

# 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, including electric heating systems and insulation upgrades; service upgrades and products such as automatic stand-by generators sold by EIEC and installed at facilities (member/owner locations) purchasing distribution and energy services from EIEC.

I. General Provisions

- A. Member/owners requesting EIEC loans will be required to submit a signed application and a copy of the invoice for the equipment and installation.
- B. 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.
- C. The loan amount cannot be more than 80 percent of the invoice or \$20,000, whichever is less.
- D. Loans greater than \$3,000 will require security documents, including a UCC-1 lien form. The member/owner will be responsible for all fees.
- E. 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.
- F. Loan payments will appear as an itemized amount on the member/owner's monthly utility bill.
- G. 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.
- H. Loans are not transferable.

II. Amount of Loans, Interest Rate and Repayment Schedule

- A. Loan applications must be between a minimum of \$1,000 and a maximum of \$20,000 per member/owner.

- B. 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 10 years (120 months) and the monthly installment will be at least \$75.

III. Priority of Releasing Loan Funds

- A. The annual amount of loans funded by EIEC during a calendar year shall not exceed a total of \$150,000 unless approved by the Board of Directors.
- B. Energy efficient loan applications shall have priority over other products sold by EIEC.
- C. A generator loan may not exceed \$10,000 or be amortized more than seven years.
- 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.
- E. Any applications remaining because loan funds are not available will be held over until the next calendar year and will be given first priority.
- F. For certain home improvements, the Cooperative reserves the right to limit loan funds to the portion of the work that will contribute to improved energy efficiency.

Adopted: 09/01/87  
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