



2019

Previously:



SELF FY 2019 SUMMARY



Duanne Andrade
CFO –Solar and Energy Loan
Fund

Background- Solar and Energy Loan Fund (SELF)

The non-profit Solar and Energy Loan Fund (SELF) is a 501(c)(3) and certified Community Development Financial Institution (CDFI) whose mission is to help rebuild and empower underserved and underbanked communities in Florida by providing access to affordable and innovative financing for various sustainable home improvement projects.

SELF provides unsecured personal loans, at below market rate, for the following types of sustainable home improvement projects:

1. Energy Conservation and Efficiency (e.g., weatherization, high-efficiency AC);
2. Renewable Energy (e.g., solar water heaters, solar PV, solar attic fans, and solar A/C);
3. Wind-Hazard Mitigation (e.g., roofs, windows and doors, hurricane shutters);
4. Water Conservation (e.g., low-flow irrigation systems, rain barrels);
5. Water Quality (e.g., septic tank conversion to central water); and,
6. Disability Products and Aging in Place (e.g., wheelchair ramps, walk-in showers); and,
7. General Home Repairs (up to 20% of the total project).

As a mission-driven lender, SELF harnesses the power of Socially Responsible Investing by attracting low-cost capital from a variety of sources, including Community Reinvestment Act (CRA) bank loans, faith-based organizations, impact investors, and globally crowdfunded loans in partnership with KIVA.org. SELF works primarily with underserved and underbanked homeowners and has special programs for veterans, women, seniors, and physically- and credit-impaired individuals, who must otherwise rely on predatory lenders, high interest rate credit cards, or have no financing options at all. SELF is creating positive social, economic, and environmental impacts by helping people with limited economic resources access favorable financing to complete much-needed sustainable home improvements that benefit their health, safety and quality of life, while reducing operating costs (e.g., energy/insurance), greenhouse gas emissions, and vulnerability to storms. SELF's home improvement projects also stimulate local economic development activities and foster emerging clean energy markets, entrepreneurship, job training, education and employment.

SELF has now scaled its flagship “Rebuilding and Empowering Underserved Communities” program from one county to 87 jurisdictions in Florida, and helped more than 1,000 families finance a total \$8.7 million of home renovation projects (including PACE assessments), with an average loan size of \$8,500 and a 1% average default rate over the last three years. More than seventy percent (70%) of SELF’s clients are LMI homeowners, 50% senior citizens and 40% women.

Milestones FY 2018 – Qt1 FY 2019

SELF HAS A NEW LOOK !



Why we are renewing our image

When we started the Solar and Energy Loan Fund (SELF) in 2011, we wanted to support clean energy in Florida. Over time we realized that SELF needed to do much more to help rebuild and empower underserved communities. For the past 9 years SELF has embraced the needs of our customers, and we've continuously expanded our lending services to finance a variety of home improvements including: A/C replacements, solar panels, roofs,

windows, wheelchair ramps and more. With \$8 million in loans for over 1,000 homes, we are ready to go to the next level!

With our new look, we confirm our commitment to providing mission-driven loans to rebuild and empower underserved communities.

Partnerships:

- ✓ SELF established three-year partnership service agreements with the City of St. Petersburg and Hillsborough County. Through these partnerships, SELF will receive a total of \$600,000 (\$300,000 each) to cover the costs of staff and marketing in these regions and general operating costs. Both partners will provide in-kind support to SELF with office space, collaborative marketing and contractor outreach. The primary purpose of the partnerships is to promote regional economic development, financial inclusion and climate resilience. SELF is tasked with providing low cost financing options to LMI homeowners with poor credit to help them rehabilitate their homes; improve energy efficiency; increase storm resistance, advance clean energy (solar rooftop PV) and enable home adaptations for aging in place and people with disabilities. Over this first year of operations in these two jurisdictions, SELF has certified over 30 local contractors and closed a total of just shy of \$700,000 in loans.
- ✓ SELF sealed a partnership agreement with the Florida Alliance for Assistive Services and Technology (FAAST) whereby FAAST will provide a 2.5% interest buy down so that SELF can offer 5-5.5% unsecured loans, for home adaptations and other home upgrades for people with disabilities.
- ✓ SELF also closed a partnership with an innovative B-corp called MyStrongHome (MSH) which specializes providing low cost loans based on savings achieved by reducing homeowners' insurance premiums through upgrading roofs to a "fortified" standard with high wind load capacity. The homeowners not only benefit from lower insurance premiums and low-cost financing, but also from a stronger roof that provides better protection and added value to their homes. MyStrongHome only provides loans in the amount of the insurance savings potential over 7 years, which may not cover the full amount needed to replace the roof so SELF now offers MSH

clients supplemental capital so that they are able to achieve the stronger roof. Between SELF and MSH, people clients are able to achieve higher standard roofs and lower insurance premiums.

Grants- SELF was awarded its first CDFI Fund Federal Assistance Grant for a total of \$700,000. The funds were split in two parts: \$300,000 for general loans and \$400,000 for loans to people with disabilities. Fifteen percent (15%) of the total amount is allowable for operating expenses. SELF also received a grants for a total of \$30,429 from BankUnited, and Inland Green Capital.

SELF Impacts to date:

SELF continues to do 70% of lending in low and moderate income census tracts.

- 40% of clients are female and about 22% are U.S. Veterans.
- Over 50% of our clients are over 60 years old.
- SELF has affiliated over 250 contractors in Florida who are doing increased business through SELF.
- SELF loans are focused on providing social, economic and environmental impacts for our clients, through helping people access affordable and accessible to protect and improve their homes. By making homes more energy efficient and advancing cleaner and renewable energy we are reducing carbon emissions into our environment and saving money while increasing the quality of life and health in the home. To date our clients have reduced roughly 1,233 metric tons of carbon into the atmosphere.
- SELF is also rebuilding and empowering underserved communities one home at a time to reduce their vulnerability to climate impacts. We and helping communities build climate resilience through upgraded roofs, impact windows and hurricane shutters and more; and we are advancing financial inclusion for low and moderate income populations and people with disabilities, while at the same time increasing the equity in their most important asset: their homes. Our clients are collectively reducing energy consumption by an average 26% per household and some of our clients that are taking advantage of our partnership with MyStrongHome (MSH) are saving up to 50% in home insurance which is allowing them to pay for an upgraded fortified standard roof which, helps guard the home against hurricane level winds.
- SELF embraces water quality issues. In FY 2018, SELF also expanded loan options to address water quality problems affecting life in our waterways. To this end, SELF is financing conversion of septic tanks to main sewer lines and replacement of leaking sewer lateral lines.
- **SELF loans help reduce operating costs; lower carbon emissions, increase safety, health and quality of life, while at the same time increasing the long term value of homes, especially for low and moderate income homeowners with limited assets and income constraints.**

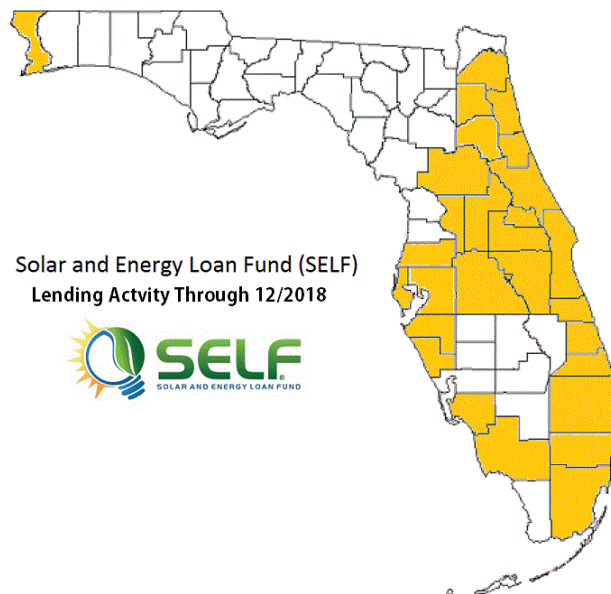
Affecting Systemic Change

SELF is breaking down the barriers to accessing energy efficient, climate resilient and renewable energy products for low and moderate income homeowners, through affordable financing that will also advance financial inclusion and asset rebuilding. SELF is also providing much needed capital for home improvements that are sustainable and climate resilient to people with disabilities that are often precluded from accessing traditional financing options.



Strategic Goals and Objectives

Geographic expansion- SELF continues to expand throughout the State of Florida with a focus on the Treasure Coast, the West (Gulf) Coast of Florida, however, due to the growing need for disaster response financing, SELF is in early stages of developing new partnerships in regions affected by recent hurricanes including, the Panhandle region and contiguous markets in Georgia and Alabama. In 2018, SELF grew into over 87 jurisdictions across the state of Florida by securing strategic partnership with local governments (City of St. Pete and Hillsborough County); recruiting new contractors and increasing targeted marketing efforts. SELF continues to expand prudently throughout the state and is piloting loans in partnership with MyStrongHome who has staff to help manage and supervise projects in Georgia and Alabama.



The expansion falls in line with the Business plan that SELF laid out in 2013 and follows a strategy of scaling and diversifying to achieve financial self-sufficiency.

- *In January of 2019, SELF closed its first loan in Alabama in partnership with MyStrongHome (MSH).*

Diversification - SELF has further diversified its lending products to better respond to the market needs. In FY 2018, SELF partnered with MyStrongHome (MSH) to help people upgrade their roofs with the savings from reduce insurance costs (based on higher wind resistant roofs). SELF also partnered with the Florida Alliance for Assistive Services and Technology (FAAST) to reduce the cost of home improvement loans for people with disabilities. Finally, SELF launched a new water quality loan to help people with septic tanks switch to sewer systems or replace leaking lateral sewer lines, helping prevent further contamination of watersheds and broader waterways already impacted

Scaling (lending volume) - SELF increased its loan portfolio from \$2.3 million in FY2017, to \$2.7 million in FY2018 and the goal for FY2019 is to reach a minimum of \$3.2 million in active loan portfolio. Our lending goal for FY2019 is \$2.4 million (up from the previous year \$1.4 million). As of the 1st quarter of FY 2019 (which is historically the slowest quarter of the year) SELF closed **\$512,000** in new loans. The growth in the loan portfolio is a key strategic component of SELF's long term sustainability plan.

Capacity Building- SELF is launching a new mobile app to help prequalify clients for loans based on ability to repay. Concurrently, SELF is developing new online application and tracking tools to better serve remote areas with efficient processes. Finally, SELF is making key investments in building its capacity to prepare for long term growth by developing better online tools including revamping the website and rebranding to better communicate what SELF does and who we serve.

Achievements of FY 2018

- City of St. Pete and Hillsborough County which combined have committed a total of \$600,000 in funds to cover SELF satellite offices and operating costs.
- In FY 2018, SELF was awarded a CDFI FA grant for a total of \$700,000
- SELF also partnered with MyStrongHome (MSH) to help our target reduce home insurance costs and use the savings to pay for an upgraded high wind resistant roof that increases climate resilience for our clients.
- SELF also partnered with FAAST (Florida Alliance for Assistive Services and Technologies) to issue 5-5.5% unsecured loans to people with disabilities. FAAST is providing an interest buy down of 2.5% to reduce interest rates for people with disabilities to be able to make critical home adaptations and improvements that will contribute towards the health and quality of life in the home.
- SELF launched a water quality loan and closed the first loan to replace leaking lateral sewer lines that were posing a threat to our environment and deteriorating homes.

Financial Data

SELF closed a total of **\$7.7 Million** in total loans (unsecured), benefiting slightly over \$1,000 families in Florida of which 70% are LMI.

Since 2014, SELF has maintained an average 1% default rate while deploying 70% of loans to low and moderate income homeowners.

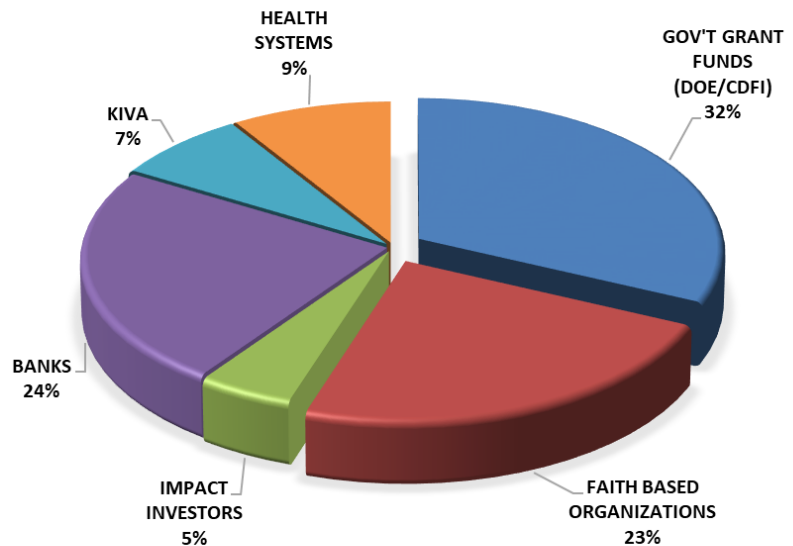
As of Jan 1, 2019 SELF had \$2.9 Million in Active Loan Balance (Portfolio).

Capital

Total Capital for Loans Raised To Date: \$ 8,219,015

Since inception, SELF has secured a total of **25 investments** from faith based organizations, Banks, KIVA.org (crowdfunding), health systems, local governments, private investment firms and federal grants. The only loan paid in full is First Green bank: \$250,000. All other loans are current and have outstanding **balances.**

- See Current Funds Schedule Attached

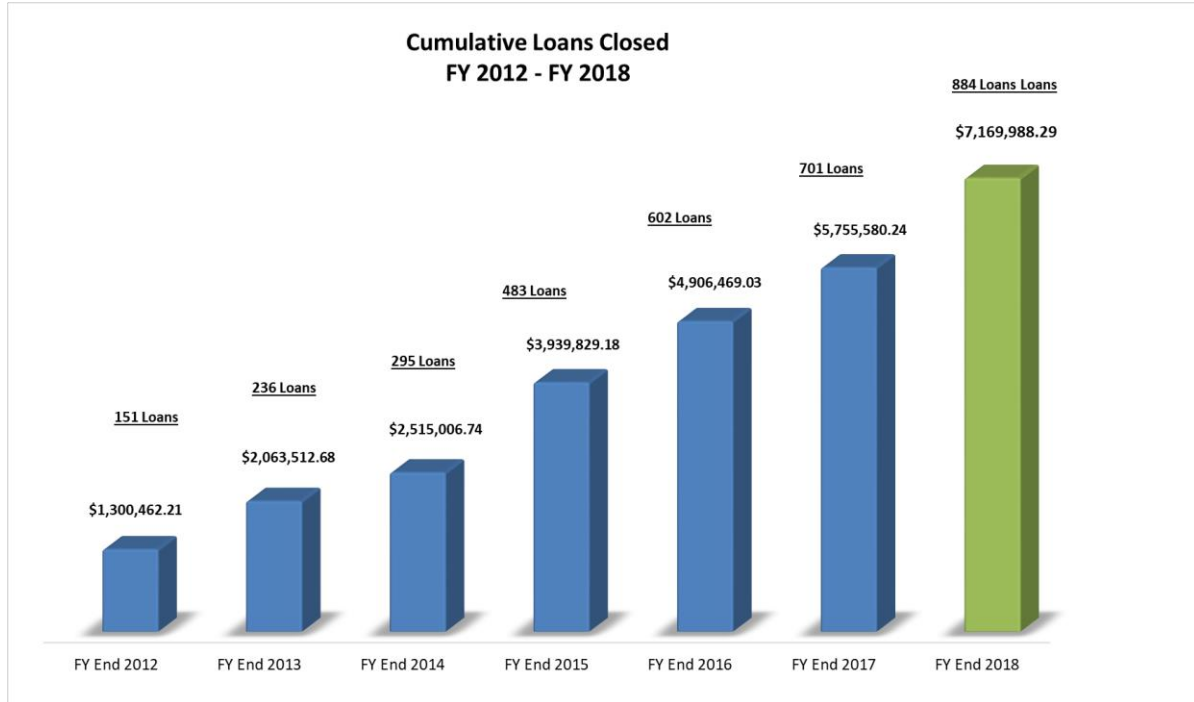


Financial Summary Data. FY 2018 (Year ended Sept 30, 2018)

Data based on Audited Financials	Date : 09/30/2018
Notes payable for lending	\$ 3,028,161
+ Equity for lending	\$ 700,000 *CDFI not yet disbursed -in process
Total Capital	\$ 3,728,161
Loan reserves	\$ 258,070
Total loans outstanding	\$ 2,733,161 (SELF loan portfolio)

Key Ratios for Loan Funds	Date: 09/30/2018
Deployment	73%
Self-Sufficiency	59%
Operating Expense as % of capital	23%
Average cost of funds	2.3%
Average rate charged	3%
Equity as % of lending capital	27%
Delinquency rate > 90 days	0.3%
Cumulative Loss rate since inception	1.7%

Lending Activity as of end of FY 2018 (Sept 30, 2018)



TOTAL CAPITAL RAISED (HISTORICALLY FROM 2011- JAN, 2019)

SOLAR AND ENERGY LOAN FUND -HISTORIC LOAN CAPITAL RAISED From 2011- 01/20/2019				
LOAN CAPITAL	TOTAL LOAN CAPITAL	Interest %	TERM (YRS)	Year
First Green Bank - FGB (PAID OFF)	\$ 250,000	4.3%	3	2017
Adrian Dominican Sisters -ADS-02	\$ 200,000	3.0%	5	2019
Monarch LLC (Calvert Investments) - MCF-OR	\$ 300,000	3.0%	4	2019
Basilian Fathers of Toronto - BFT	\$ 100,000	3.0%	3	2019
Bon Secour Health System - BSH-OR	\$ 100,000	2.5%	3	2019
Sisters of Dominic -Racine Dominicans - SSD	\$ 40,000	2.0%	2	2019
Sisters of the Holy Names Jesus &Mary - SHNJM	\$ 250,000	2.0%	5	2020
Society of the Holy Child Jesus - SHCJ	\$ 20,000	3.0%	1	2020
School Sisters of Notre Dame - SSND-OR	\$ 25,000	1.0%	3	2020
Community Capital Management Inc. - CCI	\$ 50,000	3.0%	3	2020
Mercy Investment Fund (1)- MIS-OR	\$ 400,000	3.0%	5	2021
Sisters of St. Francis of Philadelphia - SFP	\$ 50,000	2.0%	3	2021
BankUnited - BU-OR	\$ 1,150,000	3.75%	7	2021
St. Joseph Health Systems - SJH	\$ 300,000	2.5%	5	2021
PNC Bank	\$ 300,000	3.84%	3	2022
KIVA	\$ 544,800	0.0%	5	2022
Nazareth Literary and Benevolent - NLBI	\$ 100,000	0.5%	5	2022
Dignity Health System - DH	\$ 250,000	2.5%	7	2022
Dominican Sisters of Hope - DSH	\$ 40,000	1.5%	3	2022
Palm Beach County - PBC-OR	\$ 50,000	0.0%	6	2022
Seton Enablement Fund - SEF-OR	\$ 200,000	3.0%	5	2023
Religious Communities Impactt Fund - RCIF	\$ 200,000	3.0%	5	2023
Sisters of Charity of Leavenworth -SCL-OR	\$ 50,000	2.0%	5	2024
DOE(Energy Efficiency Conservation Block Grant)	\$ 1,654,215	(GRANT)		
CDFI FA LOAN CAPITAL (GRANT)	\$ 595,000	(GRANT)		
Total Loan Capital Residential Program	\$ 7,219,015			
Property Assessed Clean Energy (PACE) CAPITAL	\$ 1,000,000			
Total Unsecured and PACE LOAN CAPITAL	\$ 8,219,015			

SELF Current Loan Capital (as of 01/30/2019)

SOLAR AND ENERGY LOAN FUND - CURRENT DEBT (LOAN CAPITAL)

AS OF 01/31/2019		1/31/2019				
LOAN CAPITAL	Loan Balances	Interest %	TERM (YRS)	Date Originated	MATURITY YEAR	Notes
Adrian Dominican Sisters -ADS-02	200,000	3.0%	5	6/15/2014	2019	In process of Renewal
Monarch LLC (Calvert Investments) - MCF-OR	300,000	3.0%	4	7/1/2015	2019	*Will Seek Renewal
Basilian Fathers of Toronto - BFT	100,000	3.0%	3	4/10/2016	2019	*Renewed
Bon Secour Health System - BSH-OR	100,000	2.5%	3	9/30/2016	2019	* Will seek Renewal
Sisters of Dominic -Racine Dominicans - SSD	40,000	2.0%	2	6/1/2017	2019	Renewed
Sisters of the Holy Names Jesus & Mary - SHNJM	250,000	2.0%	5	6/1/2015	2020	
Society of the Holy Child Jesus - SHCJ	20,000	3.0%	3	4/10/2017	2020	Renewed in 2017
School Sisters of Notre Dame - SSND-OR	25,000	1.0%	3	4/8/2017	2020	
Community Capital Management Inc. - CCI	50,000	3.0%	3	5/1/2017	2020	
Mercy Investment Fund (1)- MIS-OR	400,000	3.0%	5	9/19/2012	2021	Renewed in 2016
Sisters of St. Francis of Philadelphia - SFP	50,000	2.0%	3	11/11/2013	2021	Rolled over to 2021
St. Joseph Health Systems - SJH	300,000	2.5%	5	5/29/2016	2021	
Dominican Sisters of Hope - DSH	40,000	1.5%	3	1/5/2016	2022	Renewed in FY 2019
PNC Bank	234,660	3.84%	3	5/6/2014	2022	
KIVA	242,411	0.0%	5	5/30/2014	2022	SELF services loans and Kiva repays micro Investors
Nazareth Literary and Benevolent - NLBI	100,000	0.5%	5	11/4/2014	2022	Renewed/ Increased in 2018
Dignity Health System - DH	250,000	2.5%	7	12/15/2015	2022	
Palm Beach County - PBC-OR	50,000	0.0%	6	10/13/2016	2022	
Seton Enablement Fund - SEF-OR	99,930	3.0%	5	7/1/2013	2023	
Religious Communities Impact Fund - RCIF	200,000	3.0%	5	11/4/2013	2023	Renewed in FY 2019
Sisters of Charity of Leavenworth -SCL-OR	50,000	2.0%	5	3/1/2017	2024	Renewed in FY 2019
BankUnited - BU-OR	43,643	3.75%	7	9/30/2014	2026	Closed LOC \$1 M ill Dec 31, 2019
Total Loan Capital Residential Program	3,145,644					