



# NEIF

NATIONAL ENERGY IMPROVEMENT FUND

A Certified B Corp™



# 2023 ANNUAL REPORT

## BENEFIT & IMPACT

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



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

## Go Greener. Affordably.

March 23, 2024

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 2023, NEIF reached several major milestones:**

- Funded over \$110 million in energy efficiency improvements with year over year increases of 103% for residential projects and 216% for commercial projects.
- Increased energy efficiency loan servicing portfolio to almost \$73 million, a 77% increase.
- Maintained industry-leading loan performance with annualized losses of less than 1%.
- Increased approved contractors to 1,719, a 23% increase.
- Achieved profit levels ahead of plan.
- Expanded program coverage to 32 states for residential and nationally for commercial.
- Launched or laid groundwork for new state-programs in California, Delaware, Pennsylvania, New Hampshire and additional states poised to receive federal infrastructure funding.

We anticipate further growth and expansion in 2024 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

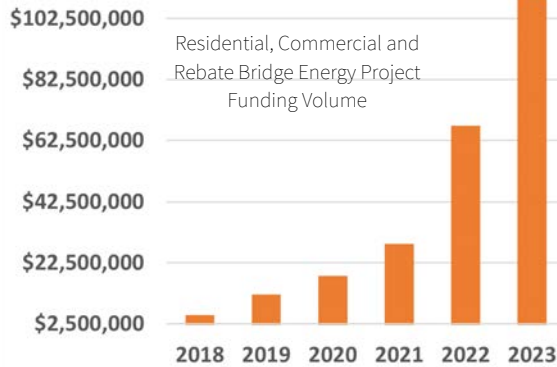


Matthew Brown  
Managing Member  
Co-Chair & Founder



Laura Nelson  
COO  
Founding Partner

# FOCUSED ON AFFORDABILITY OF ESSENTIAL ENERGY IMPROVEMENTS

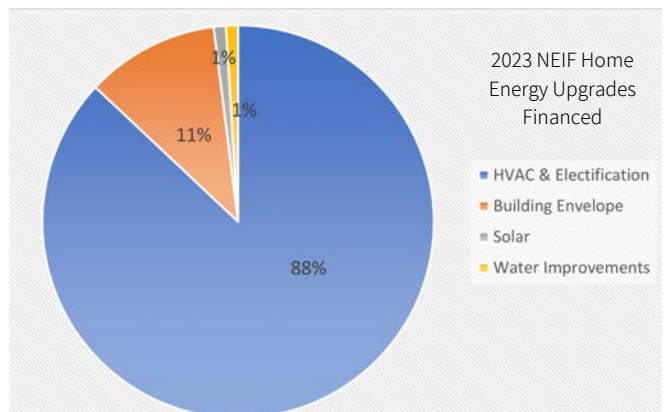


## NEIF'S RAPID GROWTH IN FINANCING OF ESSENTIAL RESIDENTIAL & COMMERCIAL EFFICIENCY PROJECTS

Affordability is the greatest impediment to the 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 is typically short term "teaser" rates, high cost to contractor or a cumbersome loan process. NEIF is focused on improving the delivery channel, increasing affordability and aiding contractor cash flow.

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

Core upgrades - heating and cooling (HVAC), insulation, roofing, lighting - are what drives most demand. Electrification (heat pumps, generators, storage) is becoming a dominant trend. While solar is an option for some, NEIF focuses on working with contractors, utilities, distributors, and state "green banks" to increase the uptake of core improvements. In 2023, 88% of financed home improvements were for HVAC and electrification.



**72,395,000** kWh

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

**41** **\$241,672,883**

ACTIVE STATES\*\*

TOTAL PROJECTS FUNDED\*

**\$73,431,386**

ENERGY EFFICIENCY LOAN SERVICING PORTFOLIO\*\*

**18,094**

PROJECTS COMPLETED\*\*

**40**

ACTIVE STATE, UTILITY AND PROGRAM PARTNERSHIPS \*\*

# 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 upgrades is vital. Low and moderate-income households accounted for 52% of all loans in 2023.

### Low

26%

### Moderate

26%

### Above Moderate

48%

## 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 1,700 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.

# 1,719

TOTAL APPROVED CONTRACTOR BUSINESS PARTNERS IN 41 STATES



## SUPPORTING PROGRAM AND MARKET-BASED LENDING

Market      Program

42%

58%



## 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.



Raise Green

Invest in NEIF  
[www.neifund.org/raisegreen](http://www.neifund.org/raisegreen)

## Balance Sheet

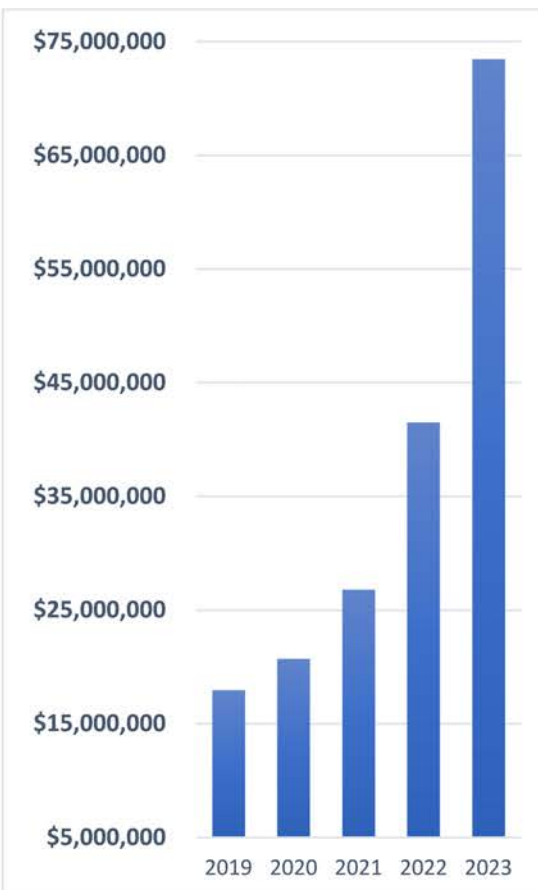
	2022	2023
	Audited	Audited
<b>Assets</b>		
Cash and equivalents	\$ 1,186,787	\$ 808,412
Loan servicing fees receivable	\$ 168,382	\$ 498,842
Other receivables	\$ 70,025	\$ 835,295
Loans held for resale	\$ 40,876	\$ 56,329
Prepaid expenses	\$ 41,213	\$ 52,081
Loan servicing asset	\$ 1,903,467	\$ 3,188,593
Furniture and equipment, net	\$ 5,123	\$ 264,715
Intangibles, net	\$ 263,726	\$ 1,846
Right of use operating lease		\$ 350,870
Security deposits	\$ 7,000	\$ 7,000
Investment in affiliate	\$ 996,113	\$ 388,886
Limited-use assets, restricted cash	\$ 2,419,667	\$ 2,682,879
	<u>\$ 7,102,379</u>	<u>\$ 9,135,748</u>
<b>Liabilities</b>		
Accrued expenses	\$ 155,038	\$ 225,676
Amounts due on serviced loans	\$ 2,539,472	\$ 2,729,022
Loan loss reserve	\$ 92,047	\$ 62,547
Note Payable		\$ 250,000
SBA Loan	\$ 500,000	\$ 500,000
Subordinated debt	\$ 1,205,000	\$ 1,167,947
Right of use operating lease		\$ 350,870
Due to preferred members	\$ 68,605	\$ 231,151
Due to common members	\$ 735,583	\$ 1,310,659
Member earnout payable	\$ 279,133	\$ 4,877
	<u>\$ 5,574,878</u>	<u>\$ 6,832,749</u>
<b>Members' Equity &amp; Tangible Net Worth</b>		
Class A Preferred	\$ 230,000	\$ 230,000
Class B Preferred	\$ 3,565,000	\$ 3,452,426
Class E Preferred	\$ 680,000	\$ 680,000
Class F Preferred		\$ 621,598
Class CF Preferred	\$ 826,320	\$ 1,372,605
Class C Common	\$ 500,000	\$ 500,000
Class D Common	\$ 1,600,000	\$ 1,600,000
Accumulated Deficiency	\$ (5,873,819)	\$ (6,153,630)
Total Members' Equity	<u>\$ 1,527,501</u>	<u>\$ 2,302,999</u>
Tangible Net Worth (w/ sub-debt)	<u>\$ 2,732,501</u>	<u>\$ 3,470,946</u>
<b>Total Liabilities and Member's Equity</b>	<u><b>\$ 7,102,379</b></u>	<u><b>\$ 9,135,748</b></u>

## Statement of Operations

	2023
	Audited
<b>Revenue</b>	
Loan servicing income	\$ 2,054,055
Program Fee Income	\$ 272,000
Commercial Broker Income	\$ 317,742
Rebate income*	\$ 108,756
Interest Income	\$ 4,538
Gain on Earnout Provision	\$ 192,375
Gain on loan servicing rights	\$ 1,285,127
<b>Total Revenue</b>	<b>\$ 4,234,593</b>
<b>Total Expenses</b>	<b>\$ 3,985,771</b>
<b>Net Profit</b>	<b>\$ 248,822</b>
* Includes income from investment in affiliate	

## Loan Servicing Portfolio

Consistent historical losses of less than .75 % annualized. Planned growth to \$500 MM by 2027.





# ABOUT NEIF - THE NATIONAL ENERGY IMPROVEMENT FUND

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- NEIF, launched in 2018, is a successor to AFC First, one of the original FannieMae energy lenders, founded in 1947, and energy finance pioneer Harcourt Brown and Carey.
- 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, “green banks” and governments.
- Supervised as a consumer lender and servicer in 32 states and operating a commercial financing platform nationally in partnership with 40 plus utilities.
- 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 18,000 energy and resilience projects for over \$241 million and services an energy efficiency loan portfolio approaching \$75 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.**