

Smart-E Loan Program

Information for Interested Lenders

August 7, 2024



Welcome & Agenda



RFQ overview

Green Bank background

Smart-E loan background

Key benefits to lenders

Roles and expectations

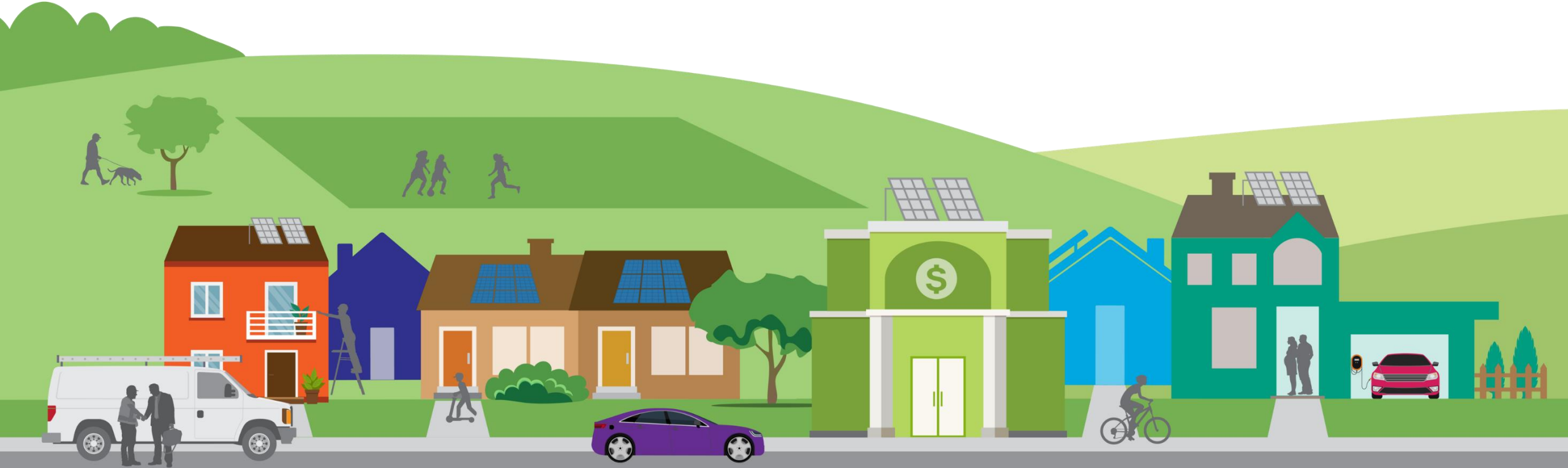


RFQ Overview

As administrator of the Smart-E Loan program, the Connecticut Green is seeking new lenders interested in participating in the program to help its expansion, which includes:

- Reaching more homeowners across Connecticut, especially low-and-moderate income homeowners and communities of color.
- Continuing to increase the program's offerings beyond clean energy and energy efficiency into home resilience.
- Evaluating potential opportunities created by the Greenhouse Gas Reduction Fund (GGRF).

Connecticut Green Bank Overview



Mission & Vision



Connecticut Green Bank is the nation's first state level green bank. Established in 2011 as a quasi-public agency, the Green Bank uses limited public dollars to attract private capital investment and offers green solutions that help people, businesses and all of Connecticut thrive.

Our mission is to confront climate change by increasing and accelerating investment into Connecticut's green economy to create more resilient, healthier, and equitable communities.



Our Goals



Leverage limited public resources to scale-up and mobilize private capital investment in the green economy of Connecticut.

Pursue investment strategies that advance market transformation in green investing while supporting the organization's financial sustainability goals.

Strengthen Connecticut's communities, especially vulnerable communities, by making the benefits of the green economy inclusive and accessible to all individuals, families, and businesses.



Our Solutions

The Green Bank is helping Connecticut flourish by offering green solutions for homes and buildings, and by creating innovative ways to invest in the green economy.



CONNECTICUT GREEN BANK
HOME SOLUTIONS

The illustration shows two houses, one brown and one teal, both with solar panels on their roofs. Small figures of people are shown near the houses, and a fence is visible in the foreground.



CONNECTICUT GREEN BANK
BUILDING SOLUTIONS

The illustration depicts a city street scene with a brown office building, a blue modern building with solar panels, and a white church with a steeple. A red car is parked on the street, and a person is walking.



CONNECTICUT GREEN BANK
INVESTMENT SOLUTIONS

The illustration shows a green bank building with a dollar sign on its facade, a grey building with solar panels, and a wind turbine. A person is riding a bicycle in the foreground.



CONNECTICUT GREEN BANK
COMMUNITY SOLUTIONS

The illustration features a large, classical-style building with a dome, likely a state capitol building. A blue car is parked in front, and a person is walking.



CONNECTICUT GREEN BANK
CONTRACTOR SOLUTIONS

The illustration shows a white contractor van parked in front of a blue building with solar panels and an orange house. A person is standing near the van, and a ladder is leaning against the house.



energy storage SOLUTIONS

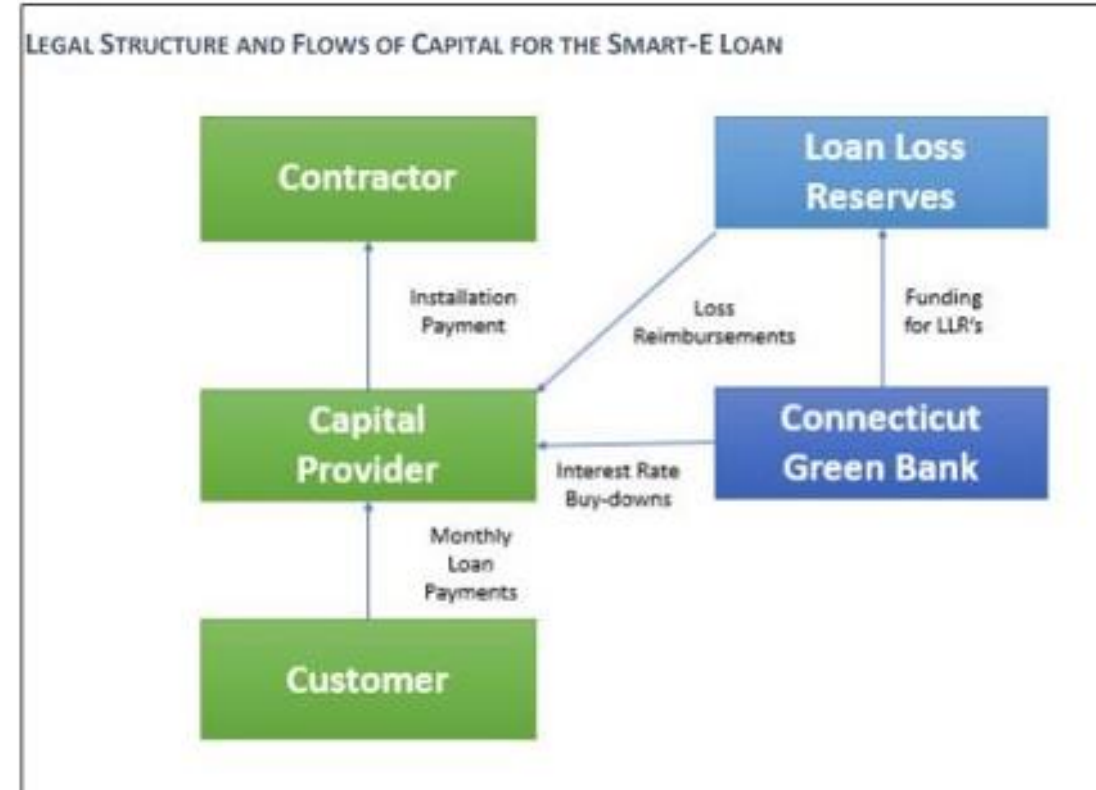
The illustration depicts a green house with solar panels, a pizza shop with a sign that says "PIZZA SHOP", and a dark, stormy sky with lightning bolts.

Smart-E Loan Background

- A National Model
 - Similar programs are in place in over 10 states with more states joining in the near future
- The green energy movement is in a unique place with billions of dollars in federal investment now available, accelerating awareness and need for green energy financing
- Open to all financial institutions (Credit Unions, Community Banks, CDFIs, etc.)
- Supported by credit union leagues

Connecticut Smart-E Loan Portfolio

- More than 9,000 projects financed since 2013
- Total investment of more than \$170 million
- Lenders are supported through a loan-loss reserve
- Loan delinquencies and charge-offs are very low-closely aligned with secured products rather than unsecured loans



NGEN – National Green Energy Network

- NGEN is the Smart-E program's secured, project management tool
- Only contractors, lenders and the Connecticut Green Bank have access
- Streamlines project communication and facilitates quick loan closings
- Automatically sends notifications to parties via email on project updates and steps to take
- Provides project transparency for lenders
- Does not need to be integrated into lender core systems-allowing quick and easy program set up
- Tracks all project information and stores information regarding loan details and disbursements so lenders do not have to



Smart-E Loan Program Overview

1

Unsecured Personal Loan
1 to 4 Unit Properties
Owner Occupied
No Property Lien

Residential Unsecured Loan

2

Below Market Interest Rates
Flexible Terms
NO Down Payment
NO Pre-Payment Penalty

Low Interest/ Flexible Terms

3

70+ improvements
HVAC | Solar | Insulation
Resiliency | Windows | Wells
.. and much more!

70+ Improvements

A full list of eligible improvements can be found here:
<https://www.ctgreenbank.com/homesolutions/smart-e-loans/eligible-upgrades/>

Smart-E Loan Program Overview

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Loan Amounts

\$500 to \$50,000 loan amounts
25% allowed for
“other / related” measures

5

Built-in Payments

Project Disbursements 1/3 at loan
closing 2/3 at completion

**Optional Project
Disbursements for
Solar / Geothermal*

6

Local Lenders

Customers apply directly
with local lenders

Borrower Qualifications

- 580 FICO min
- 50% DTI max
 - DTI may be waived for FICO 680+
- No bankruptcies or foreclosures - 7 years
- **All final underwriting decisions made by the lender**



Key Benefits to Lenders

- Quality leads generated through contractors and Green Bank website
- Diversify loan concentration with a new asset class
- Cost and risk mitigation
- Access to new members/customers and contractors – majority of applicants are new to the financial institution
- Easy program implementation for lenders



Lender Role & Expectations



Smart-E lenders are expected to

- Use the National Green Energy Network (NGEN) platform to facilitate the transaction process
- Process loan applications promptly (applying program criteria to underwriting)
- Communicate with applicants as soon as a decision is made
- Provide clear project communication via NGEN and ACH payments directly to contractors
- Allow for on-line loan closings
- Work with the Connecticut Green Bank marketing team to promote Smart-E Loans to their existing customer or members
- Administer the program including disbursements, reporting, and training staff to understand and promote Smart-E
- Communicate and meet with Connecticut Green Bank staff regularly

Green Bank's Role

The Green Bank and its administrative partner, Inclusive Prosperity Capital (IPC), oversee the onboarding, vetting, and management of contractors and project approval

This includes:

- Ensuring contractors participate in trainings
- Verifying contractor license, insurance, and standing with the Better Business Bureau (must have a positive rating)
- Approving paperwork on improvement projects
- Ensuring equipment meets technical and efficiency standards
- Overseeing project installations with a post installation inspection protocol

Questions & Answers

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Thank you for attending!

