



First Electric  
Cooperative

Your Touchstone Energy® Cooperative 

## HOME IMPROVEMENT LOAN PROGRAM

### Loan Terms:

<b>Eligible Consumer:</b>	Borrower must own and occupy the property and demonstrate adequate credit history as determined by FECC.
<b>Eligible Property:</b>	Only single-family residential dwelling structures that are owner-occupied primary residences served electric power by First Electric Cooperative. Includes existing structures and those under construction.
<b>Amount:</b>	Up to \$15,000. Borrower may have multiple loans under the program not to exceed \$15,000 outstanding in total.
<b>Approval:</b>	Existing structure – 60 days from the approval date. New Construction – 120 days from the approval date. Thereafter, the member must reapply for a loan.
<b>Eligible Equipment:</b>	Those products listed on Eligible Products List only.
<b>Term:</b>	Up to 24 months - \$500 - \$2500. 12 to 60 months - loans over \$2500.
<b>Rate:</b>	5.75 % Fixed rate to maturity. Rates will be set from time to time as market conditions warrant.
<b>Calculation:</b>	Simple interest daily accrual.
<b>Amortization:</b>	Fully amortizing level debt service. Last payment dollar amount and timing may be adjusted due to partial prepayments and over payments.
<b>Billing &amp; Payment:</b>	Loan billing will be included and itemized on borrower's monthly electric bill. Payments due monthly per electric account billing cycle.
<b>Prepayment:</b>	Loans may be pre-paid in full at any time without penalty.
<b>Security Filing Fee:</b>	\$60.00 – for loans over \$2500. \$20.00 – for loans of \$2500 or less.

**Refinancing:** Loans will not be provided to refinance existing obligations, nor are the loans assumable or transferable to any other party.

**Qualification & Approval:** Member must not have been on cutoff list (CUT) in the previous 12 months. Anyone who has filed bankruptcy in the last 10 years, will not be eligible.

Applicants may be required to furnish additional information regarding current credit obligations and income.

Consideration may be given to the current loan to value ratio of the property in question and the income to debt ratio of the applicant.

Lending officers shall have the ability to require certain percentages as cash down payments or other contingencies on loans to applicants who may not necessarily meet all the credit worthiness criteria.

## **Loan Approval & Security:**

### **Loan Security:**

- All loans between \$500 and \$2500 shall be secured with a Uniform Commercial Code (UCC) equipment lien.
- All loans \$2500 and larger shall be secured with a mortgage and UCC equipment lien filed against the borrower's property.

### **Other Terms and Conditions:**

Installation of equipment may not begin until the loan is approved. A notification of loan approval shall be directed to the member immediately following approval.

To qualify for a loan, mobile homes must be under-pinned with wheels removed from axles. Water and sewer (or septic service) shall be connected to the mobile home.

All payments will be made jointly to the FECC member and the installing contractor and delivered to the member upon completion of job. At time of payment delivery, FECC personnel will inspect the installation for its compliance with loan program guidelines.



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### Eligible Products

- **Heat pumps – air source and geothermal**
  - Dual-fuel - only when natural gas exists in residence as a heating source
  - Duct system – in conjunction with heat pump installation only
  - Duct sealing – in conjunction with heat pump installation only
  
  - Thermal improvements – in conjunction with heat pump installation only
    - Insulation – attic, floor, wall
    - Caulking, weather-stripping, vapor barrier
    - Attic ventilation
  
  - Windows & Doors – in conjunction with heat pump installation only
    - Metal insulated doors and storm doors
    - Replacement windows and storm windows – double pane
    - Shade screens or film
  
  - Minor repair and electrical work in conjunction with heat pump installation, including necessary electrical entrance service upgrade
  
- **Products sold by FECC**
  - Marathon electric water heaters
  - GenerLink – generator transfer device
  
- **Other**
  - Portable generators – must have appropriate transfer switch included