Energy Savers: From Model to Mainstream
Energy Savers: Overview

• Preserving affordable rental housing (launched in 2008)

• Partnership: Elevate Energy and Community Investment Corporation

• One Stop Shop: Elevate Energy
  • Energy assessments at no cost to owner
  • Intensive handholding and follow-up
  • Ongoing monitoring

• Pilot Loan Pool: CIC
  • CIC as trusted partner to owners
  • Naturally occurring affordable housing stock
  • Favorable financing terms
Energy Savers: Track Record

• The Model Works:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessments</td>
<td>62,000 units</td>
</tr>
<tr>
<td>Upgrades</td>
<td>28,000 units</td>
</tr>
<tr>
<td>CIC Loans and Grants</td>
<td>10,000 units, $23.6 million</td>
</tr>
</tbody>
</table>

• Savings: Owners save 25-30% on energy bills

• Piloted New Loan Structure
  • Underwriting based on projected energy savings; higher LTV
  • Strong performance; minimal losses
    • $20.8 million in loans
    • $116,000 losses
    • Current delinquencies: 3.5%
Energy Savers: Lessons Learned

• Information matters
  • Owners act on assessments
  • 2/3 of owners complete retrofits with their own resources

• High touch owner outreach and follow-up
  • Trusted partners - CIC as messenger
  • Contractor selection and construction management
  • Resource coordination - utility rebates, incentives, tax credits
  • Follow-up and tracking data - Is equipment working properly?

• Owner preferences on loan terms
  • Smaller monthly payments matter more than lower rate
  • Longer amortization

• Loan pool investors confident in the model
  • CIC shifted pilot pool into primary loan pool
# Energy Savers Loan Fund

<table>
<thead>
<tr>
<th></th>
<th>Original Structure</th>
<th>Energy Savers 2.0</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital</strong></td>
<td>PRIs (MacArthur, Bank of America)</td>
<td>CIC Investors</td>
</tr>
<tr>
<td><strong>Loan Loss Reserves</strong></td>
<td>Government Sources (City of Chicago, CMAP)</td>
<td>CIC Reserves</td>
</tr>
<tr>
<td><strong>Collateral</strong></td>
<td>2(^{nd}) Mortgage</td>
<td>1(^{st}) Mortgage (some 2nds)</td>
</tr>
<tr>
<td><strong>Loan Term</strong></td>
<td>7 years</td>
<td>10 years</td>
</tr>
<tr>
<td><strong>Amortization</strong></td>
<td>7 years</td>
<td>25 years</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>3%</td>
<td>~4.5%</td>
</tr>
</tbody>
</table>
Energy Savers: From Model to Mainstream