



Pathway Lending

Go Green. Save Green.



Pathway Lending:

Pathway Lending is a **Private, Non-Profit Economic Development Lender** certified by the U.S. Department of Treasury. We are chartered to provide loans to businesses in the Southeast – currently focusing on Tennessee footprint.

Founded: 1999

**Energy Efficiency
Loan Program Launched:** 2010

Lasting Community Impacts:

- 540 Loans to 350+ Tennessee Businesses.
- 1,500 Jobs Created, 2,600 Jobs Retained in Tennessee.

Why Energy Efficiency?

Triple Bottom Line Impacts:

People, Planet, and Profits

- Increases Worker Productivity & Worker Satisfaction
- Long-term safeguard against energy price increases
- Energy security & Energy Independence
- Lowers operating costs compared to competitors
- “Green” marketing advantage

Why Not Energy Efficiency?

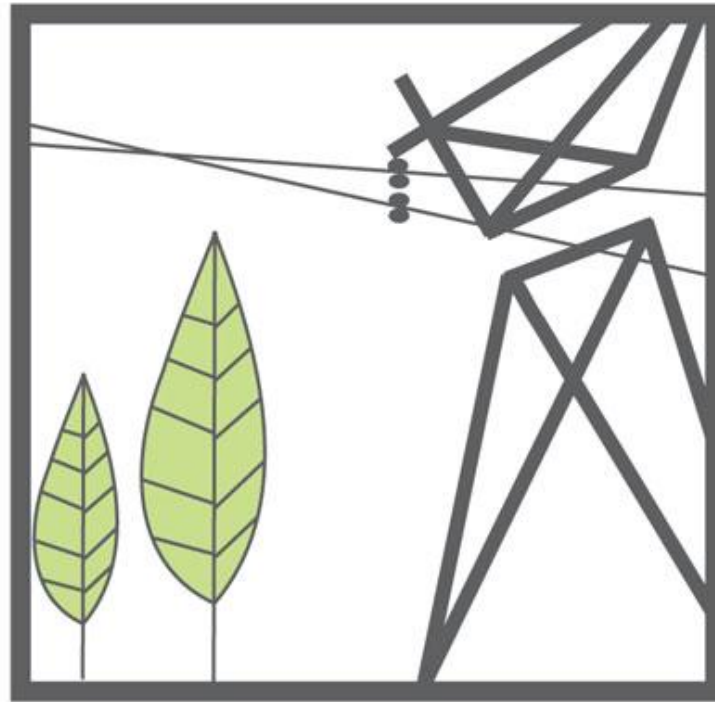
#1 Reason:

“Lack of project funding. Companies have limited funds for energy efficiency as projects compete for capital with other corporate priorities.”

**“From Shop Floor to top Floor: Best Business Practices in Energy Efficiency”
Pew Foundation, 2010**



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Energy Efficiency Loan Fund Basics:

What:

A \$50 million, low-interest, revolving loan fund to finance energy efficiency and renewable energy projects in Tennessee.

Target Markets:

Industrial, Commercial, and Private Non-Profit facilities located in the state of Tennessee.

Projects:

Any investment in a fixed asset that provides significant reductions in energy, emissions, and/or utility consumption.

Energy Efficiency Loan Fund Basics:

Loan Amount:

Range from \$20,000 - \$5,000,000

Program Features:

- Below Market Rates
- Terms Up to 10 Years
- Repayment Based Upon Energy Savings
- Up to 100% Project Financing:
 - Assessment, engineering, purchase and installation costs.

Worked Through A Variety of Lending Scenarios:

Not Associated with Stimulus Funding:

Financing Businesses. Strengthening Communities.

Pathway Lending provides critical resources to Tennessee businesses and entrepreneurs. Our Small Business loans help companies take advantage of opportunities and grow.

[LEARN MORE >](#)



FEEDBACK

Small Business Loans

Our mission is to provide loans to businesses lacking access to traditional financing. Explore our site to learn more about our financial products and services and see how we can help your business achieve its goals and grow.

[READ MORE >](#)

Energy Efficiency Loans

Energy efficiency is the best way for your business to save money and increase its competitiveness, cash flow, and profitability. Learn how our Energy Efficiency Loan Program can help by financing your energy efficiency projects.

[READ MORE >](#)

Lunch and Learn

Join us for a free lunch and learn how your business can take advantage of Pathway Lending's Energy Efficiency Loan Program. We're travelling to a Tennessee city near you this September. Hope to see you there!

[READ MORE >](#)

News

- > Pathway Lending helping en...
- > Small businesses need more...
- > Tight Credit Helps Lender'...
- > Pathway Client Mama Turney...
- > Loan fund offers help to s...

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What Makes A Good Application:

Financial Test:

Can the company repay the loan, even if no savings occur? What do the last 3 years financials look like?

Energy Savings Test:

Does the company have a complete assessment, audit, or vendor proposal detailing project cost and energy savings? Can the savings repay the loan within 10 years?

Job Creation/Retention Test:

How many jobs will be retained or created due to the savings generated by this project?

Case Study:

Senior Living Ctr.

Project: Replace windows, HVAC,
and lights in patient areas.

Project Cost: \$200,000

Energy Savings: \$26,000/year

Option 1: No Cost Share

Payment: \$2,167/month

Shared Savings: \$0/month

Term: 117 Months



Option 2: Shared Savings

Payment: N/A

Shared Savings: N/A

Term: N/A

Case Study:

ABC Warehouse

Project: Replace 222 Halide Lamps with Efficient T8 Fixtures

Project Cost: \$650,000

Energy Savings: \$380,000/year



Option 1: **No Cost Share**
 Payment: \$31,670/month
 Shared Savings: \$0/month
 Term: 22 Months

Option 2: **Shared Savings**
 Payment: \$15,840/month
 Shared Savings: \$15,830/month
 Term: 46 Months

For every “yes” – a lot of “no’s”...

“I’m leaving in six months, this will be another guy’s problem”

“Our division doesn’t get to keep the profit! I will pass.”

“Isn’t this a tenant problem, not a landlord problem?”

“Are you going to guarantee this works?”

Another Way to Look at Opportunity

Manufacturing Averages:

- Energy averages 6% for cost of doing business
- Annual profitability factor is 5% to 10%

Example:

Company with \$10 million in sales

- \$600,000 annual energy costs
- \$700,000 average profitability
- 25% energy cost reduction = \$200,000/yr to the bottom line

Would require approximately \$3 million in additional sales for an equal impact on overall annual profitability!!!

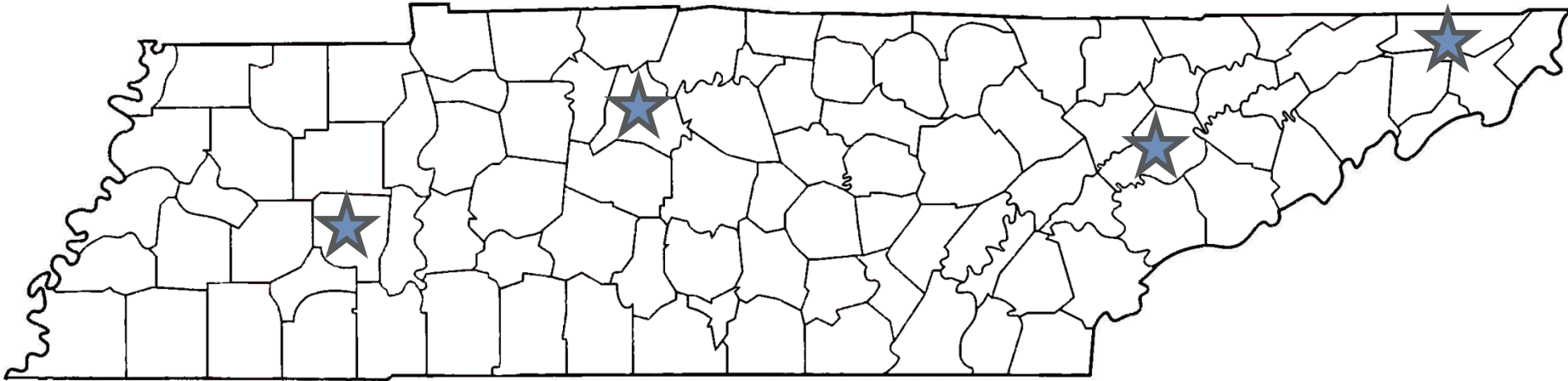
If the South could embrace EE...

- 25 Gigawatts (GW) of older power plants could be shut off
- 49 GW of new plants could be avoided.
- By 2020, energy bills in the South would be reduced by \$41 billion.
- Nearly 400,000 jobs would be created and the region's economy would grow by \$1.2 billion annually.
- 20 billion gallons of fresh water – that would otherwise be used for power plant cooling – would be conserved annually.

Energy Efficiency: Why the SEEA Spotlight is on the Southern States

By David Fessler, Friday, April 16, 2010:

Pathway Lending: Office Locations



SCC serves Tennessee from four office locations:

★ Nashville

★ Jackson

★ Knoxville

★ Tri-Cities



Pathway Lending

Financing Businesses. Strengthening Communities.

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