

# NEIF

NATIONAL ENERGY IMPROVEMENT FUND

A Certified B Corp™

Certified



Corporation

# 2022



# ANNUAL REPORT

## BENEFIT & IMPACT

Increasing the affordability of essential energy improvements for home and building owners through simple, expert and trusted financing.

Certified



Corporation



U.S. DEPARTMENT OF  
**ENERGY**  
HOME IMPROVEMENT EXPERT™

## Go Greener. Affordably.

March 23, 2023

To: NEIF Investors and Partners

When we launched the National Energy Improvement Fund (NEIF) in 2018 as a for-profit benefit lender focused on essential energy improvements to homes and buildings, we wanted to continue the legacy of compliance, integrity and innovation that our predecessor companies established going back to 1947.

**We are pleased to report continued and focused growth in the principal areas that matter the most to us – increasing affordability of residential and commercial energy upgrades for all income sectors and propelling contractor and small business growth.** This was accomplished while adhering to our Certified-B Corp™ principles, meeting the highest verified standards of social and environmental performance, transparency, and accountability.

**In 2022, NEIF reached several major milestones:**

- Funded close to \$70 million in energy efficiency improvements with year over year increases of 74% for residential projects and 118% for commercial projects.
- Increased energy efficiency loan servicing portfolio to almost \$42 million, a 50% increase.
- Maintained industry-leading loan performance with annualized losses of less than 1%.
- Increased approved contractors to 1,364, a 29% increase.
- Achieved profit levels ahead of plan.
- Expanded program coverage to 26 states for residential and nationally for commercial.
- Expanded or launched new sponsored and utility-based programs including Eversource, JCP&L (First Energy), Atlantic City Electric (Exelon), ConEd, Willdan, Efficiency Maine, PG&E, PPL, Delmarva Power and Los Angeles Department of Water & Power
- Launched or laid groundwork for new state-programs in California, Pennsylvania, New Hampshire and additional states poised to receive federal infrastructure funding.

We anticipate further growth and expansion in 2023 and thank you for your continued support of our mission to increase the affordability of upgrades that make homes and buildings comfortable, safe, healthy and efficient.

Sincerely,



Peter Krajsa  
Managing Member  
Co-Chair & Founder

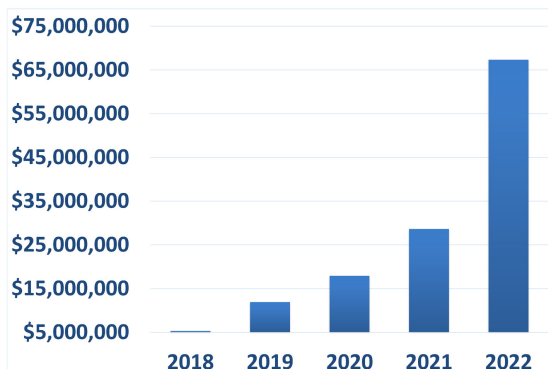


Matthew Brown  
Managing Member  
Co-Chair & Founder



Laura Nelson  
COO  
Founding Partner

# FOCUSED ON AFFORDABILITY OF ESSENTIAL ENERGY IMPROVEMENTS

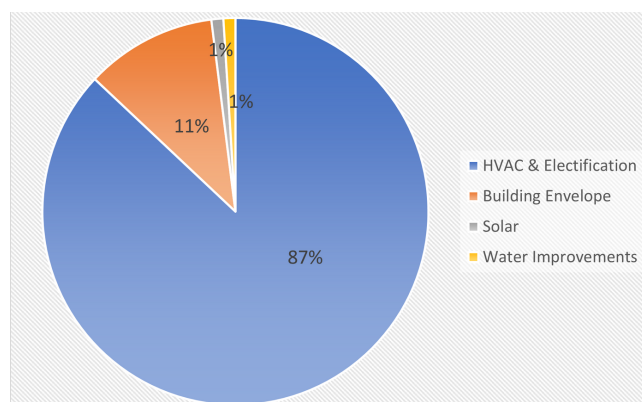


## NEIF'S RAPID GROWTH IN FINANCING OF ESSENTIAL RESIDENTIAL & COMMERCIAL EFFICIENCY PROJECTS

Affordability is the greatest impediment to adoption of home and building energy efficiency upgrades. They are expensive and often unexpected. Rebates only cover a small portion of the cost and traditional financing typically comes in the form of short term "teaser" rates, a high cost to contractor or a cumbersome loan process. NEIF is focused on improving the delivery channel.

## ESSENTIAL ENERGY UPGRADES & ELECTRIFICATION ARE ATTAINABLE AND CAN DRIVE THE MARKET

Essential upgrades - heating and cooling (HVAC), insulation, roofing, lighting - are what drive most demand. Electrification (heat pumps, generators, storage) is becoming a dominant trend. NEIF focuses on working with contractors, utilities, distributors and program partners to increase uptake of core improvements. 87% of NEIF's financed improvements are for HVAC and electrification.



**49,500,000** kWh

ESTIMATED KWH SAVINGS FROM  
FUNDED PROJECTS (5 YEARS)\*

**39** **\$131,049,207**

ACTIVE STATES\*\*

TOTAL PROJECTS FUNDED\*\*\*

**\$42,000,000**

ENERGY EFFICIENCY LOAN  
SERVICING PORTFOLIO\*\*

**12,034**

PROJECTS COMPLETED\*\*\*

**40**

STATE, UTILITY AND  
PROGRAM PARTNERSHIPS \*\*

\*Estimates are based on 5 year kwh savings of 10% of original baseline usage on an average U.S. home.

\*\*As of 12/31/2022 \*\*\*Cumulative



# PROGRAM AND MARKET-BASED FAIR, EFFICIENT & COMPLIANT LENDING



## WE MAKE ESSENTIAL ENERGY UPGRADES AFFORDABLE

As a benefit corporation (Certified B Corp) NEIF serves all income levels including low-moderate income borrowers, where access to affordable energy improvements is vital. Low and moderate-income households account for 44% of all loans.

### **Low**

20%

### **Moderate**

24%

### **Above Moderate**

56%

## WE ARE EXPERTS IN UTILITY AND STATE PROGRAMS

NEIF administers financing programs for some of the nation's largest utilities for both commercial and residential customers and is actively working with states to implement green banks and upcoming federal funding such as IRA and infrastructure dollars.



## WE SUPPORT SMALL BUSINESS & JOB DEVELOPMENT

NEIF currently supports over 1,300 contractors, the vast majority of which are small businesses. NEIF helps businesses grow by offering trusted, affordable customer financing, advance rebate funding to improve contractor cash flow and ongoing training and support on best-practices in energy efficiency business development.

# 1,384

TOTAL APPROVED  
CONTRACTOR BUSINESS  
PARTNERS IN 39 STATES



## RESIDENTIAL IMPROVEMENT BY TYPE

13%

Resilience  
& Building  
Envelope

87%

HVAC, Efficiency &  
Electrification

## INVEST IN ENERGY EFFICIENCY AND NET MORE THAN INTEREST

**Investors of all sizes can invest in NEIF's work in energy efficiency and green projects.**

Every loan made by NEIF helps lower energy usage and contributes to reducing greenhouse gas.

Invest through RaiseGreen.com, Class CF, \$1,000 minimum, fixed quarterly return of interest and principal. Accredited investors can participate in Class F Preferred, \$25,000 minimum, fixed quarterly return of interest and principal.

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**Raise Green**

**All Investors:**

<https://invest.raisegreen.com/offering/neif-6-climate-action-preferred-certificates/details>

**Accredited Investors:**

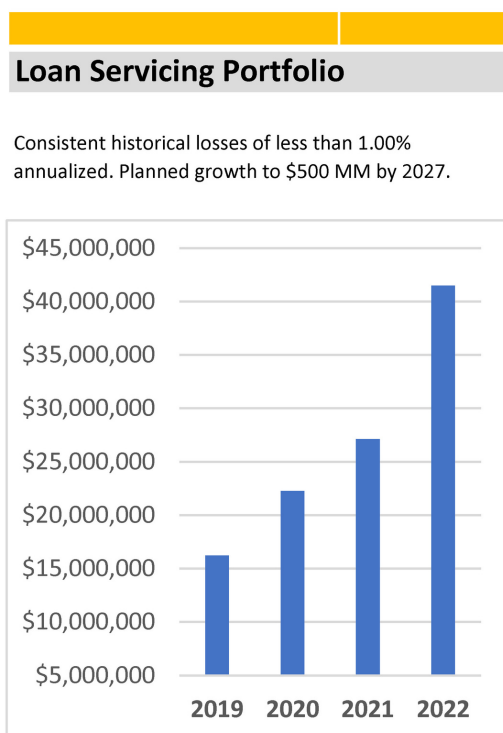
Contact NEIF for additional information on Class F.



# CONTROLLED, SUSTAINABLE GROWTH AND FINANCIAL STABILITY

Balance Sheet		
	2021	2022
	Audited	Audited
<b>Assets</b>		
Cash and equivalents	\$ 738,153	\$ 1,186,787
Loan servicing fees receivable	\$ 133,688	\$ 168,382
Owned loan receivables	\$ -	\$ -
Other receivables	\$ 57,196	\$ 70,025
Loans held for resale	\$ 34,925	\$ 40,876
Prepaid expenses	\$ 137,861	\$ 41,213
Loan servicing asset	\$ 1,256,461	\$ 1,903,467
Furniture and equipment, net	\$ 16,265	\$ 5,123
Intangibles, net	\$ 234,038	\$ 263,726
Security deposits	\$ 7,000	\$ 7,000
Investment in affiliate	\$ -	\$ 996,113
Limited-use assets, restricted cash	\$ 2,011,120	\$ 2,419,667
	<u>\$ 4,626,707</u>	<u>\$ 7,102,379</u>
<b>Liabilities</b>		
Accrued expenses	\$ 95,650	\$ 155,038
Amounts due on serviced loans	\$ 2,120,459	\$ 2,539,472
Loan loss reserve	\$ 92,047	\$ 92,047
SBA Loan		\$ 500,000
Subordinated debt	\$ 1,205,000	\$ 1,205,000
Due to preferred members	\$ 57,620	\$ 68,605
Due to common members	\$ 649,208	\$ 735,583
Member earnout payable	\$ 318,437	\$ 279,133
	<u>\$ 4,538,421</u>	<u>\$ 5,574,878</u>
<b>Members' Equity &amp; Tangible Net Worth</b>		
Class A Preferred	\$ 200,000	\$ 230,000
Class B Preferred	\$ 2,975,000	\$ 3,565,000
Class E Preferred	\$ 380,000	\$ 680,000
Class CF Preferred	\$ 163,000	\$ 826,320
Class C Common	\$ 500,000	\$ 500,000
Class D Common	\$ 1,400,000	\$ 1,600,000
Accumulated Deficiency	\$ (5,529,714)	\$ (5,873,819)
Total Members' Equity	<u>\$ 88,286</u>	<u>\$ 1,527,501</u>
Tangible Net Worth (w/ sub-debt)	<u>\$ 1,293,286</u>	<u>\$ 2,732,501</u>
<b>Total Liabilities and Member's Equity</b>	<u>\$ 4,626,707</u>	<u>\$ 7,102,379</u>

Statement of Operations	
	2022
	Audited
<b>Revenue</b>	
Loan servicing income	\$ 1,079,827
Program Fee Income	\$ 271,601
Commercial Broker Income	\$ 81,774
Rebate income*	\$ 1,211,716
Insurance income	\$ 29,722
Interest Income	\$ 1,392
Gain on Earnout Provision	\$ 32,926
Gain on loan servicing rights	\$ 647,006
<b>Total Revenue</b>	<u>\$ 3,355,964</u>
<b>Total Expenses</b>	<u>\$ 3,297,720</u>
<b>Net Profit</b>	<u>\$ 58,244</u>
* Includes income from investment in affiliate	





## ABOUT NEIF - THE NATIONAL ENERGY IMPROVEMENT FUND

- With a management and lending heritage dating to 1947, NEIF was organized as a for-profit Benefit Corporation, commencing operations in July 2018.
- Providing fair and transparent financing for essential energy and resilience improvements like HVAC, roofing, lighting & battery storage.
- Led by a seasoned team of energy financing innovators responsible for over \$900 million in financing.
- Delivered through partnerships with contractors, distributors, manufacturers, utilities and governments.
- Supervised as a consumer lender and servicer in 26 states and operating a commercial financing platform nationally in partnership with 40 plus utilities and programs.
- Earned Certified B Corporation® status and was named a Home Improvement Expert Partner by the U.S. Department of Energy in 2019.
- To date, NEIF has financed over 12,000 energy and resilience projects for over \$131 million and services an energy efficiency loan portfolio approaching \$45 million.

**The National Energy Improvement Fund, LLC (NEIF) is the nation's only Certified B Corp™ lender specializing in improvements that make homes and buildings stronger and more energy-efficient.**

**NEIF is committed to affordability, climate impact and job development.**

neifund.org

Allentown, PA | Denver, CO

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