

## GUIDELINES FOR 3% INTEREST ERC LOAN PROGRAM (revised 05/01/11)

- C The cooperative can provide a direct loan of up to \$15,000 to members of RCEC
- C Loans are reviewed by the Board of Trustees during regular monthly board meetings (4<sup>th</sup> Tuesday)
- C Loans can be made only to property owners of the property requiring weatherization
- C Loans may be provided to finance the cost of materials and labor for:
  - C Caulking
  - C Weatherstripping
  - C **Heat pump systems, electric and dual fuel (including water source heat pumps) with at least a SEER rating of 16; minimum EER of 12.5; and minimum HSPF of 8.5 and water heaters, which reduce consumption of electricity**
  - C Ceiling, wall, floor, duct and pipe insulation, as well as water heater insulation with Energy Star and Department of Energy requirements
  - C Storm and thermal windows and doors
  - C Clock thermostats
  - C Attic ventilation fans
- C Loans can be made for existing structures only and not for new construction. Loans can include commercial and industrial buildings if owned and operated by the member/owner
- C Loans will be made only to members who have a good payment record with the cooperative, and a credit rating of good report which also includes no bankruptcy filings within the past 5 years of current application
- C Loans of less than \$3000 will be evaluated and processed by RCEC staff to determine credit reliability. Credit reliability will determine acceptance or rejection of those loans. Loans in excess of \$3000 will require the approval of the entire Board of Trustees at their regular monthly meetings.
- C Payment by RCEC on the loan agreement will be made only at the completion of the project as described on the application
- C An inspection upon completion of the work performed under the application may be required. Disbursement of checks will be made at the conclusion of the inspection
- C RCEC will issue check payable to both the member and the contractor/supplier for materials and/or labor, except when proof of purchase or paid invoices are presented, In which case, the check will be made payable to the member
- C If the member installs the materials, the loan will be limited to the financing of materials only. No checks should be endorsed by the member until all work is completed and the borrower is completely satisfied with all materials and workmanship
- C RCEC reserves the right to bill the monthly payments as a part of the monthly electric bill or as a separate monthly billing
- C The contractor providing the weatherization work should provide bond and a written guarantee-warranty for both the products used and the workmanship involved
- C A mortgage on the property and UCC on equipment will be required as security on each loan made
- C RCEC will be placed as additional lien holder on titles to mobile homes prior to completion of loan
- C Landowners of real estate contracts will be required to sign mortgages
- C The cost of credit checks, filing fees, and other charges necessary for initiating the loan will be charged to the borrower at the time of application. This charge is **\$85.00**
- C Maximum repayment on loans less than \$3000 is 3 years, more than \$3000 is 10 years with a minimum monthly payment of \$25
- C Financing on ground loop portion only of a geo-thermal heat pump at a maximum of \$6,000 at zero interest up to 10 years with 3% interest on the heat pump unit up to 10 years
- C Fire insurance and extended coverage will be required for the amount of each loan
- C No work is to be started nor purchases made before loan approval by the General Manager or Board of Trustees is made