

Energy Efficiency Loans

What You Need to Know

Alabama Rural Electric Credit Union provides financing to residential members to help make energy efficiency improvements in eligible homes. This program is intended to provide financial assistance to eligible members for the purpose of lowering costs, conserving energy through energy efficient upgrades to eligible members' homes.

Eligibility

This program is available to ARECU members who:

- Own the dwelling
- Have power with one of our electric cooperatives
- Receive completed energy audit from your electric cooperative
- Loan amount approved by ARECU

The program is offered to members who own existing homes.

Qualifying projects:

- Heat pump purchase and installation
- Heat pump tune-up
- Duct repair or replacement
- Attic, floor, exterior wall or perimeter insulation (foam or cellulose only)
- Air sealing
- Heat pump water heater purchase and installation
- Water heater blanket and pipe insulation
- Attic ventilation
- Insulated doors
- Energy-efficient windows
- Window tinting
- Programmable thermostats
- Skirting (barrier that covers the space between the floor of a mobile home and its foundation)

ALL installations and improvements must be performed by a licensed contractor.

FAQs

Q: What is the minimum amount I can borrow through the ARECUs energy loan program?

A: For home energy loans the minimum amount is \$500.

Q: What is the maximum amount I can borrow through the ARECUs energy loan program?

A: For home energy loans the maximum amount is \$25,000.

Q: I am not a member of Alabama Rural Electric Credit Union and I do all my banking elsewhere, do I still need to join Alabama Rural Electric Credit Union?

A: Yes, all borrowers are required to become a member of the Credit Union either prior to or at time of closing. A \$10.25 deposit to a share savings account is necessary to initiate the membership.

Q: How do I get started? How can I start saving money?

A: Have an energy audit conducted by your power company. A copy of the completed energy audit will be necessary to initiate the loan process for an energy efficiency loan. The completed audit will provide recommendations for improvements to the dwelling in question. Decide on the improvements and the total amount you need to borrow. Once you have decided on the improvements and dollar amount, complete the online consumer application. You will be notified by phone by a loan officer of the Credit Union.

Q: Do I have to get an energy assessment to qualify for an Alabama Rural Electric Credit Union is energy loan?

A: An energy assessment is required, will help identify and prioritize energy efficiency projects.

Q: How are loan funds disbursed?

A: After ARECU verifies the completion of the improvements, a closing is scheduled. The Credit Union issues checks to each contractor once a Contractor's final release and waiver form are signed.

Q: How long do I have to have the improvements completed?

A: Qualified members have 90 days from the date of approval for the loan.

Q: Is there a closing cost for closing on an energy efficiency loan?

A: No.

Q: How do I select a contractor?

A: You select your own contractor but they must meet certain business criteria, supply business information and the improvements to be made to your residence before beginning work.

Q: What if multiple contractors are involved in the project?

A: You will need to obtain all of their bids to determine the total funds you wish to borrow. You should then apply for the total amount needed before moving on with the project.

Q: Do I have to use a particular contractor? How do I find a Contractor?

A: A licensed contractor is required to conduct the work.

Q: I am building a new home or making an addition to my current home. Can I take out a loan to fund energy efficient construction?

A: No. Unfortunately the projects must only be for existing buildings and ARECU cannot loan to "new construction." The work needs to take place within the existing footprint of the structure.

Q: What about work that has to be done as a result of the Energy Efficiency improvement?

A: Measures needed to install the new equipment can be financed, such as repairing drywall. In addition, health and safety measures can be funded as part of the loan if they are needed as a result of the energy efficiency work being done.

Alabama Rural Electric Credit Union

Energy Efficiency Loan Participation Agreement

Alabama Rural Electric Credit Union promotes energy efficiency to help members identify, develop and implement energy efficiency projects for greater savings. This is a program which qualified members may obtain financing to purchase and install the following energy efficient home improvement products that receive electric service from one of our electrical cooperatives. Below are the eligible products that may be financed for this program:

- Heat pump purchase and installation
- Heat pump tune-up
- Duct repair or replacement
- Attic, floor, exterior wall or perimeter insulation (foam or cellulose only)
- Air sealing
- Heat pump water heater purchase and installation
- Water heater blanket and pipe insulation
- Attic ventilation
- Insulated doors
- Energy-efficient windows
- Window tinting
- Programmable thermostats
- Skirting (barrier that covers the space between the floor of a mobile home and its foundation)

This is an agreement by and between Alabama Rural Electric Credit Union and the Owner(s) of the residential housing located at:

Member Name: _____

Account Number: _____

Street Address: _____

Telephone Number: _____

The member identified above wants to participate in the Energy Efficiency Program at Alabama Rural Electric Credit Union. By signing this participation agreement the member is stating they own the residence listed above and wants to finance the purchase and installation of one or more of the products listed above.

If Member is approved for Energy Efficiency Loan:

- Member will be notified of approval and will be explained the terms of the Energy Loan, the energy loan will be secured by the product being financed.
- Cooperative will inspect the installation of the financed product to confirm work by contractor has been completed.
- Once installation has been completed to satisfaction of the member, the member is responsible for contacting Alabama Rural Electric Credit Union when work is completed.

Member will sign a work completion form and contractor will sign contractor's final release and waiver lien form. Member is responsible for setting up appointment to close on loan to pay contractor(s), along with invoices for the installation work and product(s). The invoice should include any model or serial number of the product(s) being installed.

- Alabama Rural Electric Credit Union shall have no obligation to fund an Energy Efficiency Loan unless and UNTIL the member provides Alabama Rural Electric Credit Union with the signed work completion form, copies of contractor(s) invoice(s) and the signed contractor's final release and waiver lien form.
- Member shall sign loan documents at the closing of the loan and Alabama Rural Electric Credit Union will issue check(s) for the contractor(s) that installed the products being financed in the Energy Efficiency loan.
- There is no guarantee or warranty of any nature whatsoever, whether expressed or implied, from Alabama Rural Electric Credit Union as to the work performed, any of the improvements installed, or their adequacy or effectiveness.
- Member authorizes Alabama Rural Electric Credit Union to share information with the electric cooperative that completed the energy audit about the Member and the Member's application for any Energy Loan,

Member

Date

Member

Date

Installation Work Completion Form

Member Certification

Energy Efficiency Loan Program provides financing to residential members to help make energy efficiency improvements in eligible homes. This program is intended to provide financial assistance to eligible members for the purpose of lowering costs, conserving energy through energy efficient upgrades to eligible members' homes.

There is no guarantee or warranty of any nature whatsoever, whether express or implied, from Alabama Rural Electric Credit Union as to the work performed, any of the improvements installed or their adequacy or effectiveness. The Cooperative will inspect the installation of the financed product to confirm work by contractor has been completed.

By signing, Member agrees that the work has been satisfactorily completed and certifies that any energy efficiency improvements have been satisfactorily installed at the following address:

Address: _____

Member

Date

Member

Date

Inspector's Certification:

I certify to the best of my knowledge the project recommended during the home energy audit has been inspected at the address listed below and has met Program Standards and requirements.

Address: _____

Inspector's Signature: _____ Date: _____

CONTRACTOR'S FINAL RELEASE AND WAIVER OF LIEN

Project/ Owner	Contractor
Project: _____	Name: _____
Address: _____	Address: _____
_____ (City) (State) (Zip)	_____ (City) (State) (Zip)
Owner: _____	Contractor License: _____
_____	Contract Date: ____/____/____

TO ALL WHOM IT MAY CONCERN:

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned Contractor hereby waives, discharges, and releases any and all liens, claims, and rights to liens against the above-mentioned project, and any and all other property owned by or the title to which is in the name of the above-referenced Owner and against any and all funds of the Owner appropriated or available for the construction of said project, and any and all warrants drawn upon or issued against any such funds or monies, which the undersigned Contractor may have or may hereafter acquire or possess as a result of the furnishing of labor, materials, and/or equipment, and the performance of Work by the Contractor on or in connection with said project, whether under and pursuant to the above-mentioned contract between the Contractor and the Owner pertaining to said project or otherwise, and which said liens, claims or rights of lien may arise and exist.

The Cooperative will inspect the installation of the financed product to confirm work by contractor has been completed prior to disbursement of funds.

The undersigned further hereby acknowledges that the sum of

_____ Dollars (\$ _____) constitutes the entire *unpaid* balance due the undersigned in connection with said project whether under said contract or otherwise and that the payment of said sum to the Contractor will constitute payment in full and will fully satisfy any and all liens, claims, and demands which the Contractor may have or assert against the Owner in connection with said contract or project.

Dated this ____ day of _____ 20__

Contractor

Witness to Signature:

By: _____

Title: _____