

# Green Jobs-Green New York Financing Status Update Advisory Council Meeting September 14, 2011

Jeff Pitkin, Treasurer

# Agenda

- Unsecured loan portfolio status
- Revisions to loan underwriting standards
- On-bill recovery financing status
- HUD PowerSaver loan status
- DOE Better Buildings grant developments
- Bonding Approach developments

# Unsecured Residential Loan Portfolio Status

8/31/2011

<u>Status</u>	<u># Loans</u>	<u>Amount</u>
Closed and Purchased	502	\$4,092,125
Closed Awaiting Purchase	27	195,269
Approved Pending Completion	<u>162</u>	<u>1,444,871</u>
Subtotal	691	<u>\$5,732,265</u>
Pre-approved	<u>388</u>	
Total	<u>1,079</u>	

# Unsecured Residential Loan Portfolio Status

8/31/2011

<u>Loans Outstanding</u>	<u>Tier 1</u>	<u>Tier 2</u>	<u>Total</u>
Number of Loans	481	17	498
Weighted Avg FICO score	749	673	746
Weighted Avg Original Term	11.8	14.2	11.9
Weighted Avg Term Remaining	11.6	14.2	11.7
Weighted Avg Interest Rate	3.57%	3.60%	3.57%
Average Monthly Payment	\$80	\$70	\$79
Average Loan	\$8,147	\$9,065	\$8,178
Average Current Balance	\$7,952	\$8,959	\$7,986
Current Balance of Loans	\$3,977,209	\$152,306	\$3,977,209
% of Total	96%	4%	100.0%

# Unsecured Residential Loan Portfolio Status

8/31/2011

<u>Delinquency analysis</u>	<u>Tier 1</u>		<u>Tier 2</u>	
	<u># Loans</u>	<u>% of Total</u>	<u># Loans</u>	<u>% of Total</u>
Current	480	99.9%	17	100.0%
31-60 days past due	0	0.0%	0	0.0%
61-90 days past due	1	.1%	0	0.0%
90+ days	<u>0</u>	<u>0.0%</u>	<u>0</u>	<u>0.0%</u>
Total	481	100.0%	17	100.0%

# Unsecured Residential Loan Portfolio Status

8/31/2011

<u>Loan Application Approval</u>	<u># Loans</u>	<u>% of Total</u>
Approved	1,079	60%
Denied	<u>731</u>	<u>40%</u>
Total	1,810	100%

<u>Reason for Denial</u>	<u># Loans</u>	<u>% of Total</u>
Debt Ratio	314	43%
Credit Score	165	23%
Bankruptcy, foreclosure, repossession	128	18%
Collections, judgments, chargeoffs	110	15%
Other	<u>14</u>	<u>2%</u>
Total	731	100%

# Revisions to Loan Underwriting Standards

Standard	Unsecured "Tier 1" (Funded from revolving loan fund, aggregated, and financed through capital markets)	Unsecured "Tier 2" (Funded from revolving loan fund, monitor for 2-3yrs acceptable performance, and financed through capital markets)
<b>Minimum FICO or alternate</b>	640 680 if self-employed 2yrs+ 720 if self-employed < 2yrs	No minimum FICO <ul style="list-style-type: none"> <li>• Utility bill current for 2 consecutive months in each of last 2yrs</li> <li>• No utility/mortgage payment &gt; 60 days late in past 2 yrs</li> <li>• Current on any mortgage payments for last year</li> </ul>
<b>Debt:Income</b>	Up to 50%	Up to 55% * Up to 70% if FICO 680+ **
<b>Bankruptcy</b>	None within last 7 yrs	None within last 5 yrs **
<b>Judgments</b>	No outstanding collections, judgments, or liens > \$2,500	

\* Revised 1/26/2011

\*\* Revised 7/21/2011

# On-bill Recovery Financing Status

- Weekly calls with utility and DPS staff to discuss on-bill processes and tariff issues
- NYSERDA developing financing agreement, mortgage, and notice documents
- Contracting with Signature Title and Escrow (Smithtown) for mortgage recordation/satisfaction

## Schedule:

- Legislation effective 8/4/2011
- PSC commence proceeding 9/18/2011
- PSC establish procedures by 1/1/2012
- Offer on-bill recovery financing by 5/30/2012
- Launch with one “early adopter” utility territory

# HUD PowerSaver Loan Status

- Energy Finance Solutions (EFS) seeking approval from State Banking Department to confirm ability to originate mortgage loans without being licensed lender as a not-for-profit
- EFS finalizing plans for HUD required quality assurance oversight
- EFS to submit application to be approved as Title 1 lender
- NYSERDA must also submit application for approval as Government Lender since it will hold loans
- 30-45 day review and approval by HUD
- EFS revising loan documents to conform to HUD standards for secured loans
- Implementation several months away

# DOE Better Buildings Grant Status

- Subgrant awards made to local governments to meet 60% requirement

Component	Amount
Subgrant - Long Island Consortium (outreach)	\$3,000,000
Subgrant – Town of Bedford/Westchester PACE pilot	1,267,864
Subgrant – Oswego County small business revolving loans	744,825
Subgrants – GJGNY host communities (outreach)	614,730
GJGNY small business energy audit subsidies	1,600,000
Utility billing system upgrades to support on-bill financing	900,000
Loan loss reserves (including \$2M from Long Island consortium)	9,012,581
Administration	<u>1,360,000</u>
Total	\$18,600,000

# Bonding Approach Developments

- Working with financial advisory team to set up meetings with rating agencies
- Exploring NYS Environmental Facilities Corp AA credit enhancement
- Will issue RFP to select bond underwriters – late 2011, early 2012
- Continue to explore with local governments reallocation of QECB bond authority to increase tax-subsidy bonding authority allowing lower loan interest rate

Local government	Amount
Allocated to NYS Government	\$20,065,118
Broome County	1,803,389
Oswego County	<u>1,272,585</u>
Available to date	23,141,092
Local governments who have expressed intention to reallocate:	
Town of Smithtown, Town of Huntington, Rockland County, Suffolk County	<u>6,613,054</u>
Total	<u>29,754,146</u>