

# Green Jobs-Green New York Financing Status Update Advisory Council Meeting September 13, 2012

Jeff Pitkin, Treasurer

# GJGNY Revolving Loan Fund Status 8/31/2012

<u>Program</u>	<u>Revolving Loan Fund</u>	<u># Loans Issued</u>	<u>Loans Issued</u>
Residential	\$26,692,533	1,931	\$18,112,707
Small Commercial/NFP	\$13,274,957	2	\$28,500
Multifamily	<u>\$11,292,550</u>	<u>1</u>	<u>\$500,000</u>
Total	<u>\$51,260,000</u>	<u>1,934</u>	<u>\$18,641,207</u>

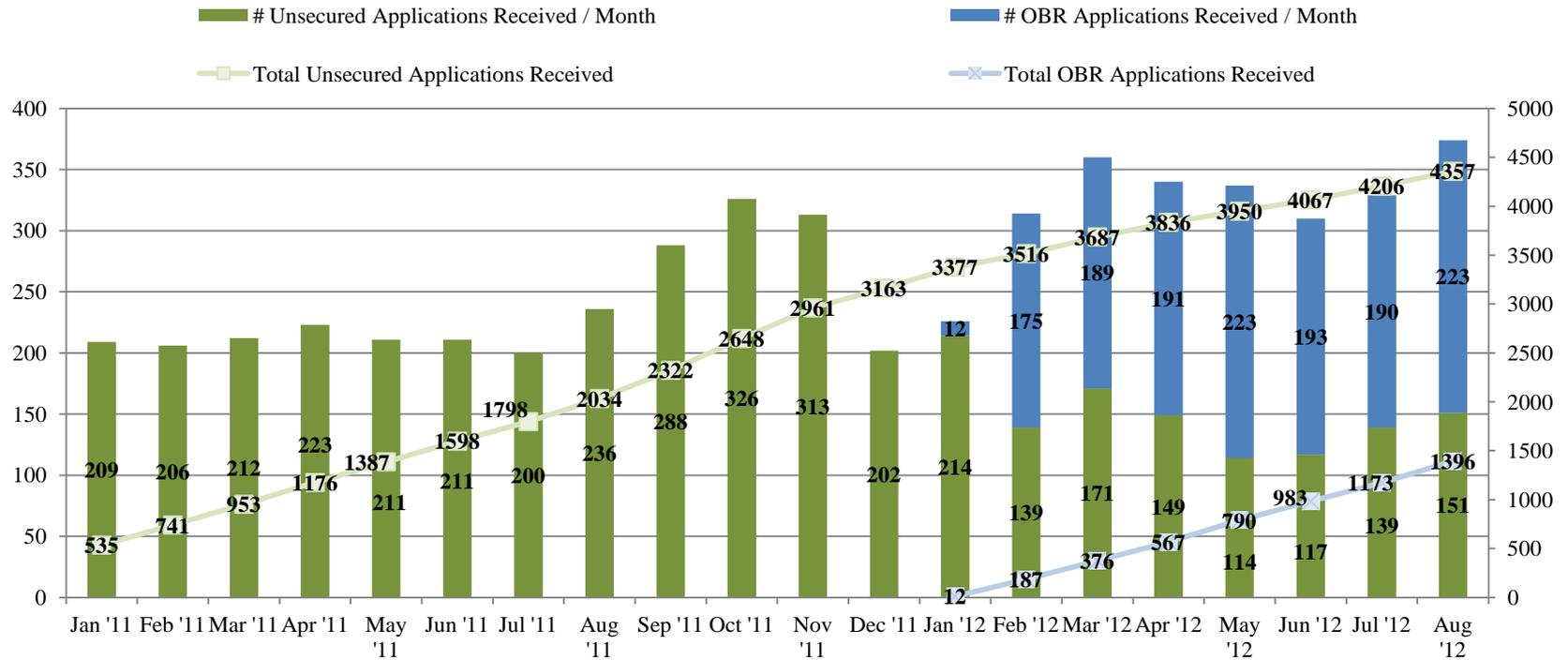
# Residential Loan Portfolio Status 8/31/2012

## Applications Status

<u>Status</u>	<u>Unsecured</u>		<u>On-Bill Recovery</u>		<u>Total</u>	
Approved	2,638	66%	847	67%	3,485	66%
Denied	1,055	26%	342	27%	1,397	26%
Didn't pursue Tier2	<u>318</u>	<u>8%</u>	<u>72</u>	<u>6%</u>	<u>390</u>	<u>7%</u>
Total	4,011	100%	1,261	100%	5,272	100%
Pending	11		9		20	
Withdrawn prior to approval	<u>335</u>		<u>126</u>		<u>461</u>	
Total Applications Received	4,357		1,396		5,753	

# GJGNY Residential Financing Application History

## Green Jobs-Green New York Financing Applications Received



# Residential Loan Portfolio Status 8/31/2012

## Application Denials

<u>Reason for Denial</u>	<u>Unsecured</u>		<u>On-Bill Recovery</u>		<u>Total</u>	
Debt Ratio	551	40%	146	35%	697	39%
Credit Score	349	25%	169	41%	518	29%
Bankruptcy, foreclosure, repossession	227	17%	56	14%	283	16%
Collections, judgments, chargeoffs	214	16%	40	10%	254	14%
Other	<u>32</u>	<u>2%</u>	<u>3</u>	<u>1%</u>	<u>35</u>	<u>2%</u>
Total	1,373	100%	414	100%	1,787	100%

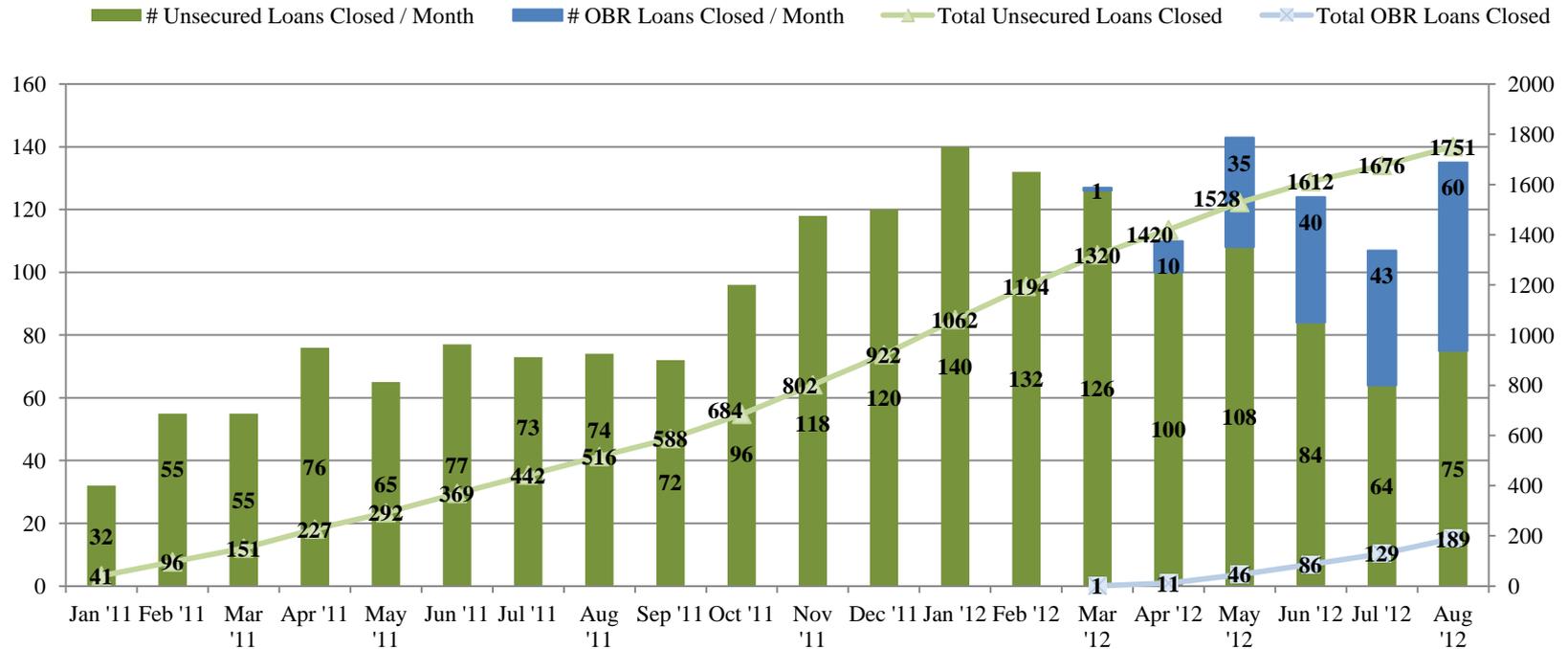
# Residential Loan Portfolio Status 8/31/2012

## Approved Loans

<u>Status</u>	<u>Unsecured</u>		<u>On-Bill Recovery</u>		<u>Total</u>	
Closed Loans	1,751	\$16,037,495	189	\$1,944,630	1,940	\$17,982,125
Approved Pending Completion	<u>162</u>	<u>\$1,392,597</u>	<u>152</u>	<u>\$1,645,926</u>	<u>314</u>	<u>\$3,038,522</u>
Subtotal	1,913	<u>\$17,430,091</u>	<u>341</u>	<u>\$3,590,556</u>	2,254	<u>\$21,020,647</u>
Preapproved	267		455		722	
Withdrawn	<u>458</u>		<u>51</u>		<u>509</u>	
Total	<u>2,638</u>		<u>847</u>		<u>3,485</u>	

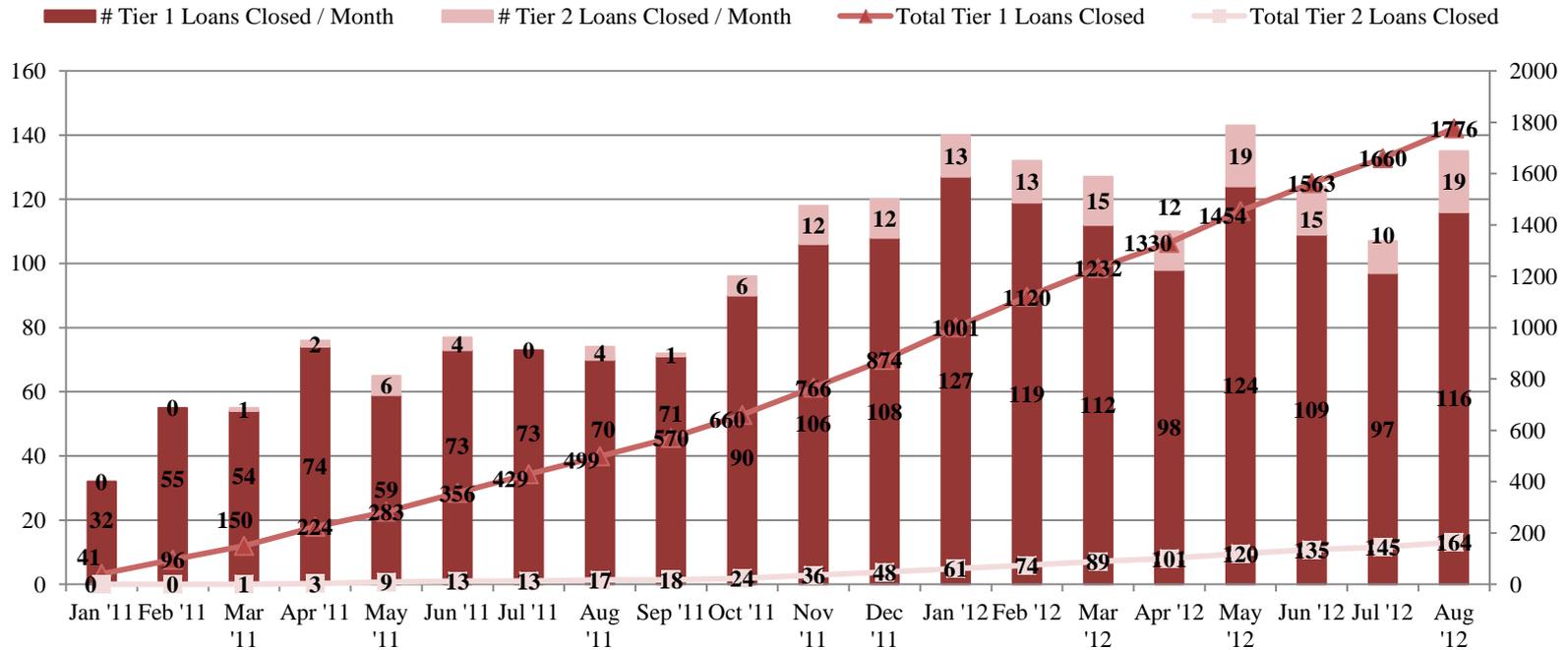
# GJGNY Residential Loan History

## Green Jobs-Green New York Financing Loans Issued by Type



# GJGNY Residential Loan History

## Green Jobs-Green New York Financing Loans Issued by Tier



# Residential Loan Portfolio Status 8/31/2012

## Loan Statistics

	<u>Unsecured Loans</u>		<u>On-Bill Recovery Loans</u>		<u>Total</u>
	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 1</u>	<u>Tier 2</u>	
Loans Issued	1,596	152	167	16	1,931
Loans Issued	\$14,746,623	\$1,453,890	\$1,745,061	\$167,132	\$18,112,707
% of Total	81.4%	8.0%	9.6%	1.0%	100%
Avg FICO score	747	712	747	712	744
Avg DTI	33%	88%	32%	74%	37%
Avg Original Term (mos)	138.4	154.7	172.0	172.5	143
Avg Term Remaining	126.2	146.7	172.0	172.5	132
Avg Interest Rate	3.59%	3.60%	2.99%	2.99%	3.53%
Average Loan	\$9,240	\$9,565	\$10,449	\$10,446	\$9,380
P&I Repaid	\$1,465,091	\$99,056	\$1,729	\$0	\$1,565,877
Current Balance	\$13,631,951	\$1,380,129	\$1,743,409	\$167,132	\$16,922,621
# Loans Outstanding	1,565	150	167	16	1,898

# Residential Loan Portfolio Status 8/31/2012

## Loan Performance

<u>Status</u>	<u>Unsecured Loans</u>				<u>On-Bill Recovery Loans</u>			
	<u>Tier 1</u>		<u>Tier 2</u>		<u>Tier 1</u>		<u>Tier 2</u>	
	<u>#</u>	<u>% of \$</u>	<u>#</u>	<u>% of \$</u>	<u>#</u>	<u>% of \$</u>	<u>#</u>	<u>% of \$</u>
Current	1,557	99.61%	148	99.36%	167	100.00% *	16	100.00% *
31-60 days past due	5	0.29%	0	0%	0	0%	0	0%
61-90 days past due	1	0.05%	1	0.26%	0	0%	0	0%
90+ days	<u>2</u>	<u>0.5%</u>	<u>1</u>	<u>0.38%</u>	<u>0</u>	<u>0%</u>	<u>0</u>	<u>0.00%</u>
Total	1,565	100.00%	150	100.00%	167	100.00%	16	100.00%

Note: OBR Loans were implemented with no payments due from customers until billing periods starting in June 2012. There is also lag between utility collection from customer and utility monthly remittance to NYSERDA – going forward, OBR loan status will be measured based on date payments due from utility.

# On-Bill Recovery Loans by Utility

Utility	Initial Cap (.5%)	Preapproved		Approved		Issued		Total # In Process	% of Cap	Total \$
		# Loans	Loan Amt	# Loans	Loan Amt	# Loans	Loan Amt			
Central Hudson	1,524	44	\$404,800	10	\$146,819	8	\$87,951	62	4.1%	\$639,570
Con Edison	17,066	29	\$266,800	21	\$298,160	21	\$238,173	71	0.4%	\$803,133
LIPA	5,591	85	\$782,000	42	\$474,343	41	\$475,404	168	3.0%	\$1,731,747
National Grid upstate	8,419	164	\$1,508,800	44	\$404,205	62	\$562,047	270	3.2%	\$2,475,053
NYSEG	4,675	101	\$929,200	24	\$228,958	39	\$403,069	164	3.5%	\$1,561,227
Orange & Rockland	1,123	18	\$165,600	8	\$81,905	11	\$130,840	37	3.3%	\$378,344
RG&E	2,026	14	\$128,800	3	\$11,536	7	\$47,146	24	1.2%	\$187,482
<b>Total</b>	<b>40,423</b>	<b>455</b>	<b>\$4,186,000</b>	<b>152</b>	<b>\$1,645,926</b>	<b>189</b>	<b>\$1,944,630</b>	<b>796</b>	<b>2.0%</b>	<b>\$7,776,556</b>

# Changes to Standards

Changes effective 7/13/12:

- Revised cost effectiveness standards for Unsecured Loan to require estimated energy savings over life of measures must be at least 80% (rather than 100%) of the amount the consumer repays on the loan.
- Added an inflation/escalation factor to compute energy savings over the life of the measures of .8% per year (based on EIA projections).
- Eliminated the portion of loan repayments related to ancillary health and safety measures (limited to not more than 15% of total project and not more than \$2,000) from being included in cost effectiveness calculations.

Change effective 8/28/12:

- Revised loan underwriting standards to require maximum debt:income ratio of 100% for Tier2 consumers who qualify for Assisted Home Performance (50%) incentive

# Proposed Change to Standards

## Change to **Unsecured Loan** Cost Effectiveness Requirements

Either:

- Prequalified measures (qualify for 10% incentives) comprise at least 85% of loan amount; or
- If prequalified measures comprise less than 85% of loan, estimated energy savings of anticipated life of all energy efficiency improvements must be at least 80% of loan principal and interest to be repaid under the loan

Benefits:

- Eliminates requirement for contractors to prepare cost effectiveness pro-forma for majority of projects that include pre-qualified measures
- Provides more certainty to contractors for ability of project measures to meet financing cost effectiveness standards

# Process Improvements

- **Improved application form**
- **Increased training for contractors on what applicant must provide on loan application**
- **New Title Company – faster turnaround for owner searches for On-Bill Recovery Loan applications**

# GJGNY Residential Loan Interest Rate

- Initial interest rate (3.99%/3.49% for Unsecured, 2.99% for OBR) based on financing loans through federally subsidized QECB bonds
- Current QECB bonding ceiling \$24,362,450 (includes reallocation from Broome County, Oswego County, Town of Smithtown)
- Current aggregate loan activity nearing this level
- In the absence of additional QECB reallocations, will need to raise loan interest rate due to loss of federal subsidy
- Working with financial advisor to estimate cost of financing without QECB subsidy – approximately 5-6%
- Will set OBR loan rate to Unsecured Loan rate for ACH repayment
  - Lower cost of financing OBR loans offset by additional origination costs for utility fees, last owner searches, and declaration recording
  - Avoids customer concerns when projects don't meet OBR standards and they are presented Unsecured Loan with higher rate

# Unused QECB Allocations

<u>Municipality</u>	<u>Allocation</u>	<u>Municipality</u>	<u>Allocation</u>
City of Buffalo	\$2,856,615	Saratoga County	\$2,261,679
City of New York	\$86,699,806	Schenectady County	\$1,580,258
City of Syracuse	\$1,457,258	St. Lawrence County	\$1,150,570
City of Yonkers	\$2,087,662	Suffolk County	\$1,444,224
Albany County	\$3,136,114	Tompkins County	\$1,058,846
Broome County	\$250,000	Ulster County	\$1,905,514
Dutchess County	\$3,067,368	Westchester County	\$7,880,242
Erie County	\$5,502,216	Town of Amherst	\$1,211,048
Jefferson County	\$1,228,022	Town of Babylon	\$2,212,569
Monroe County	\$5,479,133	Town of Brookhaven	\$4,922,473
Nassau County	\$635,423	Town of Hempstead	\$7,709,997
Niagara County	\$2,251,128	Town of Huntington	\$2,033,324
Oneida County	\$2,434,062	Town of Islip	\$3,392,865
Onondaga County	\$3,299,821	Town of North Hempstead	\$2,292,065
Ontario County	\$1,089,242	Town of Oyster Bay	\$3,052,259
Orange County	\$3,951,945	Town of Ramapo	<u>\$1,192,376</u>
Rensselaer County	\$1,627,409	Total	<u>\$174,267,681</u>
Rockland County	\$1,914,148		

# GJGNY Loans Issued by County

County	# Loans Issued	\$ Loans Issued	County	# Loans Issued	\$ Loans Issued
ALBANY	57	\$511,892	ONEIDA	100	\$913,553
ALLEGANY	3	\$41,710	ONONDAGA	214	\$1,665,849
BRONX	8	\$99,541	ONTARIO	48	\$502,412
BROOME	54	\$498,879	ORANGE	39	\$391,044
CATTARAUGUS	9	\$81,655	ORLEANS	8	\$98,421
CAYUGA	28	\$291,138	OSWEGO	34	\$259,436
CHAUTAUQUA	18	\$149,672	OTSEGO	7	\$83,067
CHEMUNG	25	\$225,163	PUTNAM	3	\$41,236
CHENANGO	17	\$134,119	QUEENS	10	\$79,006
CLINTON	1	\$3,720	RENSSELAER	38	\$360,484
COLUMBIA	12	\$136,278	RICHMOND	5	\$56,082
CORTLAND	20	\$178,760	ROCKLAND	19	\$175,852
DELAWARE	5	\$70,634	SAINT LAWRENCE	25	\$202,838
DUTCHESS	16	\$131,790	SARATOGA	34	\$350,601
ERIE	191	\$1,458,977	SCHENECTADY	36	\$409,226
ESSEX	1	\$19,759	SCHOHARIE	2	\$27,345
FRANKLIN	3	\$23,294	SCHUYLER	3	\$29,767
FULTON	6	\$64,056	SENECA	15	\$173,695
GENESEE	15	\$160,076	STEUBEN	22	\$245,529
GREENE	6	\$64,491	SUFFOLK	111	\$1,017,676
HERKIMER	18	\$207,652	SULLIVAN	10	\$144,863
JEFFERSON	16	\$192,171	TIOGA	10	\$102,545
KINGS	7	\$65,780	TOMPKINS	72	\$713,320
LEWIS	11	\$131,147	ULSTER	19	\$186,863
LIVINGSTON	26	\$285,457	WARREN	10	\$76,341
MADISON	23	\$183,781	WASHINGTON	2	\$16,330
MONROE	220	\$1,969,595	WAYNE	39	\$394,105
MONTGOMERY	11	\$125,722	WESTCHESTER	85	\$1,024,717
NASSAU	40	\$347,373	WYOMING	5	\$59,937
NEW YORK	1	\$13,290	YATES	4	\$42,577
NIAGARA	43	\$269,837	Grand Total	1940	\$17,982,125

# Financing Status

- Rating agency update
- Financing schedule