

# Asia Pacific Clean Energy *GreenSun Hawaii - Loan Loss Reserve Program*



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September 15, 2011

*Financing/Incentivizing Energy Efficiency*

# Where Does GreenSun Hawaii Fit?

- Rebates
- Interest rate buy down
- Revolving loan fund
- Loan loss reserves

# Financing Model & Profile



*Default Risk*

Government

Shared Public/Private Sector Risk

Financial Institutions

*Source of Funds*

Public - ARRA

Public - ARRA

Public - Private Match

Private Capital Markets

*ADMIN*

Internal Govt.

Various Options - Internal to Outsource

Financial Institutions

# Introducing GreenSun Hawaii

- GreenSun Hawaii offers access to credit or low-cost credit for energy improvements for homes, multi-family projects, nonprofit organizations and businesses.
- GreenSun is a partnership with banks and credit unions statewide.
- DBEDT uses ARRA Block Grant funds to cover part of the lender risk in financing energy efficiency and renewable energy system installations.

# What is GreenSun Hawaii?

- The GreenSun Legacy Program offers better than market loan terms and interest rates to eligible borrowers.
- The GreenSun CAP Program increases access to capital and expands financing options for underserved property owners who may otherwise fall outside of conventional underwriting standards.

# Third Party Administrator

- Hawaii Community Reinvestment Corporation (HCRC), a US Treasury designated Community Development Financial Institutions (CDFI) and a Community Development Entity (CDE).
- Hired under the Professional Services procurement method to administer the Loan Loss Program, establish a loss reserve account, and secure program partners.

# How Does GreenSun Hawaii Work?

- Participating Lenders have access to a loan loss reserve.
- Depending on the GreenSun Program contributions to the Lender's loan loss reserve account may range from 4% to 14% and first losses covered on defaulted loans may range from 10% to 100%.

# How do you Apply for a GreenSun Loan?

- Go to [www.greensunhawaii.com](http://www.greensunhawaii.com) for a list of participating lenders.
- Apply in person or online.
- Online applications will be simultaneously submitted to up to three participating Lenders of the customer's preference, increasing the probability of approval and financing options.
- The selected financial institution(s) will contact the applicant directly on the status of the loan application.

# What Energy Efficiency Measures are Eligible?

- Consumers: energy star refrigerators, solar thermal (or other eligible) water heating systems, and/or solar electric photovoltaic systems.
- Multi-family and non-profits: In cooperation with Hawaii Energy or KIUC, an authorized energy contractor will conduct an assessment on the facility.
- Based on cost-benefit recommendations of the assessment, measures may include:
- (a) Lighting Retrofits/Upgrades; (b) Air Conditioning Retrofits/Upgrades; (c) Solar Thermal Systems; (d) Solar Electric Systems; (e) Energy Efficiency Windows; and (f) Fees related to financing.

# Performance: Keystone HELP

Performance as of June 30, 2010

2006-2010

Total Loans: > 6,000

Loan portfolio: >\$40 million

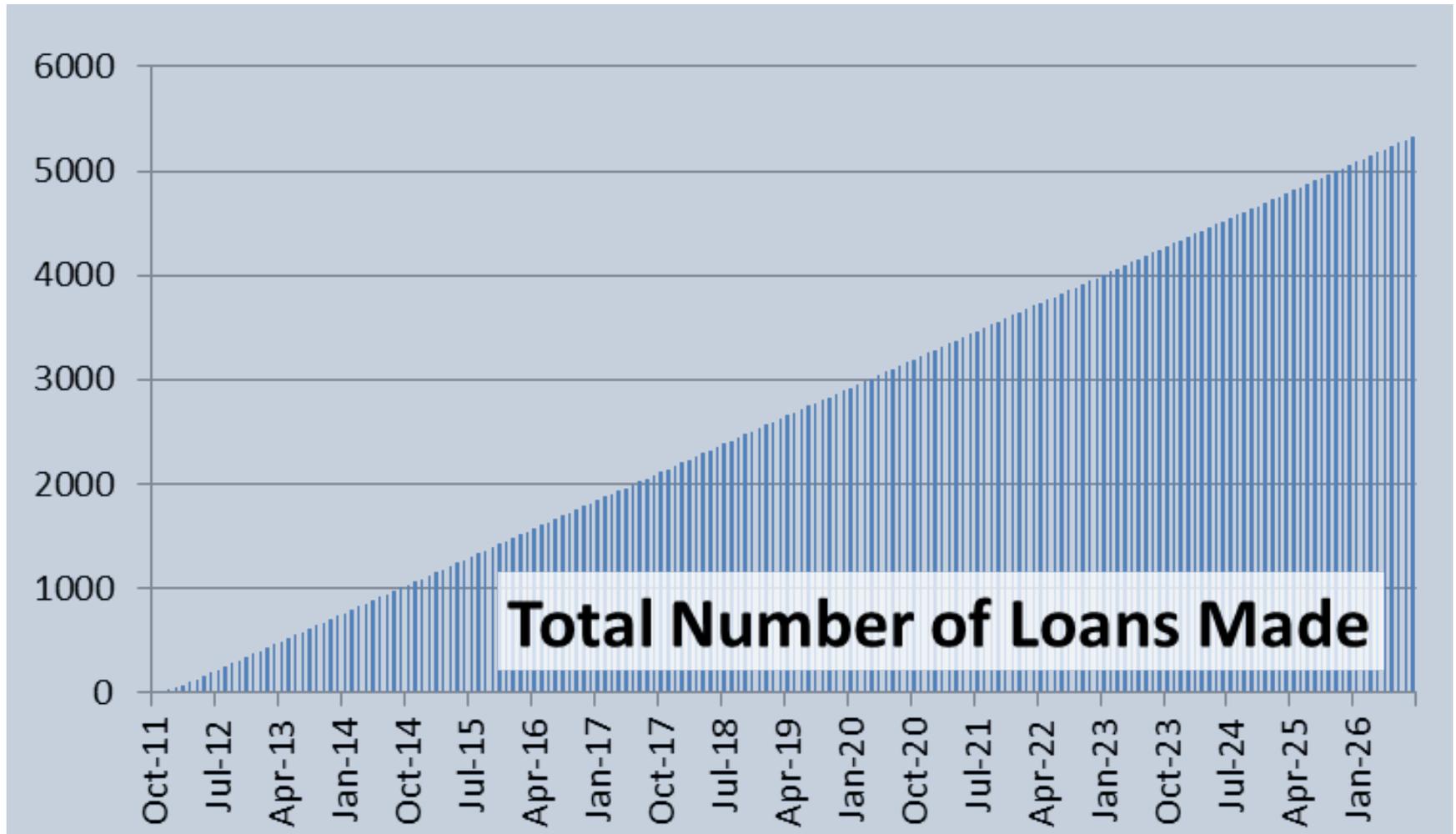
Default rate: <1.5%

Loan Term	Loan Count	Current Balance	Original Balance	Wtd. Avg. FICO	Wtd. Avg. DTI	Wtd. Avg. Note Rate	Wtd. Avg. Pass Thru	Wtd. Avg. Loan Age	Cum. Charge Offs	Cum. Charge Offs + 90 DPD
36	1,028	\$1,698,073	\$4,606,608	771	32	7.02%	3.04%	9.2	0.16%	0.27%
60	1,771	\$5,811,278	\$10,254,472	754	34	7.33%	3.39%	14.4	0.63%	1.27%
120	2,961	\$16,848,649	\$21,896,529	748	36	7.34%	3.43%	17.1	0.56%	1.49%
<b>Grand Total</b>	<b>5,760</b>	<b>\$24,358,000</b>	<b>\$36,757,609</b>	<b>751</b>	<b>35</b>	<b>7.32%</b>	<b>3.40%</b>	<b>15.9</b>	<b>0.53%</b>	<b>1.28%</b>

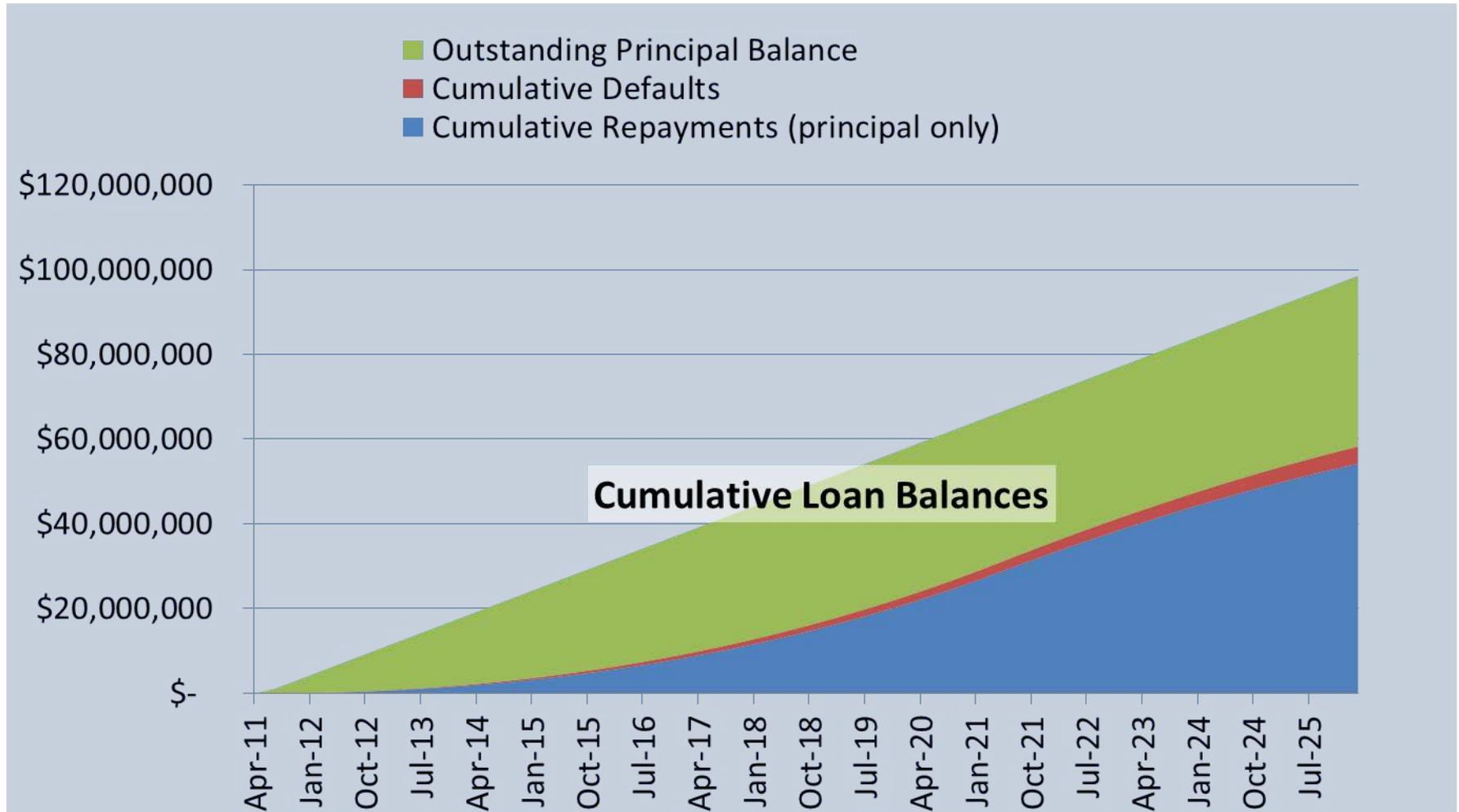
  

Vintage	Loan Count	Current Balance	Original Balance	Wtd. Avg. FICO	Wtd. Avg. DTI	Wtd. Avg. Note Rate	Wtd. Avg. Pass Thru	Wtd. Avg. Loan Age	Cum. Charge Offs	Cum. Charge Offs + 90 DPD
2006	906	\$1,789,275	\$5,361,266	730	37	7.52%	4.00%	46.2	1.85%	2.99%
2007	997	\$2,549,302	\$5,959,051	736	37	8.56%	4.89%	35.2	0.94%	2.40%
2008	1,219	\$4,303,334	\$7,239,084	744	36	8.99%	5.00%	23.5	0.48%	1.73%
2009	1,716	\$9,653,864	\$11,787,001	759	34	6.72%	2.73%	10.0	0.05%	0.24%
2010	923	\$6,062,225	\$6,420,328	757	35	6.51%	2.52%	2.9	0.00%	0.19%
<b>Grand Total</b>	<b>5,761</b>	<b>\$24,358,000</b>	<b>\$36,766,730</b>	<b>751</b>	<b>35</b>	<b>7.32%</b>	<b>3.40%</b>	<b>15.9</b>	<b>0.53%</b>	<b>1.28%</b>

# Estimated Hawaii Results



# Cumulative Loan Balances



# Leveraging and Recirculation

- \$2.67 million in federal funds into \$53 million in energy efficiency loans statewide (simple calculation).
- As loans are repaid, the money is returned to DBEDT to be reserved for new clean energy loans.
- DOE economic models show, at 30 loans/month, >5,000 GreenSun loans would be made for a cumulative \$98.5 million over the next 15 years (through September of 2026).

# Program Launch

- Several loans have been pre-approved.
- Official launch to occur in October of 2011.
- [www.GreenSunHawaii.com](http://www.GreenSunHawaii.com)

Thank You!!