

NW Ductless Heat Pump PROJECT



Financing Solutions to Cost Hurdles

DuWayne Dunham, Clark PUD

The Numbers

Clark Public Utilities has 167,000+ residential customers

1,841 DHP Installations (Oct. 2008 to Sept. 1st 2011)

393 DHP Loans

= 21% of DHP customers used the loan program

\$2,070,595 in total loans

Average Loan amount was \$5,268

Clark Public Utilities is #1 in DHP installations in the region

We're # 1 !!!!! Wooohoo !!!!! The Champs !!!!!



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The Process

- Customer requests a loan application for a DHP
- Utility verifies they are the homeowner & have electric zonal heat
- Utility sends credit application, with loan information, and SASE
- Customer fills out credit application and returns application with proof of employment to the utility
- Utility runs a credit check (650 or higher qualifies the customer)
- Utility sends customer approval letter, approved contractor list, and program forms.
- Customer receives free bids from contractors, and submits Homeowner Participation Form to NWDHPP for pre-approval
- Customer brings to the utility the contractor proposal, pre-approved Homeowner Participation Form, and signs loan paperwork
- 3 day “right to cancel” waiting period, then utility notifies contractor, and customer, of “authorization to proceed.”

The Terms

5.25% interest

Up to \$20K available

60 months to pay back loans up to \$10K

84 months to pay back loans over \$10K

(no pre-payment penalties)

\$225 loan fee for loans less than \$5K

\$350 loan fee for loans of \$5K or more (lien on home required)

(customer can add loan fee to loan amount, or pay by check)

The \$1,500 rebate is subtracted from the loan amount

Contact Info

DuWayne Dunham

Customer Accounts Rep. Team Leader

Clark Public Utilities

360-992-3260

ddunham@clarkpud.com

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Holly West, Umpqua Bank



Member FDIC



Umpqua Bank GreenStreet Lending

Saving on your energy costs starts here



Agenda



➤ Umpqua Bank

✓ Who, What, Where, When, Why, and How

➤ GreenStreet Lending

✓ Program Notes, Products

➤ Resources

✓ Next Steps and Q & A



Umpqua Bank



➤ Who?

- ✓ “World’s Greatest Bank”

➤ What?

- ✓ Community bank, focused on consumer and small business lending

➤ Where?

- ✓ Nearly 200 locations in California, Nevada, Oregon and Washington



➤ When?

- ✓ GreenStreet Lending began as a collaboration between Energy Trust of Oregon and Umpqua Bank in the fall of 2008
- ✓ The program launched in California, Nevada, Oregon and Washington in the spring of 2011

➤ Why?

- ✓ Encourage renewable energy and efficiency projects for home and small business owners (“up front costs”)

Smart GreenStreet math

- Cost of energy improvements
 - Government cash/rebate incentives
 - _____
 - = Amount of GreenStreet financing
- (You'll also start saving on your energy bills right away!)*



GreenStreet Lending



➤ Program Notes

- ✓ Provide financing options for energy-efficient (weatherization) and renewable (solar) projects
- ✓ Three consumer loan products are available as well as two small business products
- ✓ No prepayment costs, loan origination costs, or fees
- ✓ Borrowers need to provide a bid from a licensed contractor
- ✓ All utility companies are eligible
- ✓ 100% financing is available if 51% of the total project is used for energy efficiency or solar power on Home Equity products



GreenStreet Lending



loan options

Not sure which one fits best? Call us at 1-866-790-2121.

loan	loan amount	term	featured discounts
Home Equity Loan	\$5,000 to \$50,000	up to 15 years	0.25% rate discount with autopay; loan fee, closing costs, pre-pay penalties waived
Home Equity Line	\$5,000 to \$100,000	up to 25 years	0.25% rate discount with autopay; loan fee, closing costs, pre-pay penalties waived
Unsecured Consumer Loan	\$1,000 to \$50,000	up to 5 years	0.25% rate discount with autopay; loan fee waived
Business Improvement Term Loan	\$5,000 to \$250,000	up to 7 years	0.50% rate discount with autopay; closing costs, origination fees waived
Commercial Real Estate Improvement Loan	\$5,000 to \$250,000	up to 15 years	0.50% rate discount with autopay; closing costs, origination fees waived
Large Commercial Loan Projects	\$250,001+	varies	please contact Umpqua Bank for details, 1-866-790-2121

buying a home?

Have it rated for energy efficiency and you can receive a percentage off your interest rate, up to \$1,564. Ask your realtor if the home has been rated or how to get a rating.¹

¹ Documentation is required to show that the home has been rated. No specific rating or score is required for the borrower to receive the lender credit. The lender credit is based on the loan amount and is available up to a total maximum credit of \$1,564. Offer is subject to change at the bank's discretion. Please consult your loan officer for eligible loan products and credit details. Loan products subject to credit approval. Other terms, conditions, restrictions & fees may apply. Full documentation, title & property insurance required. Flood insurance required if property is located in a Special Flood Hazard Area. Mention offer MKPROMO-Green.



GreenStreet Lending



we'll help you through the process

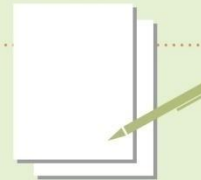
1 start here

You and your contractor review your energy saving options. Then the contractor provides you with a copy of your approved bid.



2 complete

Complete and sign the application, including the bid and/or proposal from a licensed contractor, and all items listed on the loan packet cover letter.



3 drop off

Drop off the loan packet at an Umpqua Bank store. Or apply by calling us at 1-866-790-2121.



Please allow 24-48 hours for approval.

We'll take care of the rest.

GreenStreet Lending



we'll help you through the process

1 start here

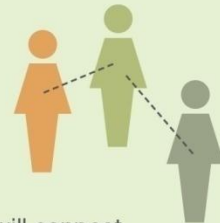
You and your contractor review your energy saving options. Then the contractor provides you with a copy of your approved bid.



Small Business

2 connect

Your contractor will connect you to an Umpqua Bank store manager who will help you apply for the loan in person or by phone.



Please allow 24-48 hours for approval.

We'll take care of the rest.



3 complete

Your store manager will forward the completed loan packet and all documents to Umpqua's Retail Lending Center for review.



Resources

➤ Contact Information

- ✓ Holly West
- ✓ Umpqua Bank--Twin Lakes Store
- ✓ 253-926-5979
- ✓ www.greenstreetloan.com

➤ Q & A

- ✓ Anything else



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NW Ductless Heat Pump PROJECT



Financing Solutions to Cost Hurdles

Jason Thorson, NW Ductless Heat Pump Project

Introductions and Agenda

Jason Thorson
NW Ductless Heat
Pump Project

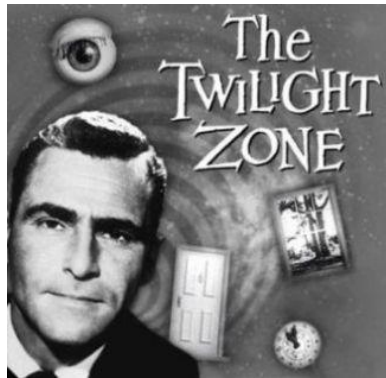
Agenda

- Financing energy efficiency improvements
- Financing as a sales tool
- Cash flow analysis
- Non-energy benefits
- Key takeaways
- Contact information



Financing Drives Energy Efficiency Improvements

- 70% of ALL home improvements are financed in one way or another (loans, credit cards, home equity)
- “Come-on” or “Teaser” (0% for 6 months type) loan products can hurt contractor credibility
- HVAC upgrades (\$3,000 to \$7,000) are the consumer’s financing “twilight zone” – too big for a credit card, too small for a home equity loan



Financing as a Sales Tool

- Do you know what loan products exist in your region?
- Can you tell the story so homeowners can make sense of energy savings vs. loan repayment?



Monthly energy savings can offset monthly loan repayment!

Cash Flow Analysis

What are the monthly cash flow impacts that the customer will actually feel?

Year	Avg. Utility Rate (\$/kWh)	Utility Bill Savings/Yr	Total Payment/Yr	Cash Flow (Out of Pocket per Month)
0	\$0.09	\$0	\$0	\$0
1	\$0.09	\$315	\$951	\$53
2	\$0.10	\$350	\$951	\$50
3	\$0.10	\$350	\$951	\$50
4	\$0.11	\$385	\$951	\$47
5	\$0.12	\$420	\$951	\$44

Non-Energy Benefits (NEBs)

- Increased property value from investment in HVAC system
- Utility cost increases by NOT upgrading HVAC efficiency
- Capitalize on existing incentives and tax credits
- Reduced HVAC maintenance costs
- Longer HVAC equipment life



Key Takeaways

Market to the Cash-Strapped Consumer!

- They want an HVAC upgrade
- They are scared of financing
- We have solutions that make sense!



Resources and Support

www.GoingDuctless.com

Project phone: 503.467.2159

CONTACT:

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