



SHOREBANK ENTERPRISE CASCADIA
Let's change the world.®

Energy Efficiency Loan Program

-ShoreBank Enterprise Cascadia-

Rachel Brombaugh

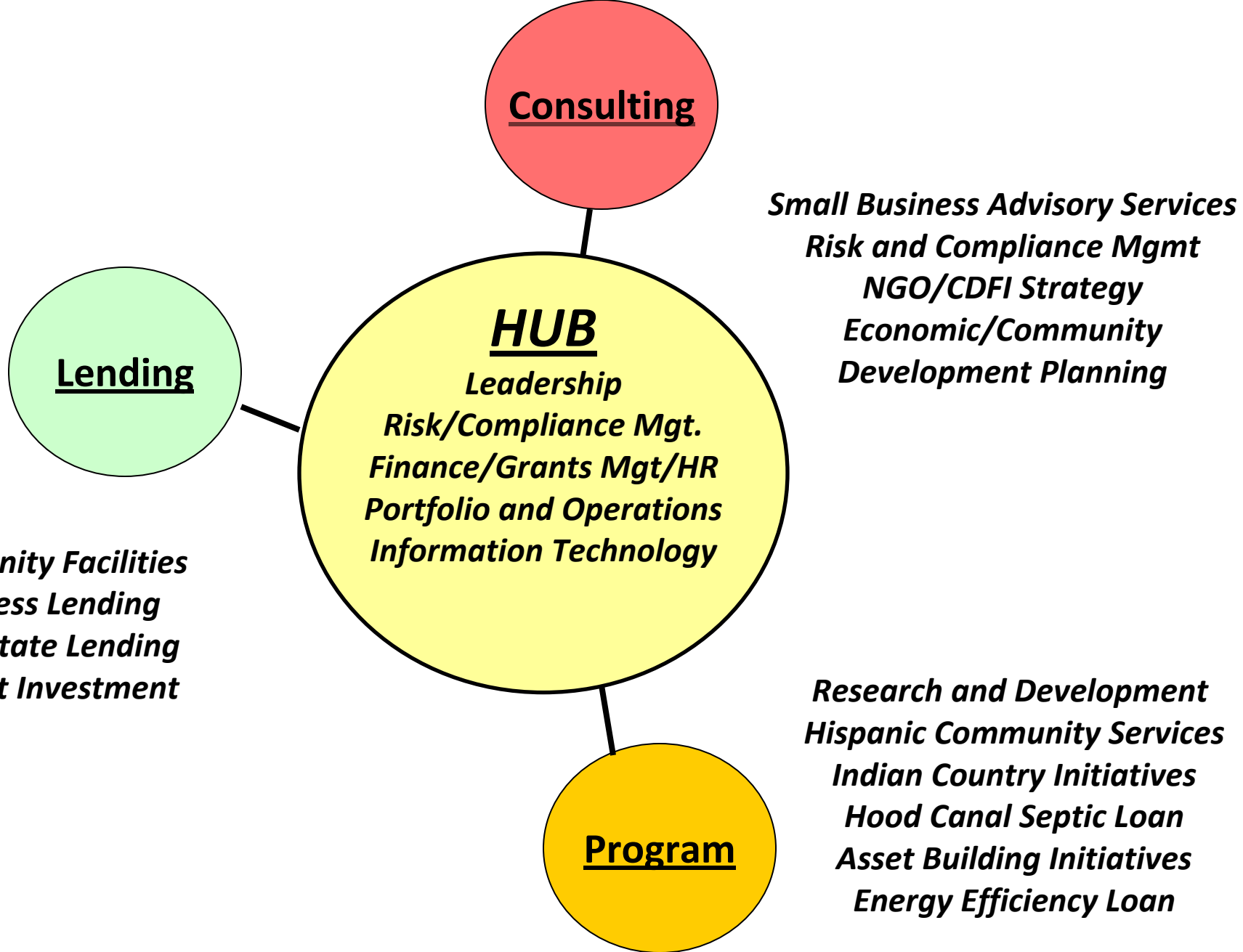
Sue Taoka

December 8, 2008

ShoreBank Enterprise Cascadia

- Who: 501c-3 Non-Profit Community Development Financial Institution
 - 2007: Merged with Cascadia Revolving Fund
- Mission: We invest in people and their communities to create economic equity and a healthy environment.
- Where: Rural & Urban Communities in WA & OR.
- Capital: Manage ~ \$70MM in assets.
- Funding: Grants and loans from Ford, MacArthur, Meyer, Gates, Allen, State/Fed Government, most major banks

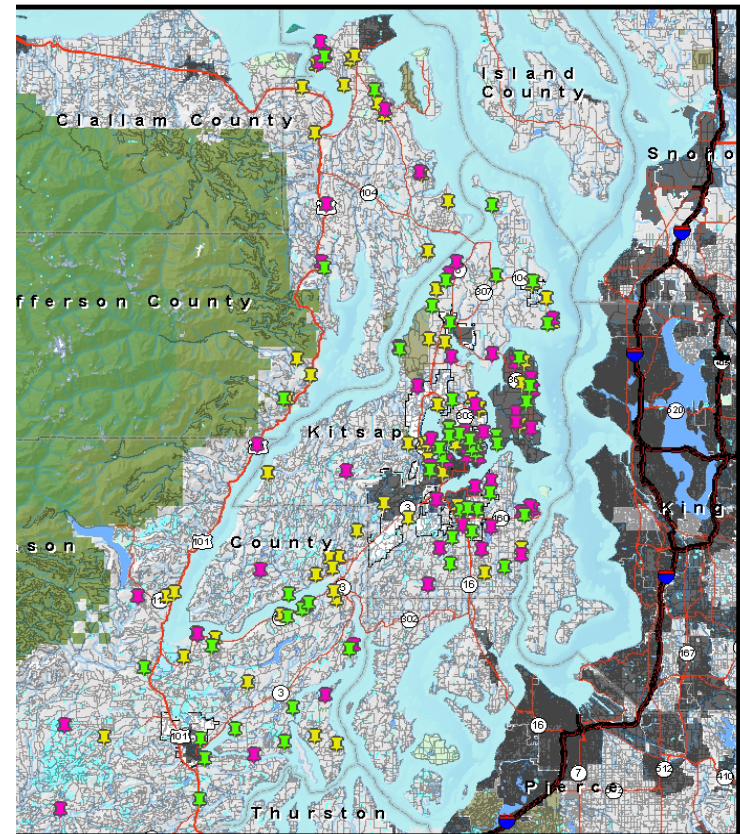




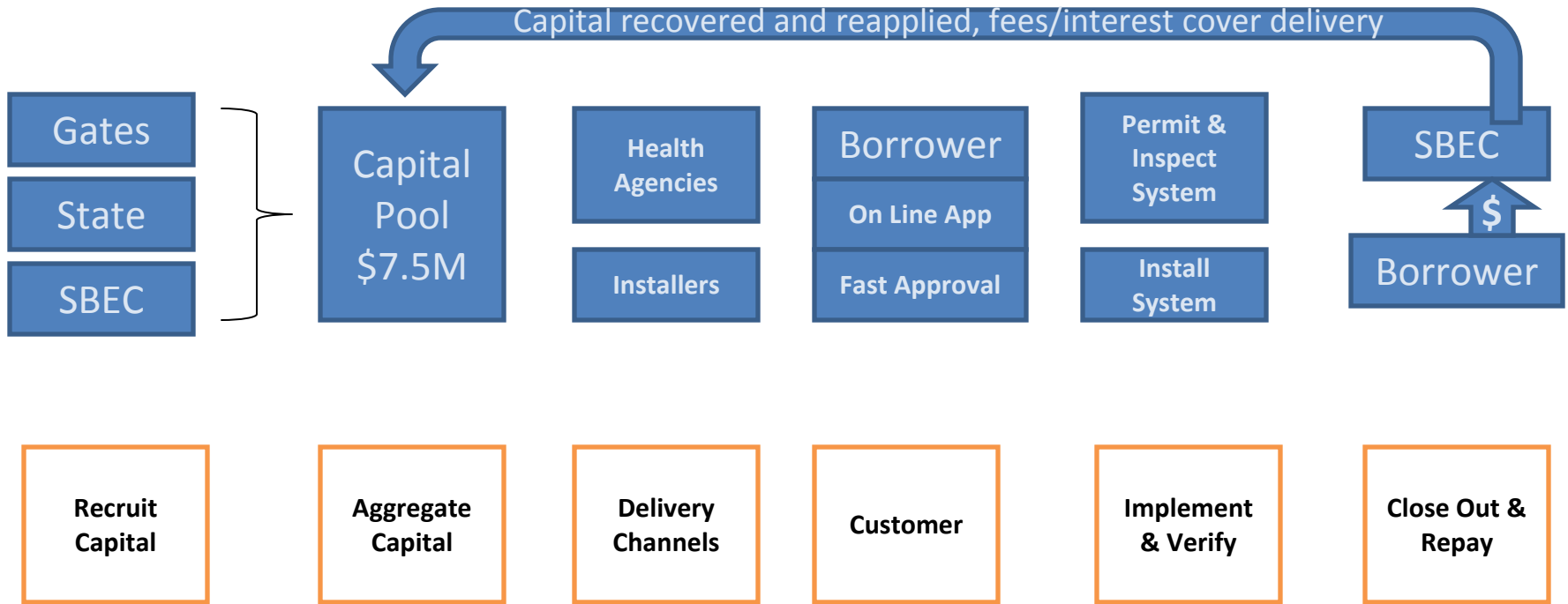
Hood Canal Septic Loan

2-6%, No payments for lower income, higher risk until sale or refinance of property

- A single product for a large drainage basin serving multiple jurisdictions
- A private sector delivery model -loans, not grants; goal is market function
- Focused on jobs, real estate value and water quality
- Affirmative commitment to families in need
- Locally designed and delivered
- Prioritizing areas of threat to economy and health
- Widely available regardless of income, credit history, collateral
- Will expand to Puget Sound, 2010

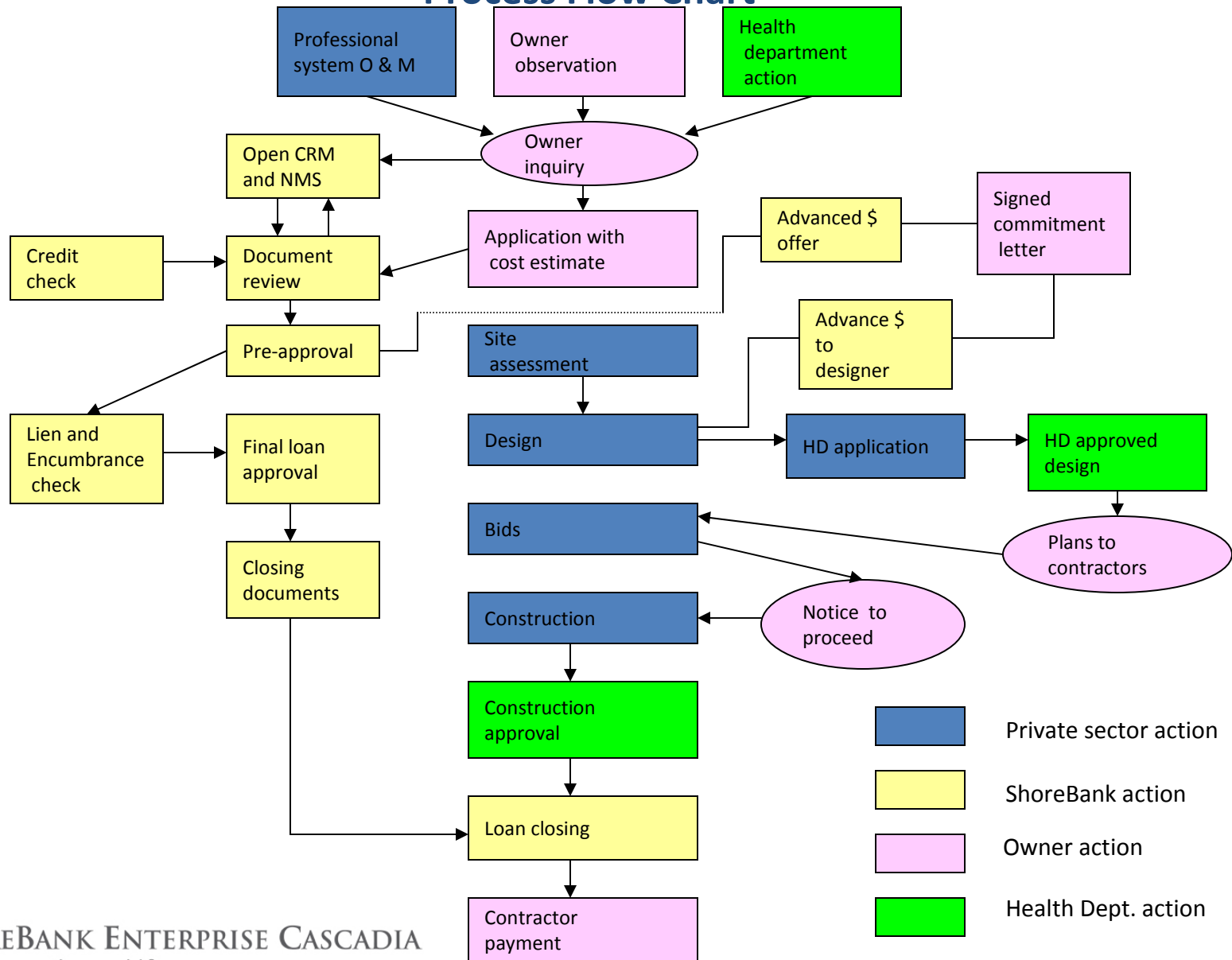


Defined and Assigned Roles



Hood Canal Regional Septic Loan Program

Process Flow Chart



Energy Loan Objectives

- Achieve market based incentives for energy efficiency and conservation
- Link conservation and economic opportunity outcomes
 - Provide low income homeowners access to energy conservation
 - Reduce energy usage/lower carbon output
- Support aligned efforts to deliver green collar jobs for low income communities
- Create scalable delivery model applicable in multiple jurisdictions



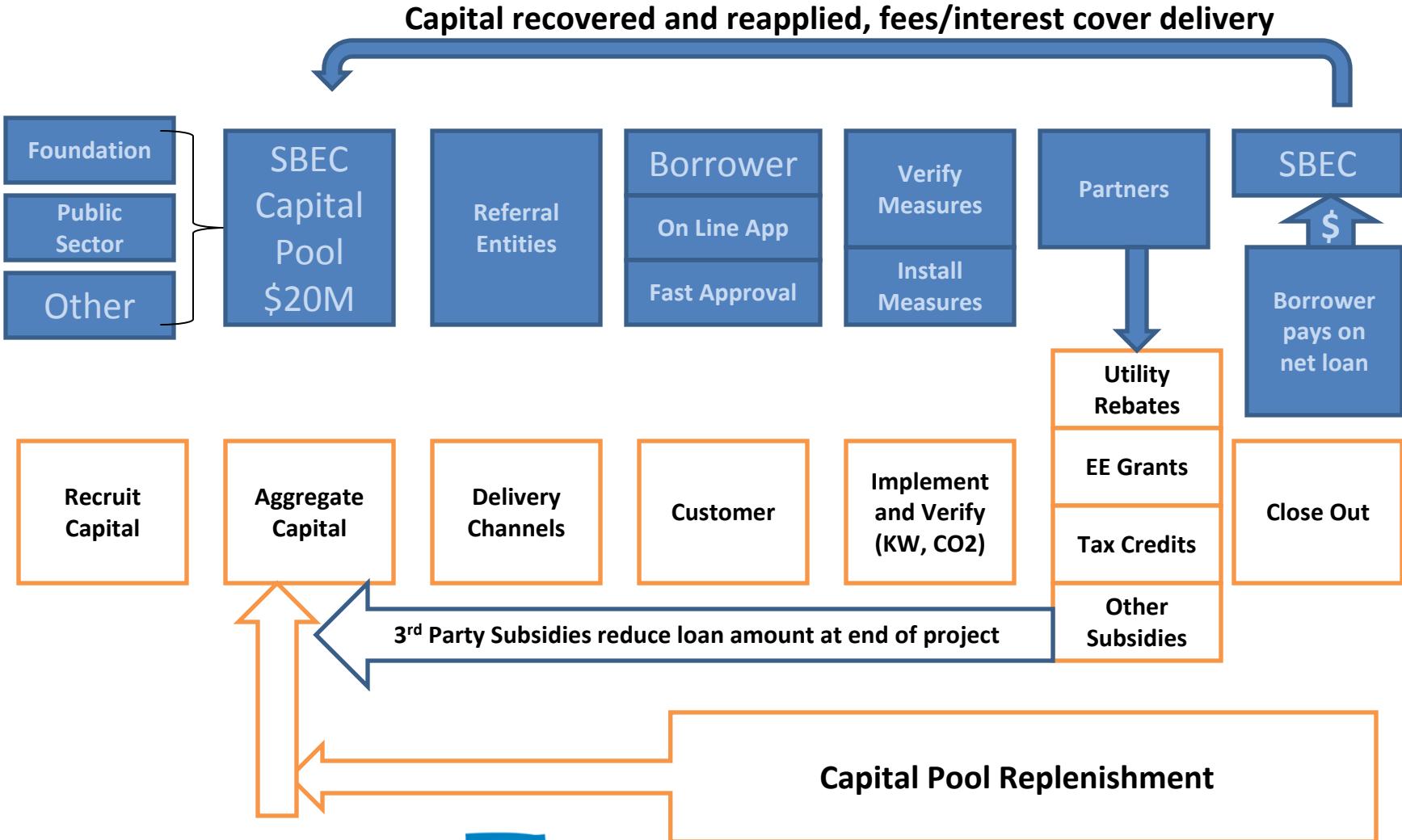
Prospective Underwriting Terms

- Rates: 2-6%, dependent on income, no payments required for low income (due on sale or refinance of subject property) .
 - Flexible amortization schedules dependent on income
- Fees: Loan fee \$450; Energy Audit \$500
- Estimated loan amount: \$30,000
- Collateral: Secured interest in subject property, subordinated to 120% of assessed value

All terms subject to finalization of program



Energy Efficiency Loan



Unresolved Issues

- Is the demand out there? Is financing a hurdle to Energy Efficiency?
- Audit standards and Energy Performance Standards (EPS—Earth Advantage)
- Capturing and verifying carbon (ownership)
- Depth of retrofit and energy production
- Residential (owned, rented), commercial, industrial
- Significant work force issues
 - Green collar jobs creation
 - Certifications, licenses, entrepreneurial support
- Capitalization and liquidity measures
 - 10/08: \$50,000 Bullitt Foundation for R&D, others pending
- Public policy: What is the public policy on Fed/State/Local/City level?
- Scalability to the region—local differences, same product



Questions?



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