

## Startup CU intends to fill 'green' niche, inspire other lenders to do likewise

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By Ken McCarthy

Clean Energy FCU believes there is tremendous pent-up demand for "green" loans, and the newly chartered credit union plans to serve that niche. But the Boulder, Colo.-based institution said it cannot do it alone.

"There's way more demand than we're going to be able to handle," Chairman Blake Jones said in an interview.

Clean Energy, which received one of four new federal credit union charters handed out in 2017, has officially launched and is now taking savings account deposits and making clean energy loans. The online-only company will focus exclusively on providing loans that help people throughout the U.S. obtain clean energy products and services including solar electric systems, electric vehicles, home energy efficiency retrofits, electric-assisted bicycles and net-zero-energy homes.

Jones said loans specifically tailored for many of those products are hard to find. Maybe one out of 100 banks offers loans for "green" projects such as energy efficiency home improvements although many offer lines of credit for, say, a kitchen remodel. "But they're just trying to fit that into their home equity loan product and put a lien on your home," he said. "We're willing to give loans where the only collateral is the new high-efficiency water heater or furnace."

And there are practically no traditional lenders that offer loans for solar panels, Jones said. Instead, those loans are usually made through venture capital-backed specialty lenders and come with high interest rates.

So Clean Energy FCU plans to educate and encourage other banks and credit unions to begin offering those products. "If we're the only ones doing this 10 years from now, we'll consider that a failure," he said.

To compete effectively, credit unions either need to be able to take advantage of economies of scale or need to serve a niche, said Scott Earl, President and CEO of the Mountain West Credit Union Association. While he has not seen its business plan, Earl said the credit union spent an extraordinary amount of time in the community educating and building awareness before it launched.

"They are definitely serving a niche," he said. "That gives me strong confidence in their ability to succeed."

Clean Energy FCU does not yet have its mobile app ready, but expects it to be operational in July. The credit union also does not yet offer checking accounts and probably will not until early 2019. It also does not yet offer mortgages, home equity or business loans, or credit cards. Those, too, will come next year. "We did not want to wait to be ready before we launched because that would have taken us through the end of the year," Jones said.

Those interested in joining the credit union must first be a member of the American Solar Energy Society. Down the road, the credit union hopes to add other like-minded environmental companies and professional organizations to its field of membership, Jones said. Other groups have already reached out about being included. "But we have to learn how to crawl before we walk," he said.