4M 2014, ~1M in 1st 2 months of 2015
 - 1st quarter typically slow for consumer lending, already 300% increase over last year
- **9 lenders participating** – 3 are 70% of volume (Eastern Savings Bank, CorePlus Credit Union, Nutmeg Financial Credit Union)
- **Strong credit portfolio:** 750 FICO, 31% DTI, 1 delinquency, 0 defaults
- **Average loan size going up across board** – Bundle major driver of recent volume, particularly solar bundles with lenders who go up to \$40,000
 - HVAC (50%) and Solar (33%) most popular; 1/3 projects have 2+ measures

Spring for Home Improvements

Enjoy 6 months no interest with a Smart-E loan!

Spring is the perfect time to start that energy improvement project you've put off all winter.

WINDOW REPLACEMENT · HEATING AND COOLING
FUEL CONVERSION · SOLAR SYSTEMS · INSULATION

WITH SMART-E,
COMFORT AND SAVINGS ARE CHILD'S PLAY.

NO MONEY DOWN & LONG TERM, LOW INTEREST FINANCING



	5 Yr.	7 Yr.	10 Yr. (Reg.)	10 Yr. (Bundle)	12 Yr.
% of Loans	34%	15%	19%	22%	8%
Avg. Loan	\$10,500	\$12,600	\$16,100	\$25,200	\$19,500

Lessons Learned

Hint: Pragmatism Rules the Day!

Data in Action – Lessons Learned on the Lender Front



Data normalization is critical!

- Especially when working across a wide set of products, lenders, and contractors... and in a decentralized model

Smart-E Loan started with 9 lenders using 8 different loan origination and servicing systems!

- In addition to systems used by other 3 products

What took longest?

- Loan statuses, by far
 - Credit Review, Approved, Denied, Withdrawn, **In Repayment, Delinquent, Deferred, Fully Repaid, Default**
 - **Bold** statuses map to “Closed” on meta-reports
 - Funded vs. closed – still debating how to handle this
- Then loan performance tracking & delinquency tracking



Data in Action – Lessons Learned on the Lender Front



How long did it take?

- Over 6 months of continual conversations and negotiations
 - Always keeping in mind we need to be attractive to participating lenders (e.g. light footprint)
 - Always working backwards from the types of analyses we wanted to perform

Did we get everything we wanted?

- NO!
- But we CAN perform our key analyses

Did we get “enough”?

- Yes, we think so
- We’ll see... when we share our data 😊



Data in Action – Other Lessons Learned

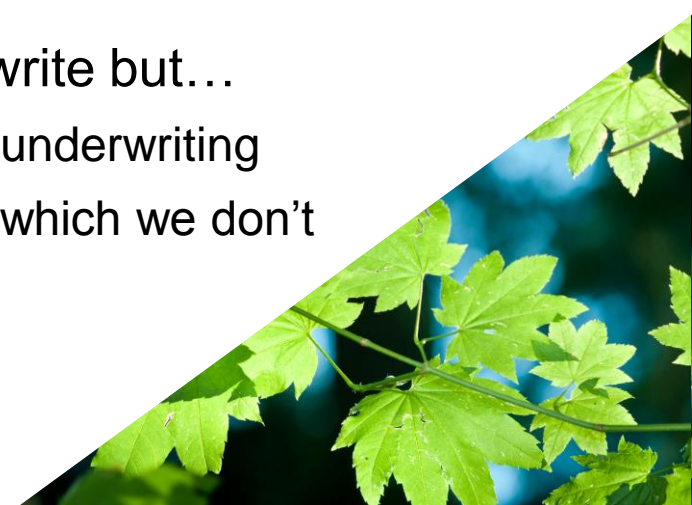


Energy performance data is a huge challenge for us:

- Great example of having the rights to it, but no cost effective way to operationalize it
 - Electric/gas utilities in state on Green Button’s “Get My Data”, not “Connect My Data”
 - Majority of homes heat with oil still
- So... we’re using deemed savings for now, and we’ll have to use a more traditional EM&V approach to confirm (random sample, as part of periodic program evaluation)

Our 4 products use traditional FICO/DTI underwrite but...

- Other utility loan products in state use alternative underwriting
- No way to compare the products without income, which we don’t collect from lenders



Thank you!

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