Midwest Energy Efficiency Alliance

On-Bill Financing
Co-Presenter Bob Dickey
VP Marketing & Economic Development
Eastern Illini Electric Cooperative
Tuesday, April 28, 2015
Background

- Eastern Illini philosophy when it comes to financially assisting our members, is not to “charge all to help a few”.
- We have no rebates built into our marketing programs. However, if there is a statewide program involving rebates we do participate.
- Energy Wise Home Loan Program was implemented in the middle 1980’s to facilitate Eastern Illini members in improving energy efficiency in their homes, and businesses.
- Since we are rural, many of the loans for HVAC systems have been to replace propane systems with air source and geothermal systems. We do not encourage electric resistance unless absolutely necessary!
- Our goal is to help our member. If the savings in their energy bill is close to the monthly cost of the loan, we will work with the member to help them finance their energy efficiency improvements.
Background

- We have been working with our members over 50 years in encouraging them to be energy efficient.
- What we discovered is that many of them knew what they needed to do, but didn’t have the financial capital to make the investment.
- To date, we have loaned more than $2,250,000 to our members to help them make energy efficient improvements.
- The average loan is approximately $7,200.
- Each loan application is reviewed by the CEO, CFO and VP of Marketing & Economic Development. If we don’t agree on the security of the loan, we do not make it.
- We have written off as “bad debt” less than $15,000 over the past 25 years.
Loan Requirements

• Member/owners requesting EIEC loans will be required to submit a signed application and a copy of the invoice for the equipment and installation.

• EIEC will investigate the credit worthiness of the member/owner and will notify the member/owner in writing if the application is rejected.

• The loan amount cannot be more than 80 percent of the invoice or $20,000, whichever is less.

• Loans greater than $3,000 will require security documents, including a UCC-1 lien form. The member/owner will be responsible for all fees.

• The interest rate for new loans is evaluated each year and based upon Eastern Illini’s cost of borrowing.
Loan Requirements

- Loans up to $5,000 may be amortized up to five years. Loans between $5,000 and $10,000 may be amortized up to seven years. Loans over $10,000 may be amortized up to ten years.
- Loan payments will appear as an itemized amount on the member/owner’s monthly utility bill.
- The loan balance becomes due immediately upon sale of the property where the facilities are installed, termination of membership, or termination of delivery or energy services at the location where the financed facilities are installed.
- Loans are not transferable.
Loan Program

We are happy to assist our member/owners who would like to make their home more energy efficient.

Qualified member/owners can receive up to $20,000 or 80 percent of your energy efficiency investment (whichever is less) as a loan to help make your projects possible. The loan is for up to seven years and is paid back on your monthly electric bill.

Our 2015 loan rate is fixed at 5.5 percent for the life of the loan.

For more information, or to begin the loan process, please download the information at the link to the right. You can also contact us via the EI Help Desk or by calling 800-824-5102.
ENERGY WISE HOME LOAN INFORMATION

Thank you for your interest in our loan program. Please read through the following information to familiarize yourself with the steps required to ensure that we can process your loan in a timely manner.

The entire application process can be as short as ten working days from the time we receive the completed application. If information is missing or inaccurate, the process will be longer.

If your credit history is good (a rating of at least 700) and the information submitted on the application agrees with the credit report, approval should be within five working days. Upon receipt of the contractor’s proposal and the legal description of the property a signature note and security agreement will be prepared and mailed within five working days.

The following information is required to receive a loan from Eastern Illini:

Initial application should include:
- A completed loan application
- $50 application processing fee
- Contractor proposal for the work
- Legal description of your property
- Property tax ID number
- Most recent federal tax return

Once approved, we also require:
- Signed signature note
- Signed security agreement

Please send all required documents to:
EASTERN ILLINI ELECTRIC CO-OP
ATTN LOANS
PO BOX 96
PAXTON IL 60957

If you have any questions as you go through the loan process, please contact us at 800-824-5102.

Energy Wise Home Loan Specifics

- We will loan up to 80 percent of a qualifying project’s costs.
- The current interest rate is 5.5 percent.
- Loans are conveniently repaid, up to a 10-year period; on your monthly electric bill.
- There are no prepayment penalties.
- There is an overall cap of $20,000 per member/owner.

Qualifying projects include:
- Electric heating systems
- Insulation upgrades
- Electric service upgrades
- Standby generators

EASTERN ILLINI ELECTRIC COOPERATIVE

Member Loan Documents

| Eastern Illini Electric Cooperative |

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EASTERN ILLINI ELECTRIC COOPERATIVE

Member Loan Documents
# Internal Documentation & Tracking

**Loan Application Checklist**

**EIEC Loan Application Information:**

Name: __________________________
Address: _________________________
Phone #: ________________________
Account #: ______________________
Member Date: ____________________
Map Location: ____________________

<table>
<thead>
<tr>
<th>Does the Loan Folder Include the Following?</th>
<th>Amount of Loan Requested:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed Loan Application? □ Yes □ No</td>
<td></td>
</tr>
<tr>
<td>Check Submitted? □ Yes □ No</td>
<td></td>
</tr>
<tr>
<td>Accurate Information Provided? □ Yes □ No</td>
<td></td>
</tr>
<tr>
<td>Copy of A&amp;R History Provided? □ Yes □ No</td>
<td></td>
</tr>
<tr>
<td>Copy of Contractor’s Quote? □ Yes □ No</td>
<td></td>
</tr>
<tr>
<td>Copy of Credit Report? □ Yes □ No</td>
<td></td>
</tr>
<tr>
<td>Proof of Income? □ Yes □ No</td>
<td></td>
</tr>
<tr>
<td>Property Tax ID number? □ Yes □ No</td>
<td></td>
</tr>
<tr>
<td>Legal description of property? □ Yes □ No</td>
<td></td>
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Empirica Score: ________________________ (minimum of 700 required)

Number of Delinquent Payments In The Past 24 Months:

<table>
<thead>
<tr>
<th>30 Days</th>
<th>60 Days</th>
<th>90 Days</th>
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</thead>
<tbody>
<tr>
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<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Date of Loan Application:
- Requested: ______________________
- Sent: __________________________
- Returned: ______________________

Date Approved/Disapproved:
- Bob Dickey
- Brian Stagen
- Bob Hunzinger

Date of Note/Security Agreement
- Sent: __________________________
- Returned: ______________________

UCC1 Filed: ______________________
Date Check Sent: __________________

Copy of Note? □ Yes □ No
Copy of Security Agreement? □ Yes □ No
Copy of UCC1? □ Yes □ No
Internal Tracking & Documentation

- Completed application
- Check submitted
- Accurate information provided compared to credit report
- Copy of accounts receivable for past 36 months with Eastern Illini
- Copy of contractor’s quote
- Copy of credit report
- Proof of income, usually a pay stub
- Copy of last year’s federal income tax filing
- Property tax ID number
- Legal description of property
- Number of delinquent payments in the past 24 months
# Internal Tracking & Documentation

<table>
<thead>
<tr>
<th>Seq</th>
<th>Reason</th>
<th>Priority</th>
<th>Reason Status</th>
<th>Initiate Date/Time</th>
<th>Close Date/Time</th>
<th>Follow-Up Need</th>
<th>Follow-Up Required</th>
<th>Follow-Up Status</th>
<th>Follow-Up Type</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>LOAN</td>
<td>Normal</td>
<td>Open</td>
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<td></td>
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</tbody>
</table>

## Contact

- **Contact Type:** Customer
- **Contact Level:** Customer
- **Customer:** 8000009544
- **Provider:**
- **Contact Name:** TIMOTHY E FRICK
- **Notification Method:**

## Reason

- **Reason:** LOAN - Loan Information
- **Priority:** Normal
- **Description:** Member is interested in installing a geothermal HVAC system and upgrading insulation in the attic and crawl space
- **Solution:** Directed member to our website to download loan information
# Internal Tracking & Documentation

## Questionnaire

<table>
<thead>
<tr>
<th>Question</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date App Mailed:</td>
<td></td>
</tr>
<tr>
<td>Date loan app, filing fee, estimate, prop desc received:</td>
<td></td>
</tr>
<tr>
<td>Date credit check performed:</td>
<td></td>
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<tr>
<td>Date loan approved:</td>
<td></td>
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<tr>
<td>If not approved, date denial letter sent:</td>
<td></td>
</tr>
<tr>
<td>Date Sig note/Sec agree mailed to member:</td>
<td></td>
</tr>
<tr>
<td>Date signed Sig note/Sec agree received in office:</td>
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<tr>
<td>Inspection Date:</td>
<td></td>
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<tr>
<td>Date check request made:</td>
<td></td>
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<tr>
<td>Date check mailed to member:</td>
<td></td>
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<tr>
<td>Initial Payment date:</td>
<td></td>
</tr>
<tr>
<td>Final Payment date:</td>
<td></td>
</tr>
<tr>
<td>Date UCC 1 filed:</td>
<td></td>
</tr>
<tr>
<td>Date to file UCC3 if loan repayment fulfilled:</td>
<td></td>
</tr>
<tr>
<td>Notes:</td>
<td></td>
</tr>
</tbody>
</table>
Questions?