

FEDERATED RURAL ELECTRIC - JACKSON, MINNESOTA

GENERAL RULES — ENERGY CONSERVATION LOANS

1. The loans can be used to finance:
  - a. Electric heat which reduces oil or gas consumption
  - b. Caulking
  - c. Weather-stripping
  - d. Ceiling insulation
  - e. Wall insulation
  - f. Floor insulation
  - g. Duct insulation
  - h. Pipe insulation
  - i. Water heater insulation
  - j. Storm windows
  - k. Thermal windows
  - l. Storm or thermal doors
  - m. Clock thermostats
  - n. Attic ventilation fans
2. The loan will be made to members only, at an interest rate 1-3/4% below prime rate or a minimum of 5%, whichever is greater.
3. Loans to members will not be made until an energy survey has been completed and all credit applications have been approved.
4. Loan applications may be denied because of previous problems with a specific contractor. Members will be informed of this action and the reasons.
5. Each job will be inspected by the Cooperative to ensure completeness before the funds are available.
6. The Cooperative will not loan money for the member's labor unless that member is an approved contractor.
7. The loan will be made to the owner of the residence or company only.
8. The loan's maximum amount per structure will be as follows:

Electric resistance, 7,500 watts or more per structure -	\$3,000
Air source heat pump & electric resistance, 7,500 watts or more per structure -	\$3,000
Ground source heat pump per structure -	\$3,000
Air source heat pump per structure -	\$2,000
Fossil fuel/adding to existing electric per structure -	\$1,000
Conservation loan per structure -	\$1,500
9. The loan's minimum amount per structure will be \$250.00.
10. Loans will be approved in the order received on a per structure, per member basis, unless excel loan funds are available.
11. Checks to be issued jointly to the homeowner and the contractor.
12. ERC loans will not be made to finance structures to be built or under construction.
13. All loans will be approved by the Manager
14. If the owner of the property sells the property, the balance of the note shall be due in full.
15. The maximum time for amortization of the ERC loan shall be 42 months.
16. The minimum monthly payment shall be \$20.00, including interest.