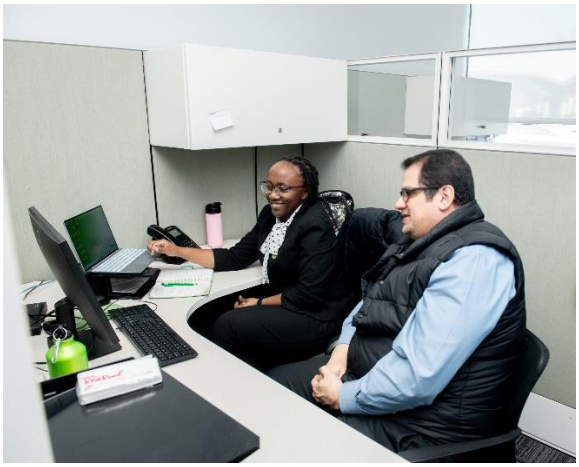
For Opportunities Credit Union, Energy Efficiency Loans Help Low-Income Individuals Save Money—And Combat Climate Change

Over the span of 48 hours in mid-July 2023, most of Vermont was battered with record amounts of rainfall, resulting in catastrophic flash flooding. As the state's rivers swelled, homes were submerged, roads and bridges were washed out, and, tragically, at least two lives were lost. The 500-year flooding event devastated communities across The Green Mountain State, and it touched the lives of every Vermonter, regardless of race, citizenship status, and socioeconomics. Although FEMA was able to offer some assistance, the federal agency didn't cover all of the build-back costs, which compounded the devastation for low-income community members, many of whom were uninsured. Whether it was remediating mold or rebuilding retaining walls, many Vermonters were left to tackle the flood's after effects on their own.



That's where Opportunities Credit Union, with its motto of "we don't say 'no,' we say 'when,'" entered the equation. Opportunities Credit Union is a certified Community Development Financial Institution (CDFI) focused on improving the financial stability of community members in 220 towns across Vermont. For the past 35 years, the low-income credit union has been providing its members with innovative and affordable loan and deposit programs for credit building and repair, business and home ownership, as well as tailored financial education and Housing and Urban Development-certified housing counseling. Additionally, for more than 15 years, Opportunities Credit Union has worked alongside a robust network of partners to deploy energy improvement and efficiency loans through its energy loan program. Those partners include Vermont Energy Investment Corporation, Vermont Economic Development Authority, the Vermont Department of Public Service, and many others.

Another one of Opportunity Credit Union's partners has been Efficiency Vermont's Efficiency Excellence Network, which the CDFI works with to deploy Home Energy Loans. These loans allow low-income Vermonters to pursue up to $20,000 in financing for heating and home efficiency upgrades, including cold-climate heat pumps, central wood pellet systems, solar domestic hot water systems, and weatherization improvements. There's no minimum loan amount, and Opportunities Credit Union offers the loans with interest rates based on a sliding scale that go as low as 0% APR. Incredibly, the loan application review process typically takes as little as one business day, and loan recipients are eligible to qualify for additional rebates and incentives through Efficiency Vermont, saving them even more. "We're able to connect with these people because they're low-income with a low-credit rating," said Kate Laud, Opportunities Credit Union's CEO. "Because of that, we're able to offer them interest rates on a sliding scale as far down as 0%, which can really improve their lives."



Opportunity Credit Union's Home Energy Loans aren't the only loans it offers with interest rates as low as 0%. According to Kate, these zero-interest loans are made possible through grant dollars and funds that the credit union can access as a CDFI. For example, the credit union received a grant from Opportunity's Finance Network to deploy an energy efficient appliance loan program, which has no minimum loan amount, up to $4,000 financing, with rates as low as 0%. The CDFI also offers a Citizenship Loan at 0%, as well as BIPOC business loans and electric bike loans.

Given that Opportunities Credit Union is Vermont's only CDFI credit union, it's in a unique position to receive and administer grant dollars. Kate says that the credit union has earned a reputation in Vermont as both a community financial institution and a grant recipient institution. For example, Vermont state agencies require income verification as part of their programs. Because Opportunities Credit Union already uses income verification to deploy its income-based interest-rate loans, the CDFI is on state agencies' short list of financial institutions capable of meeting their grant compliance and administration standards, whether that's for funds to remove and replace underground residential petroleum tanks or for funds to modify vehicles to make them accessible

to disabled community members. “We have a lot of partnerships in Vermont,” Kate said, “because people don’t view each other as competition. Here, people work together for the common good.”



Deploying Loans to Combat Climate Change

In the aftermath of the The Great Vermont Flood of 2023, Opportunities Credit Union has continued to establish new collaborations with partners to deploy loans for energy improvements so that as Vermonters rebuild, they can do so not only to be more impervious to future floods, but to lower their energy costs. For Kate, the CDFI’s flood response was a further impetus for Opportunities Credit Union to deepen its work at the nexus of addressing climate change and serving low-income individuals. It’s also one of the reasons why the credit union became a CNote Climate Cash™ partner.



Climate Cash™ is the industry’s first 100% Carbon Positive deposit solution, enabling corporations to enjoy FDIC or NCUA insurance and competitive returns while contributing to carbon-reduction lending activities. Climate Cash™ enables corporations to deploy cash in the form of deposits into a network of mission-driven banks and credit unions like Opportunities Credit Union to combat climate change. Importantly, participating corporations can monitor, administer, and report their Climate Cash™ through a single interface. Example initiatives supported by the Climate Cash™ solution include installing affordable solar power in low-income communities, funding energy-

efficient appliances and green home upgrades, and increasing access to electric vehicle financing to reduce emissions.

“At Opportunities Credit Union, almost all of the home improvement loans we’ve made in recent history have been for energy improvement,” Kate said. “That’s because that’s a budget-saver for low-income people. They’re not trying to be the first person in their neighborhood to have a geothermal well or to have solar panels on their roof. They’re truly trying to save money, and that’s what leads them to energy efficiency—that’s what leads them to us.”



Learn More:

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