

mileagesmart ●●●●

The MileageSmart Program offers a 25% incentive - up to \$5,000 - toward the cost of a previously-owned, fuel-efficient vehicle for Vermonters of low-to-moderate income, to ensure no one is left behind as we modernize Vermont's fleet.

Program Goals



Improve transportation access

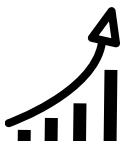


Strengthen credit



Reduce CO₂ emissions

Results and Learnings



Strong and growing interest -
200 applications completed since Oct 1, 2020



140 active applications approved, average incentive value is \$4,035 -
This would expend **\$552,795**, 80% of the remaining incentive pool



Applicants are struggling to find a car in their price range -
Average cost of a MileageSmart vehicle: \$16,000



Applicants are struggling to access financing -
Even with the incentive, a low credit score is a barrier



23 vehicles delivered -
Only 12% of applicants have used the MileageSmart incentive.

mileagesmart ●●●●

Vehicles Sold

10 hybrids



like the Toyota Prius

5 plug-in hybrids



like the Honda Clarity

8 all-electric



like the Nissan Leaf

"The MileageSmart program gave me the opportunity to get a newer car within my price range. This will hopefully result in more secure transportation for a longer time. It was an efficient, straight forward process. I am happy to get great gas mileage, too!"

Jean Marie, Caledonia County, 2019 Kia Niro Hybrid

Recommendations

1. Fully fund the MileageSmart program in FY22.
Reauthorize a carry over of \$440,000 from the current fiscal year. We're requesting \$600,000 in FY22 funding. We project enabling 220 car purchases.
2. Enable establishment of a loan loss reserve fund.
To reduce the risk of lending to MileageSmart applicants with no credit or poor credit, we propose using a portion of the program budget to establish a loan loss reserve fund. We would allow access to this support for those working with a financial advisor.
3. Scale the MileageSmart incentive based on income.
Under the current structure, the incentive scales with the price of the car; we suggest using income-based tiers. For example, folks eligible for LIHEAP could automatically qualify for the full \$5,000 incentive.
4. Offer financial advising.
For MileageSmart to be successful, our clients need direct assistance from financial counsellors; funding for financial and environmental coaching is needed at each Community Action Agency.