



Montana Alternative Energy Revolving Loan Program

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Montana Alternative Energy Revolving Loan Program

- Created by 2001 legislature
- Administrative rules adopted Feb 2003
- First loans closed July 2003



Montana Alternative Energy Revolving Loan Program

- Loans funded by air quality penalties
 - \$2.7 million collected to date

- \$40,000 maximum loan
 - Raised from \$10,000 in 2005 legislature

- Low interest
 - 3.5% 2009
 - 5% 2008
 - Set annually

Montana Alternative Energy Revolving Loan Program

■ Status

- FY04 6 loans \$47,959
- FY05 4 loans \$31,990
- FY06 14 loans \$263,158
- FY07 21 loans \$369,246
- FY08 26 loans \$719,208
- FY09 37 loans \$893,827
- On target to fully loan out fund in FY10

Montana Alternative Energy Revolving Loan Program

- **Partnerships**
 - MT Renewable Energy Association
 - MT Business Assistance Connection
 - Others
 - Utilities
 - MT Economic Developers
 - USDA

Montana Alternative Energy Revolving Loan Program

- **Finance**

- **MT Business Assistance Connection**
 - Contract
 - Local economic development agency
 - Credit scoring; recommend approval/denial
 - Issue loan docs, funds
 - File liens
 - Collect loan payments
 - Report and transfer \$ back to fund quarterly

Montana Alternative Energy Revolving Loan Program

- Marketing
 - Home Shows
 - RE events
 - Workshops
 - Brochures
 - Dealer network
 - Media events
 - Economic developers

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- **ARRA Funds**
 - \$1 - \$1.5 million added
 - Increase max loan to \$100,000
 - Increase max term to 15 years
 - Limit ECMs
 - NEPA issues

Montana Alternative Energy Revolving Loan Program

- Pit falls
 - Administrative Rules
 - Never underestimate the meaning of red tape!
 - Programmatic funding
 - Set by statute
 - Defaults
 - 4 to date
 - Within statutory 5% loan loss

Montana Alternative Energy Revolving Loan Program

- What did we learn?
 - 7 years to fully loan out fund
 - Trust in your loan officer's judgement!
 - RE equipment depreciates
 - AND.....

Montana Alternative Energy Revolving Loan Program

- Don't chicken out!!

