

REAL LIFE EXPERIENCE: Moving Energy Efficiency Loans Off-Bill

Frank Rapley, Tennessee
Valley Authority

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Valley Authority

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Mortgage and Finance





Who we are



Nation's largest public utility

Cover 80,000 square miles and 9 million people

154 local power companies



Current programs

- Local Power Company (LPC) programs
- eScore / Self-Audit
- New Homes
- Heat Pump
- Manufactured Homes
- Smart Communities



A Brief History

TVA's Residential Energy Efficiency Financing

TVA's enduring reputation

Provided energy efficiency loans for 35+ years

- HVAC equipment
- Weatherization
- Solar (1980s)

Contractor network

- Recruit and train to TVA program standards
- Periodic recertification
- Long-standing members

Advertising

- Strong reputation and brand awareness

Flagship Retrofit Offer: In-Home Energy Evaluation

IS WASTED ENERGY
ROBBING YOU BLIND?



TVA and your local power company have two ways to help you conserve energy and save money. There's a free online home energy evaluation, which includes an energy conservation kit. Or get an In-Home Energy Evaluation from a TVA-certified Energy Advisor, including cash incentives (up to \$500) or low interest financing opportunities on recommended improvements. To learn more, call 866-441-1430.

energyright solutions TVA



%
Heat Pump financing
now available.

At this rate, you can afford to stay cool all summer long.

It's true. Financing a new high-efficiency electric heat pump through the *energy right*® Program is a convenient and economical way to replace your aging system. And with our new 8% interest rate, financing for up to 10 years, no money down and payments included right on your electric bill, there's never been an easier way to make the switch. So this summer, go ahead and make yourself comfortable. You can afford it.

If you'd like to know more, just call (distributor name here). Or log onto www.energyright.com, your information source for energy efficient living.

TVA  DISTRIBUTOR LOGO GOES HERE

On-Bill Financing

Loans support EnergyRight® Solutions programs

- eScore (current home audit program)
- Heat Pump Program

Originally, TVA funded & managed loans

- Managed in-house with finance and field staff

Introduced 3rd party financing in 1997

- Sold portfolio to 3rd party bank
- TVA acts as guarantor
- LPCs send payments to 3rd party bank, as administrator
- TVA sells new loans at month end
- If a loan goes bad, TVA “repurchases” the loan

On-Bill Statistics



\$637 Million
Loans funded over
18 years



127
LPCs with active loan
balances



\$35 Million
Average total loan
amount per year



\$184 Million
Outstanding balance
as of 2015



4,700
Average number
of loans per year



\$18 Million
Net write-offs over
18 years

Through 9/30/2015

Loan Offering Profile

What do we Finance?

- Heat Pump Systems
- Home Weatherization

Terms/Conditions/Underwriting

- 10-Year term
- Max \$15k
- 6% and 8% rates (depending on items financed)
- Favorable utility payment history
- Credit score

Power company role

- Originator
- Servicer

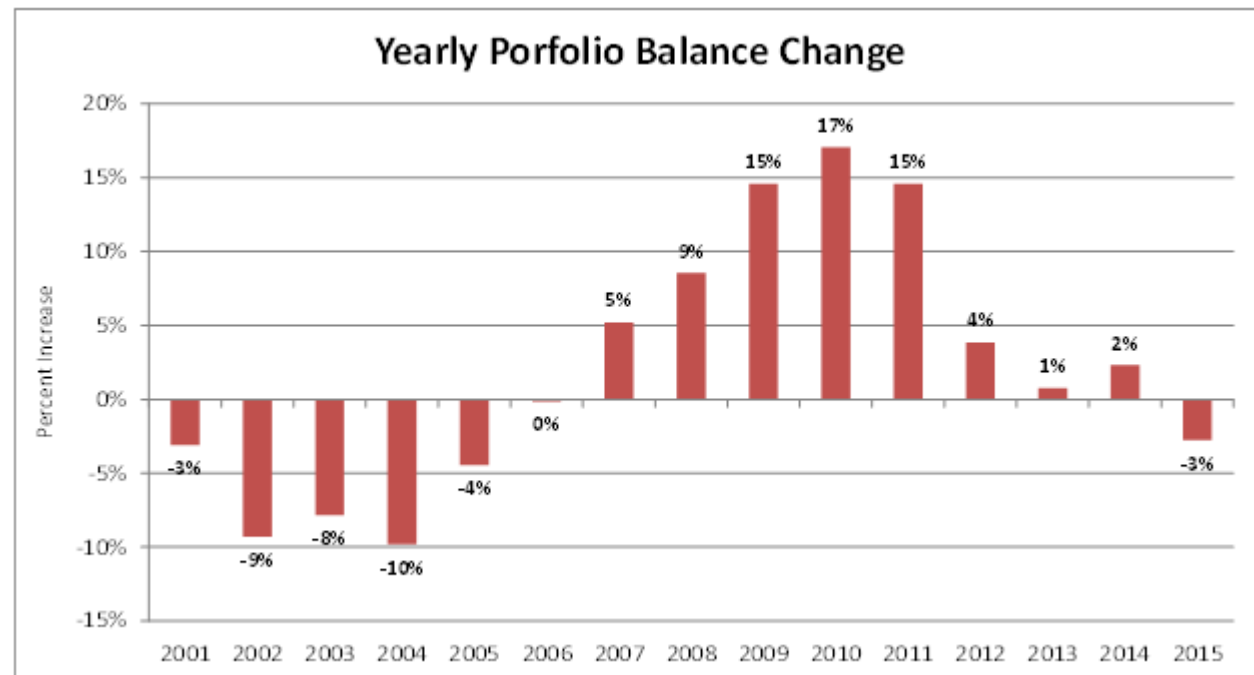
TVA role

- Sets program policy and procedures
- Guarantor

On-Bill Statistics

Strong loan growth

- EnergyRight® loan fund increased 67% over 5-year period
- Restricted credit markets helped push EnergyRight® loans



Challenges



Admin staff time

- LPCs face declining revenues & shrinking staff
- Huge increase in loans inundated crunched staff
- Paperwork heavy

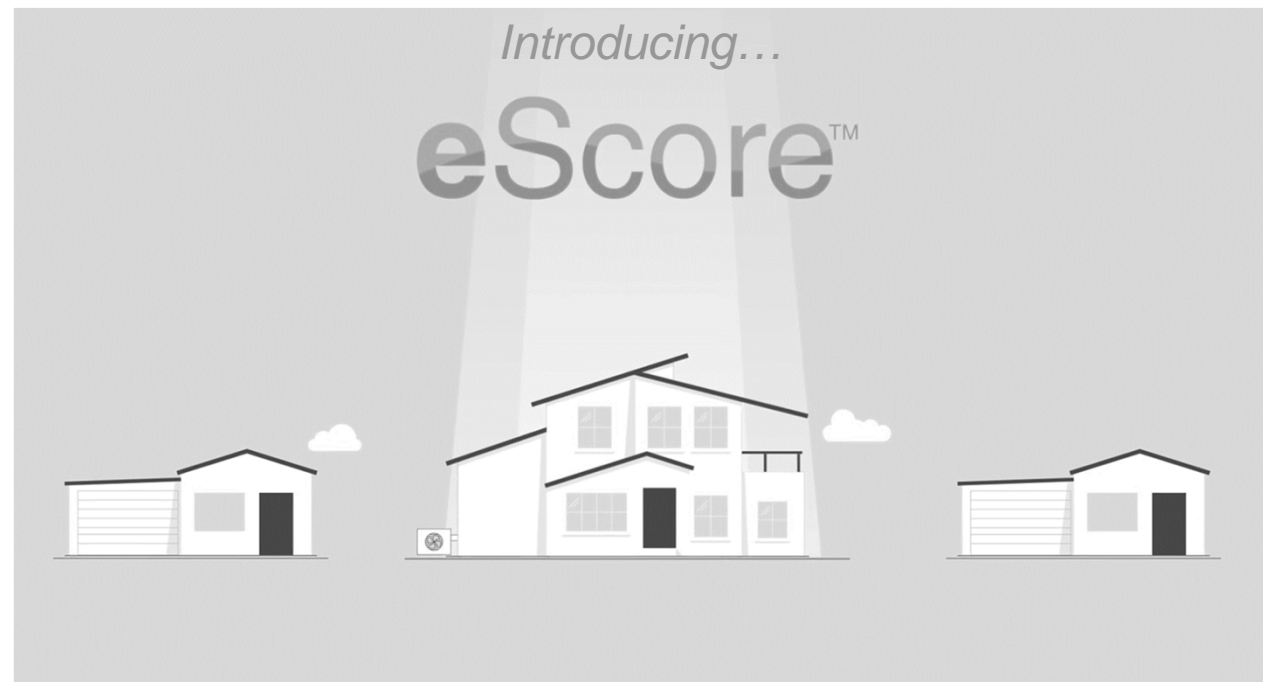
Not a core business practice for LPCs

- “We’re not a bank!”
- LPCs were stopping on-bill loans
- Billing systems (23 LPC systems)
- Discomfort with increasing compliance requirements (Dodd-Frank & CFPB)

Contractor & customer issues

- Emergency equipment replacement timing
- Loans drove relationship, rather than incentives

To top it off,
we needed to
redesign our
retrofit offer
to be more
cost-effective



Strategic Goals of Redesign



Engage residents past 'one and done'

Eliminate pre-evaluation barrier

Reduce paperwork

Simplify reporting

Improve value proposition for contractors

Increase transparency

How does
eScore
work?



See how easy it can be
to **live comfortably.**

Whatever the weather brings, you'll be ready. Make your home the best it can be. Visit 2eScore.com to find out how energy efficient your home is and what you can do to improve it. With a high eScore you can afford to live comfortably.

energyright[®]
solutions TVA

energyright[®]
solutions TVA

Multiple Onramps

eScore Self Audit

Home Depot



Pre-score

Contractor Path

eScore Portal

Each user group has an individual experience

User support

Tracking and reporting tools



eScorecard

Highly personalized

Easy to understand 1-10 scoring

eScorecard updates after upgrades are made

YOUR PATH TO A 10 eScore

	POINTS AWON	REMAINING
Air Sealing: Stay cool in summer and warm in winter by closing the places where air leaks in or out.	4	1
Attic Insulation: Keep warm or cool air from escaping through your roof by adding more attic insulation.	5	1
Duct Systems: Close the gaps in your ducts to get the most for your energy dollars.	3	1
Lighting: Replace your old incandescent bulbs with energy saving CFL or LED bulbs.	4	
Heating / Cooling Systems: When your old system needs replacing, buy equipment that meets the ENERGY STAR® standard.	6	1
Appliances / Electronics: Replace old appliances and electronics with ENERGY STAR® certified equipment.	5	
Water Heating: Lower your water heating costs by installing a super-efficient ENERGY STAR® certified unit.	7	1
Refrigerator: Replace your old refrigerator with an ENERGY STAR® certified model and save up to 30%.	8	
Windows & Doors: Look for the ENERGY STAR® label when replacing your doors or windows.	4	1

7 eScore
Complete these first 3 upgrades and you can raise your score to a 7.

HOMEOWNER
Nelson Robinson
1177 Wilson Drive SE
Reno, TN 38122

ADVISOR
Local Power Company
Local Address
City, State, Zipcode

GREAT JOB – FINISHED PROJECTS

Wall Insulation: When remodeling your home, add insulation to your walls for more comfort and higher energy savings.	10	
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eScore Technology

Online portal –
no paperwork
required

Energy Advisors
use tablet /
phablet
during audit

Self Audit app
in iTunes and
Google
Play store

Includes photos
of actual home
and easy tips



Was it finally
time to introduce
Off-Bill?



The Search



Learned from past experiences

- Need simple applicant screening requirements
- No additional contractor screening requirements
- Contractors need to be able to market easily

TVA Treasury experts engaged lending partners

- With +\$25B in managed debt, TVA has strong network of banks
- 1st response not great after credit market crunch - banks getting out of the small loan business

Talked to specialized energy efficiency lending companies

- Some obstacles from past off-bill attempt
- No bad options, but unsure of success with TVA LPCs/contractors

The Criteria



Reviewed 7 Off-Bill options from 4 companies

- **All loans must be reported as jobs in eScore**
- No loan guarantee from TVA
- No burden on LPCs
- Speed to market
- Terms/requirements need to be similar to existing On-Bill option

Must integrate with new eScore program

- Must be available to all participants in the TVA service area
- Accommodate returning customers to make energy improvements by adding or refinancing existing loan
- Align with streamlined eScore program

The Migration



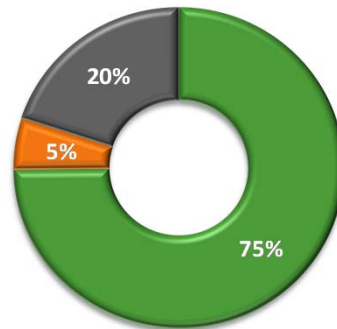
Four mindsets to navigate

- Early adopters – excited for an off-bill option and to no longer deal with headaches of on-bill administration
- Resource limited – looking to reduce burden on staff, budgets
- Anxious – eager to provide a financing option to customers, but worried about anything new
- Change Averse – stayed with old, familiar programs/processes – resistant to off-bill

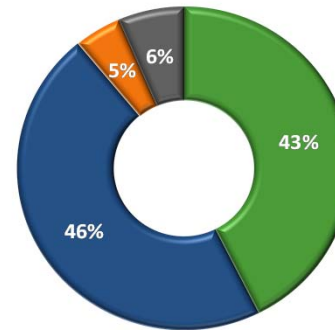
The Results

LPC Financing Options

Pre-Off-Bill



Post-Off-Bill



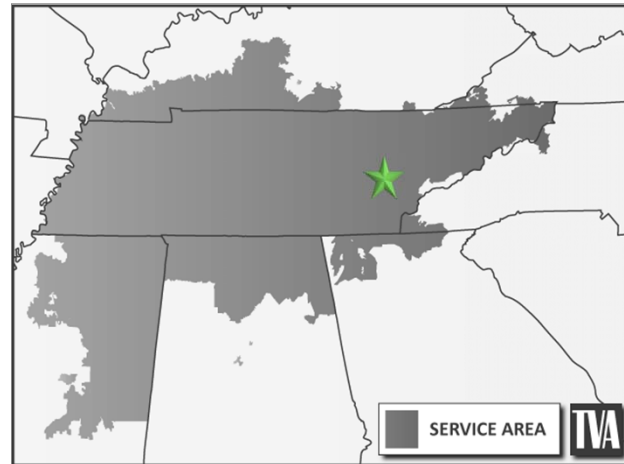
- On-Bill
- Off-Bill
- LPC Own/Other
- No Financing

Financing Model	Pre-Off-Bill	Post-Off-Bill	Change
On-Bill	116	65	(51)
Off-Bill	0	75	75
Own/Other Financing	8	7	(1)
No Financing	31	9	(22)
Total	155	155	

How does
Vanderbilt
Mortgage and
Finance Off-
Bill work?



About us



Owned by **Berkshire Hathaway**

Member of the **Clayton Homes** family of companies

Over **40 years** of lending experience

Located in **TVA service area**

Financing available **nationwide**

Our Goals



Provide an easy and efficient customer and contractor experience

Online and paperless

Integrate Vanderbilt system with eScore

Develop loan terms similar to TVA's on-bill program

A simple approach to financing

Loan Information	
Minimum Loan	\$2,500*
Maximum Loan	\$15,000
Term	Up to 10 years ¹
Annual Interest Rate	9.25% Fixed
Origination Fee	None
Application Fee	None
Prepayment Penalty	None

- No gimmicks – easy to understand terms
- All approvals valid up to \$15,000
- All loans eligible for 10 year term

9.25% • 10 Year Term	
Sample Loan Amount	Monthly Payment
\$5,000	\$64.02
\$7,000	\$89.62
\$8,000	\$102.43
\$10,000	\$128.03
\$12,000	\$153.61
\$15,000	\$192.05

- 10 year term = lower monthly payments
- Fixed rate

*\$3,001 in the state of GA

¹Minimum term 5 years

For local power companies, quality contractor network members and internal use only. Not to be distributed to or reviewed with consumers. This graphic is not an advertisement to consumers for credit. Instead it is an example of Vanderbilt eScore loan financing program provided to local power companies for informational purposes only. Vanderbilt Mortgage and Finance, Inc., 500 Alcoa Trail, Maryville, TN 37804, 865-380-3000

We fit the
eScore
program –
don't make
contractors fit
us

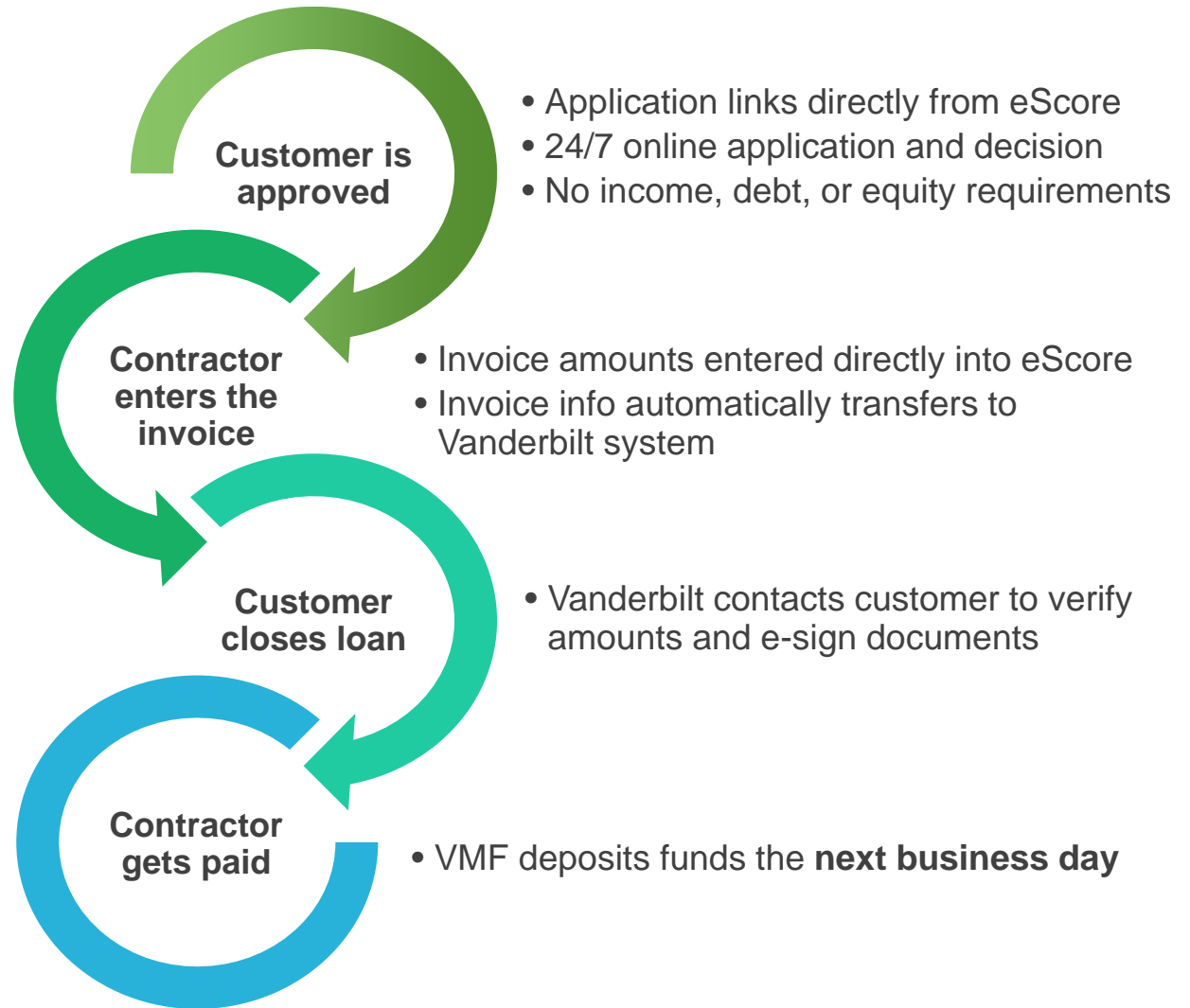


Integrated with eScore – seamless process

No additional enrollment forms or paperwork

All eScore upgrades are eligible for financing – even
items not eligible for rebates, including gas units

eScore Loan Process



Online Application

Application links directly from www.2escore.com

The screenshot displays the user interface of the energyright solutions TVA website. At the top, the logo for energyright solutions TVA is visible on the left, and the date "Friday, May 06, 2016" and "Customer Site ID: C1003063SA101" are on the right. A navigation bar contains links for "My eScore", "My Self Audit", "My Appointments", "My Applications", "My Contractors", "Find Contractors", "Survey", "Contact Us", "About Program", and "eSchool". Below the navigation bar, the "My eScore" section is active, showing a "+ Add Another Home" link. A "Customer Address" box contains the following information: "Jon Snow", "Castle Black", "301 Wall Ave", "Knoxville", "TN 37902-1407", "Site ID: C1003063SA101", and "Time Zone: EST". To the right of the address box is a blue house icon with "eScore™" written below it. Further right are two blue buttons: "Get Started Now" and "Apply for Financing". A green arrow points to the "Apply for Financing" button. At the bottom of the page, there is a link for "Your Local Power Company Rebate Schedule | Participation Agreement".

Online Application



Please Provide the following information:

* Fields are required.

Name:

Jon [] Snow []
First* Middle Last* Suffix

Address of Property:

301 [] Wall [] Ave [] []
Street #* Street Name* Street Type Unit #
Knoxville [] TN [] 37902 []
City* State* Zip* County*

Is this also your mailing address? Yes [v]

Are you the owner? Yes [v]

This property is my Primary Residence [v]

Is this a manufactured home? No [v]

In order to qualify for financing, you must be the owner of the property where the upgrade is being completed. Vanderbilt will verify ownership during the loan process.

Contact:

Please provide at least two separate phone numbers.

8655551515 [] 8655552323 []
Home Phone Work Phone Cell Phone
jonsnow@noemail.com [] jonsnow@noemail.com []
E-mail* Re-enter E-mail*

Personal:

01 / 01 / 1980 [] [] [] [] [] [] [] []
Date of Birth (MM/DD/YYYY)* Social Security #



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Electronic signature keeps process paperless



Online Application

DocuSign Envelope ID: 431082BF-2635-408F-8245-63E6388B9E4

Local Power Company: Knoxville Utilities Board
eScore Site ID: C1003003SA101

First Name: Jon | Last Name: Snow | Middle Initial: |
 Birth Date (MM/DD/YYYY): 01/01/1980 | Social Security Number: 666-73-2849 | Email: jonsnow@comcast.com
 Home Phone: (865) 555-1515 | Cell Phone: (865) 555-2323 | Work phone: |

Street Address: 301 Wall Ave | City: Knoxville | State: TN | Zip Code: 37902
 County: Knox | Do you own the property? Yes No

Property Type: One-to-four family dwelling (other than manufactured housing) | Manufactured housing
 Occupancy Type: Primary Residence | Secondary Residence | Rental Property

Mailing Address if Different from Property Address Above:
 Street Address: | City: |


The following information is requested for housing and home mortgage due "Race." The law provides that a lender and you have made this application or not wish to furnish this information, please check the appropriate box.

Ethnicity: Hispanic or Latino
 Race: American Indian or Alaska Native | Black or African American | White | Other
 Sex: Male | Female
 I do not wish to furnish this information.

GENERAL TERMS: I (1) state that the transmission of information in electronic form may result in unauthorized access to or disclosure of information, alteration of information, or destruction of information; (2) agree to amend this Application if any of the information herein should change prior to closing of the loan; (3) acknowledge that this Application is the property of Vanderbilt Mortgage and Finance, Inc. ("Vanderbilt") whether or not the loan I am applying for is approved and closed; (4) authorize Vanderbilt to request a consumer credit report on me and to request any present or past credit or employer information as to my credit or employment for the purpose of considering this Application; (5) authorize Vanderbilt, its successors and assigns, and their respective service providers to request consumer credit reports on me in the future to review, update, review, service and collect my loan and for other legitimate purposes as permitted by law, with the understanding that these parties will, upon my request, let me know whether they obtained a consumer credit report about me and tell me the name and address of any consumer reporting agency that provided the report; (6) authorize Vanderbilt to report the endorsement and information about this loan, including the delinquency and/or compliance with the loan terms and conditions; (7) agree that the handling or servicing of this loan may be transferred to another lender with notice given of such transfer as may be required by law; and (8) agree that my transmission of this Application as an "electronic record" with my "electronic signature," as those terms are defined by applicable federal and state law but not through audio or video recordings, or my facsimile transmission of this application containing my facsimile signature, shall be as effective, enforceable, and valid as if a paper version of this Application were delivered containing my original signature.

INFORMATION SHARING CONSENT: I authorize Vanderbilt and its successors and assigns to share confidential personal and financial information about me with others as needed to process my application, complete my requested transaction and service my loan if it is approved, and serve other legitimate business purposes related to my Application, transaction, and loan. I expressly authorize Vanderbilt and its successors and assigns to share this type of information about me with my home improvement contractor(s) before the closing and funding of my loan, including but not limited to information about the status of my loan application, such as whether my application is approved, declined, incomplete, or subject to further review, the amount, terms, conditions, and status of any approved loan and its expected closing date(s), and any changes in the status of my application or any changes in the amount, terms, conditions, and status of my loan.

TELEPHONE, TEXT, AND EMAIL CONSENT: By providing the number of my land line, cell phone, or other wireless device and my email address, I expressly consent and agree that Vanderbilt and any of its affiliates, agents, service providers, or assignees may call me using an automatic telephone dialing system or other means, leave me a voice message, whether by voice, pre-recorded, or artificial, or send me a text, email, or other electronic message for any purpose related to the servicing or collection of any account that I may establish with Vanderbilt or for other information purposes related to my account (such as "Communication"). I agree that Vanderbilt and any of its affiliates, agents, service providers, or assignees may call or text me at any telephone number associated with my accounts, including cellular telephone numbers, and may send an email to any email address associated with my accounts that I provide to Vanderbilt now or in the future. I also agree that Vanderbilt and any of its affiliates, agents, service providers, or assignees may include my personal information in a Communication. I acknowledge that, while Vanderbilt will not charge me for a Communication, my service provider may. In addition, I understand and agree with Vanderbilt and any of its affiliates, agents, service providers, or assignees may always communicate with me in any manner permitted by law that does not require my prior consent. I agree that Vanderbilt may monitor and record my telephone calls to assure the quality of Vanderbilt's service or for other reasons.

DocuSigned by:

 182FC41052424EC...
 Applicant's Signature

5/6/2016
 Date

eScore Loan Credit Application 2734 (March 25 2015) 3004eScoreCreditApplication

eScore Credit Application.pdf 1 of 1

Done! Click Finish to send the completed document. **FINISH** OTHER ACTIONS

DocuSign English (US) Copyright © 2016 DocuSign Inc.

Online Application

Instant credit decision is generated

The screenshot displays a web interface for an online application. At the top, there is a navigation bar with links for 'More Info', 'Welcome, Jon.', 'Manage Account', and 'Log Out'. The main content area features the Vanderbilt Mortgage and Finance, Inc. logo on the left. The central message reads: 'Congratulations, Jon Snow! You have been approved for a loan of up to \$15,000* to make energy-efficient home improvements in accordance with the Tennessee Valley Authority's eScore rebate program. Your Approval ID is 3755326.' Below this, a paragraph instructs the user to contact a member of the TVA Quality Contractor Network. A list of loan terms follows: Interest Rate: 9.25% fixed; 5-10 year (60-120 months) loan terms available; Monthly payment amount based on term - Calculate your payment; Approval only valid if applicant is record owner of property where energy efficient upgrades are completed; Approval valid for 90 days; Minimum loan requirement of \$2,500 (\$3,001 in the state of Georgia); No prepayment penalties. A checkbox labeled 'I acknowledge receipt of this approval' is checked. A green button labeled 'What Happens Next?' is positioned below the text. A link at the bottom of the main content area reads 'If you would like to retain a copy for your records, click here to print'. The footer contains the Vanderbilt logo, copyright information for 2016, and the eScore logo.

More Info Welcome, Jon. Manage Account Log Out

Vanderbilt
Mortgage and Finance, Inc.

LPC
Licensed Professional Contractor

10
eScore™
energyright solutions

Congratulations, Jon Snow!

You have been approved for a loan of up to \$15,000* to make energy-efficient home improvements in accordance with the Tennessee Valley Authority's eScore rebate program.
Your Approval ID is 3755326.

Please contact a member of the TVA Quality Contractor Network to let them know about your approval and get started on your energy upgrades.

- ▶ Interest Rate: 9.25% fixed
- ▶ 5-10 year (60-120 months) loan terms available**
- ▶ Monthly payment amount based on term - [Calculate your payment](#)
- ▶ Approval only valid if applicant is record owner of property where energy efficient upgrades are completed
- ▶ Approval valid for 90 days
- ▶ Minimum loan requirement of \$2,500 (\$3,001 in the state of Georgia)
- ▶ No prepayment penalties

I acknowledge receipt of this approval

What Happens Next?

[If you would like to retain a copy for your records, click here to print](#)

Vanderbilt © 2016 - Vanderbilt Mortgage and Finance, Inc. All Rights Reserved **eScore**

Online Closing

Customer receives automatic notification to begin closing process at www.vanderbiltescore.com

The screenshot shows the website interface for Vanderbilt Mortgage and Finance, Inc. At the top left is the company logo, which includes a house icon and the text "Vanderbilt Mortgage and Finance, Inc." Next to it is a green house icon with the number "10" and "eScore" below it. To the right of the logo is a navigation menu with links for "Overview", "What We Finance", "How to Apply", "FAQs", and "About Us". In the top right corner, there is a contact link: "Questions? Call 1-888-893-8792 or email escoreloans@vmf.com".

The main content area features a large blue banner with a lightbulb icon and the text "Make your home MORE ENERGY EFFICIENT". To the right of this text is a photograph of a smiling family (a woman, a young girl, and a man) standing in front of a house.

Below the banner is a section for returning customers. It includes a photograph of a man wearing a hard hat and holding blueprints. To the right of the photo is the heading "Returning Customers Log In Here". Below this heading is a login form with two input fields: "Username" and "Password". To the right of the "Username" field is a blue "Log In" button. Below the "Password" field is a link that says "Forgot Password?".

Online Closing


Loan Closing Process

[More Info](#) Welcome, Jon. [View Approval](#) | [Manage Account](#) | [Log Out](#)


**Thank you for giving Vanderbilt the opportunity to handle your financing needs.
We are excited to have you as a valued customer and look forward to serving you.**

Our goal is to provide you with a truly great experience in working with Vanderbilt. We want to partner together to make this loan process as simple and convenient as possible for you.

Below is our easy 5 Step Process to closing and funding your loan. Remember we are here to help you in any way possible, so should you have any questions at all during this process please don't hesitate to send us an email at escoreloans@vmf.com or call us at 1-888-893-8792.




Jon Snow
301 Wall Ave
Knoxville, TN 37902
Approval #3755326





Knoxville Utilities Board

Approval valid until: 8/4/2016

Step 1	Contractor Enters Upgrade Information Into eScore	i <input checked="" type="checkbox"/>
Step 2	Verify Work Completed and Loan Amount	i <input type="checkbox"/>
Step 3	Confirm Loan Amount	i <input type="checkbox"/>
Step 4	Sign Loan Documents	i <input type="checkbox"/>
Step 5	Create Loan and Pay Contractors	i <input type="checkbox"/>

We hope you enjoy all the benefits of your energy efficiency upgrades on your way to achieving a perfect 

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Online Closing

E-Sign Documents

Electronic Signatures used in closing process, same as application

Document ID: 1F032EA736A424C7828A7F8888

CONSUMER LENDING SECURITY AGREEMENT AND SECURITIZATION AGREEMENT

Borrower's Name: JON SNOW
 LENDER: Vanderbilt Mortgage and Finance, Inc. Two Citrus Box 200 Memphis, TN 38102
 Borrower's Address: 311 HALL AV. INDIANOLA TN 37030

DESCRIPTION OF IMPROVEMENTS

Location	By (code)	Subcontractor	Is	Financing a new Service of Goods
1. Home	None	None	Not	Other Goods
2. Other	None	None	Not	Other Goods

TRADE FINANCING DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The rate of financing costs as a yearly rate	The amount of credit provided to Borrower or on Borrower's behalf		The amount borrower will have paid plus Borrower's share of payments
9.25%	\$3,388.48	\$10,000.00	\$18,488.48

NOTICE TO THE BORROWER: I DO NOT SIGN THIS NOTE BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. I HAVE READ THIS NOTE AND I HAVE RECEIVED A COPY OF THIS NOTE FOR REVIEW. I HAVE READ THIS NOTE AND I HAVE RECEIVED A COPY OF THIS NOTE FOR REVIEW. I HAVE READ THIS NOTE AND I HAVE RECEIVED A COPY OF THIS NOTE FOR REVIEW. I HAVE READ THIS NOTE AND I HAVE RECEIVED A COPY OF THIS NOTE FOR REVIEW.

BORROWER: JON SNOW
 Borrower: JON SNOW

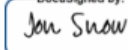
NOT VALID UNLESS ACCEPTED BY LENDER.

CERTIFICATE OF COMPLETION AND DISBURSEMENT AUTHORIZATION

Loan Number:	Escrow/Service Date:
Name and Address of Lender ("Lender")	Name and Address of Borrower ("Borrower")
Vanderbilt Mortgage and Finance Inc. Two Citrus Box Memphis, Tennessee 38102	311 HALL AV INDIANOLA TN 37030
Name and Address of Improver Property ("Property")	Name of Lender's ("Lender's")
INDIANOLA TN 37030	Vanderbilt Mortgage

Date: 5/9/2016

Date of this Note: 5/9/2016

BORROWER
 DocuSigned by:

 182FC41052424EC...
 (Borrower) JON SNOW

Signature of Borrower: 
 JON SNOW
 Date: 5/9/2016

Online Closing

Vanderbilt pays contractor directly

Welcome, Jon. [View Approval](#) | [Manage Account](#)

Thank you for giving Vanderbilt the opportunity to handle your financing needs. We are excited to have you as a valued customer and look forward to serving you.

Our goal is to provide you with a truly great experience in working with Vanderbilt. We want to partner together to make this loan process as simple and convenient as possible for you.

Below is our easy 5 Step Process to closing and funding your loan. Remember we are here to help you in any way possible, so should you have any questions at all during this process please don't hesitate to send us an email at escoreloans@vmf.com or call us at 1-888-893-8792.

Jon Snow

Congratulations!

Your loan closing is complete. Your first payment will be due on **7/1/2016**. We will create your loan and pay your contractor(s). After reviewing the information on this page, you may logout or close your browser. Thank you for choosing Vanderbilt.

How was your experience with Vanderbilt eScore Loans? [Let us know here!](#)

Close

Step 1

Step 2

Step 3

Step 4

Step 5 Create Loan and Pay Contractors

Congratulations, your loan process is complete!

Your first due date is 7/1/2016. We will mail you a payment book to get you started. Please visit our easy to use loan servicing website – www.vmf.com – you can log in using the same username/password you have used throughout this process. Here, you can take advantage of our FREE and Secure online payment options, as well as set up automatic draft payments. We are excited to have you as a customer and if, at any point, you have any questions or comments, feel free to call us at 1-800-970-7250 or use the 'Contact Us' option at www.vmf.com.

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energyright solutions TVA

Vanderbilt Advantages

Entire loan process is simple and easy

- Online loan application is available 24 hours a day / 365 days a year
- Instant credit decisions
- All approvals valid up to \$15,000
- No extra paperwork for contractors
- Online loan closing – totally paperless
- Fast payment – directly to contractor

Focus on Customer Experience

- Online process without sacrificing service – team members available for customer assistance
- Customer can call Vanderbilt to complete a phone application and still receive an instant credit decision

Customer Experience



77% Net Promoter Score
(>70% is considered world class)

94% Capture Rate

What do you like most about the program?



Vanderbilt Advantages

Vanderbilt offers a fixed interest rate for the life of the loan

- Rate won't go up if not paid off in a shortened period of time
- Rate won't go up if customer is late

No introductory or teaser rates

- Some companies offer teaser rates that skyrocket after the introductory period

The “fine print” from a 0% interest promotion:

No Interest if Paid in Full with monthly payments

If the purchase balance is not paid in full within the special terms period, interest will be charged to your Account from the purchase date at a rate of 28.99%. This special terms promotion may be offered for periods of 6-18 months. This special terms promotion will be identified on your statement as “NO INT IF PD IN FULL.” The Special Terms End Date will disclose the duration of the special terms.

Loan Comparison – 0% for 12 months

Lender	Vanderbilt	Comp
Initial Interest Rate	9.25%	0%
Rate after 12 months	9.25%	28.99%
Buy Down %	0%	4.25%
Invoice Amount	\$8,000	\$8,000
Buy Down Fee	\$0	\$340
Total*	\$8,000	\$8,340
Min Monthly Payment to pay off in 12 months	\$700.54	\$695.00

* If buy down fee is passed along to customer

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No Contractor Buy Down Fees

There is no charge to the contractor for this loan

No complicated buy down calculations

Some companies charge fees to offer lower rates – Fees passed along to customer? Fees come out of contractor's profit?

A Vanderbilt customer is like having a cash-paying customer

Loan Comparison – with Buy Down Fees

Lender	Vanderbilt	Comp
Interest Rate	9.25%	7.99%
Term	10 years	10 years
Buy Down %	0%	7.35%
Invoice Amount	\$8,000	\$8,000
Buy Down Fee	\$0	\$588
Total*	\$8,000	\$8,588
Monthly Payment	\$102.43	\$104.15

* If buy down fee is passed along to customer

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Questions?

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