

EASTERN ILLINI ELECTRIC COOPERATIVE

REGULATION NO. 22

SUBJECT: EIEC Loans to Member/Owners

REGULATION:

The Cooperative will establish a loan program to finance energy efficient improvements and products provided by EIEC which are installed at facilities (member/owner locations) purchasing distribution and energy services from EIEC.

1. General Provisions

Member/owners requesting EIEC loans will be required to submit a signed application and 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 approved or rejected.

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

Loans greater than \$5,000 may be amortized up to seven years. All other loans may be amortized up to five years.

Loan payments will appear as an itemized amount on the member/owner's monthly utility bill.

The member/owner's location must purchase both distribution and energy services from the Cooperative during the term of the loan.

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.

2. Amount of Loans, Interest Rate and Repayment Schedule

Loan applications must be between a minimum of \$500 and a maximum of \$10,000 per member/owner.

The interest rate on all new loans will be set annually based on the Cooperative's cost of

new capital. Principal and interest will be paid in monthly installments which will be added to the member/owner's electric bill, beginning on the first bill issued after the loan funds have been dispersed. Loans will be made for a maximum of 7 years (84 months) and the monthly installment will be at least \$20.

3. Priority of Releasing Loan Funds

In any quarter where requests for loans are expected to exceed available loan funds, the following priority shall apply:

- a. During the first 10 weeks of each quarter, loans will be made in the order that approved work has been completed for heating applications that involve electricity as the primary energy source and/or for air conditioning applications.
- b. If loan funds remain available after the first 10 weeks of each quarter, the loans will be issued for all other qualified improvements which were made after an a Cooperative Energy Audit has been performed.
- c. If loan funds remain available, then loans will be issued for improvements made without a Cooperative Energy Audit.
- d. The Cooperative shall be the sole and final authority in determining the availability of loan funds and the applicability of this program for any requested purpose.

If loan requests, under priority Section 3, b. or c. above, exceed available loan funds, then loans will be made within that priority class on a prorated basis. However, if the pro ration of available funds falls below \$500 per loan, then \$500 loans will be made in the order that applications were received until loan funds for that quarter have been exhausted.

Any applications remaining because loan funds are not available will be held over for one additional quarter and will be given first priority.

For certain home improvements, such as replacement windows, the Cooperative reserves the right to limit loan funds to the portion of the work that will contribute to improved energy efficiency.

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