

Changes to the State Treasurer's Linked Deposit Programs

Effective September 29, 2011

ECO-Link Policy Changes

- Previously 100% of loan proceeds were required to be applied to only energy-efficient upgrades. Moving forward, ECO-Link now requires that a minimum of 50% of loan proceeds be applied to energy-efficient upgrades, while the other 50% can be assigned to other home improvement or upgrades.
- A number of residential classifications may now be eligible for the ECO-Link rate reduction and will be considered on a case-by-case basis. For example, multi-family homes, condominiums, rental properties, mixed-use and other residential classifications may now be considered for ECO-Link.
- Appliances are no longer required to be Energy Star® rated to be considered eligible for the ECO-Link rate reduction. Appliance upgrades will not have to be EnergyStar® rated but can now hold a broader range of energy efficient-designations based on federal government standards.
- The Ohio Treasury no longer recommends contractors. The Ohio Treasury deems any contractor acceptable contingent on borrower and lender approval.
- A home energy audit is no longer mandatory when applying for ECO-Link participation.

GrowNOW Policy Changes

- The interest rate reduction will still be up to a maximum of 3%; however, the GrowNOW interest rate reduction will be based on the loan's interest rate set for each borrower by the bank. If the interest rate is above 5%, the reduction will be 3%. If the interest rate is 5% or below, the reduction will be 2.1%.
- The Ohio Treasury is now able to place investments in a certificate of deposit or other financial institution instrument approved by the Treasurer of State, including fully collateralized products that would otherwise pay market rates of interest.
- The Ohio Treasury has added an investment option to allow for a single interest and principal payment to be made upon maturity of the Treasury's two-year investment with our depository banks. Banks, however, may still elect to make the six-month amortization payments as prescribed under current policy.
- Holding companies may be listed as guarantors on eligible loans for the GrowNOW program. However, only operating companies and small business owners may be listed as signers.

- All franchises will now be approved for participation in GrowNOW, as long as the current fiscal year funding for all Economic Development programs is below capacity. The Economic Development Department may invest up to 12% of the state portfolio in linked deposit programs. Capacity is defined as 90% of the overall economic development funds for the fiscal year (12% of the state portfolio). When the current fiscal year funding is above capacity, no franchise will be approved unless the business is owned by a veteran or spouse of a veteran or the business is located in a county with an unemployment rate above the Ohio statewide average.

SaveNOW Policy Changes

- SaveNOW savers can now participate in the program for two years back-to-back, with the 3% bonus interest paid out at the end of each year. The additional 3% interest bonus will be based on the saver's average daily balance for each separate year of participation. In order to increase efficiency in administration of SaveNOW, email will be the preferred medium of communication. However, savers can enroll in the program with or without an email address.
- The SaveNOW application is now electronically available as a fillable PDF form. This will streamline the application process making it easy for banks and applicants to complete the form. Using available electronic technology will also eliminate illegible handwriting and decrease the bank's administrative workload. The application can be downloaded from the Treasurer's SaveNOW website at www.SaveNOW.ohio.gov.
- It will now be required that savers complete an initial financial education survey at the time of enrolling in SaveNOW. This initial survey is designed to assist the saver in evaluating their current spending and saving habits. The bank will submit the survey and the SaveNOW application to the Treasurer of State's office.
- An additional financial education survey will be sent by the Treasurer of State's office in the 22nd month of participation. This survey is designed to assist the saver in evaluating their progress and the effectiveness of the SaveNOW program. If the final survey is not completed, the Economic Development Department will contact the saver either by phone or email.
- Financial literature and the financial education surveys for the SaveNOW program will now be produced and sent via mail or email by the Treasurer of State's office. Savers will receive up to three newsletters per year.

Ag-LINK Changes

- In an effort to simplify the application process, several questions have been removed from the application. These questions pertained to calculations for working capital ratio, debt to equity percentage, average percent of operating expenses paid and percent of total operating borrowing.
- An online application will be available prior to the 2012 application period in order to make it more convenient for lenders to submit applications to the Treasurer of State's office.

For more information, please visit State Treasurer Josh Mandel's website at www.ohiotreasurer.gov or call 1-800-228-1102 (Option #3).