

emPower Central Coast Home Upgrade Loan

Welcome Packet



REVISED February 10, 2015



COUNTIES OF SANTA BARBARA,
VENTURA AND SAN LUIS OBISPO



This Program is funded by California utility ratepayers and administered by Southern California Gas Company, Southern California Edison Company and Pacific Gas & Electric under the auspices of the California Public Utilities Commission.

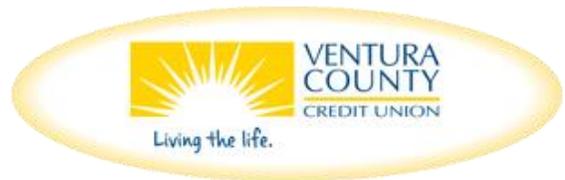
Dear Homeowner,

Thank you for choosing the County of Santa Barbara’s emPower Central Coast program for your home energy improvements. emPower Central Coast provides access to incentives and rebates, qualified contractors, and has partnered with CoastHills Credit Union and Ventura County Credit Union, along with Ventura and San Luis Obispo Counties, to help homeowners like you make your home more comfortable, lower your energy use, pay less for utilities, increase home value, and create a healthier living area for your family. By upgrading your home you also improve our environment and invigorate your local economy ... a win-win for you and your community.

This packet will help you navigate the Home Upgrade process. Inside you will find the following:

Contents

emPower Energy Coach Service3
Here’s What You Can Expect3
 Step 1: Choose Your Upgrade..... 3
 Step 2: Submit Applications 4
 Step 3: Install Upgrades..... 4
 Step 4: Receive Funds and Enjoy the Benefits! 5
Upgrade Options 6
Financing Overview7
 Homeowner and Property Eligibility..... 7
 Project Eligibility..... 7
 Financing Terms 8
 Other 8
Checklist of Required Documentation for emPower Loan Application 9
Frequently Asked Questions.....10
Sample Loan Application 13



emPower Energy Coach Service

Making energy upgrades to your home can be a confusing process, but emPower can help. Through our Energy Coach service we offer free, unbiased technical assistance. Our two Energy Coaches on staff have years of experience in the construction and energy efficiency industries, and are available to talk with homeowners over the phone or meet in person to conduct a free home energy site visit.

If you are unsure of where to start, or what upgrades your home needs, our Energy Coaches can help you identify and prioritize upgrade opportunities and connect you with a qualified contractor who can conduct the work. To request a free Energy Coach site visit, go to <http://www.empowersbc.org/contact-us-get-started>

So, you've decided to do an upgrade?

Here's What You Can Expect

Below is a step-by-step guide through an emPower Home Upgrade project. Before you begin your upgrade, you should review the process here, and the program eligibility details in the Financing section. For your convenience, please use Checklist of Required Documentation on page 8.

Steps to Upgrade Your Home



Step 1: Choose Your Upgrade

- The emPower program offers financing for several types of eligible projects. Each option offers different rebates and incentives. You can see the section below, or visit <http://empowersbc.org/its-easy-get-started/eligible-projects> to learn more about the different Eligible Upgrade Options.
- Decide if you want to pursue a “Home Upgrade” or “Advanced Home Upgrade,” a single energy efficiency measure with a “SimpleStart Upgrade,” or a Solar Thermal Water Heater, AND if you wish to add Solar PV, if eligible, to your project. A Participating Contractor can help you determine which Upgrade Option makes the most sense for you and your home.
- Once you have selected your upgrade option, obtain bid proposals and a scope of work from one or more of our Participating Contractors. You may find it beneficial to contact several qualified contractors and compare prices. Finally, select a qualified

contractor or contractors from the emPower contractor directory found at <http://empowersbc.org/its-easy-get-started/find-contractor> .

Step 2: Submit Applications

- **Apply for Incentives & Rebates.** Once you and your selected contractor have developed a scope of work, your contractor will handle all of the paperwork and submittal of the appropriate rebate and incentive program applications. This will be based on the type of Upgrade you select, and your utility provider. Once your contractor receives a letter verifying your project's enrollment in the selected incentive program, you will be ready to apply for financing.
- **Get Pre-Approved for Financing.** If you wish to finance your upgrade with an emPower Home Upgrade Loan, and you have received verification of your project's enrollment in the selected incentive program, you are ready to apply for a loan with one of our two lenders. The lender will be assigned automatically based on your zip code. To get pre-approved for financing, you can apply in person, or here: <http://empowersbc.org/its-easy-get-started/apply-loan>
- The following required documents must be submitted with your loan application:
 - Contractor bid proposal(s) and scope of work for the upgrades to be installed and financed by emPower, including only measures deemed eligible under the corresponding incentive program, and
 - Letter verifying your project's enrollment in the selected incentive program received in Step 2.
- Based upon underwriting criteria and eligibility, you should receive a conditional pre-approval letter for financing within 30 minutes of submitting a complete loan application. That is, if all documents required of the lender and emPower have been submitted with the loan application. If your home is older than 45 years old, your project may require additional review to ensure compliance with historic preservation requirements.
- Loan funds will not be disbursed until the project has been completed and verified.

Step 3: Install Upgrades

- Don't begin work prior to receiving loan pre-approval
- Once your project is completed, your contractor will submit information to the appropriate incentive program(s) to make sure the work was done according to proposed specifications. After the selected incentive program has signed off on the project, you will work with your lender to close the loan.
- Projects must be completed within 60 days of lender pre-approval or you may need to requalify with the lender. If this occurs, you will need to pay an additional fee, continue to meet program qualifications in terms of credit score, and other factors may be subject to changes in your terms and rates.

Step 4: Receive Funds and Enjoy the Benefits!

- Your lender will need the following required documents in order to close your loan:
 - *Certificate of Completion* – signed by you and your contractor to acknowledge completion and your satisfaction with the project as installed. It also includes a payment assignment provision for financing proceeds to be disbursed to your contractor.
 - *Contractor Report on Project* – your contractor will fill this out for you and submit to the County
 - *Final Invoice* – evidence of project completion
 - *Utility Data Consent Form*
 - Final approval of incentive from the selected incentive program (and finalized permit from your local building department, if your loan includes solar PV projects) verifying the final, approved rebate amount(s). You will receive this after project completion and it is different from the letter of verification required for Step 3.
- Your lender will close the loan at an amount not to exceed costs associated with eligible projects, and disburse the funds directly to your contractor.

Upgrade Options

The emPower program offers financing for several types of eligible projects. Each eligible project offers different rebates and incentives. Below is a description of each of our eligible upgrade options.

Home Upgrade

The Home Upgrade option encourages a “whole-house” approach to improving your home’s comfort and efficiency. This option allows you to install 3 or more measures from a flexible menu of options and get up to \$2500 in utility incentives from the Energy Upgrade California program.

Advanced Home Upgrade

The Advanced Upgrade option also encourages the “whole-house” approach and is customized for your home and your needs. The more energy you save, the bigger your rebates and incentives. With this option, you can get up to \$6500 in utility incentives from the Energy Upgrade California program.

SimpleStart Upgrade **New!!**

SimpleStart options make it easy for homeowners to choose energy improvements that meet their needs. While we recommend the “whole-house” approach to get the most out of your energy upgrades, we know that some homeowners are looking for a simple way to get started on the path to energy savings. This option allows you to pick and choose one or more qualified upgrades that are eligible for single measure utility rebates.

Solar Water Heating Upgrade

Solar Water Heating (SWH) uses the sun’s warmth to help your current water heater use less energy. The California Solar Initiative (CSI) Thermal Program offers cash rebates of up to \$2719 for eligible solar water heating systems on single-family homes. Check with your contractor to see if your proposed project is eligible for financing through emPower.

Solar Electric Upgrade

Solar electric systems are only eligible for emPower financing when combined with a Home Upgrade, Advanced Home Upgrade or Solar Water Heating Upgrade. SimpleStart Upgrade customers cannot finance a solar electric system. Check with your contractor to see if your proposed project is eligible for financing through emPower.

Financing Overview

The empower Home Upgrade Loan is available at highly desirable rates and terms to qualified homeowners on approved credit for qualified projects. The loan is supported by credit enhancements made available by Santa Barbara County through the following funding sources: the Department of Energy (DOE), Southern California Gas Company (on behalf of Southern California Edison (SCE) and Pacific Gas and Electric (PG&E), and the California Energy Commission (CEC). emPower lenders will be reviewing your application to ensure it meets special requirements and conditions that exist for these funding sources. Eligibility criteria include:

Homeowner and Property Eligibility

- You must be an owner of a single family detached home in incorporated cities or unincorporated areas of the County of Santa Barbara, the County of San Luis Obispo or the County of Ventura.
- If your home is over 45 years old and/or has been designated a historic resource, historic landmark, place of historical significance or historic merit, you must indicate this on your application, as additional limitations may apply. If you are unsure, contact your local permitting agency. (Properties less than forty five years old are automatically exempt from additional requirements.)
- You must be a customer of Southern California Edison (SCE), Southern California Gas (SCG) and/or Pacific Gas and Electric (PG&E).
- You must have a minimum 590 FICO score and meet other underwriting criteria. The participating lender will perform a credit check.

Project Eligibility

- Projects must be performed by a contractor who is on emPower's list of qualified Participating Contractors, which means they are registered and in good standing with emPower. In order to confirm you are working with a participating contractor, please verify the contractor is listed on emPower's contractor directory with the proper designation for the work they are proposing: www.emPowerSBC.org
- Eligible energy efficiency projects must be enrolled in one of the following incentive programs. *Only those measures deemed eligible by the incentive program may be submitted for emPower financing:
 - Energy Upgrade California (EUC) incentive program through SCE, SCG and/or PG&E¹ (also referred to as Home Upgrade or Advanced Home Upgrade).
 - Other single energy efficiency measure incentives through SCE, SCG and/or PG&E that are determined eligible by emPower (also referred to as SimpleStart Upgrades)
 - California Solar Initiative Thermal Water Heating incentive program².
- Solar photovoltaic projects are **only** eligible for financing under the Program if they are performed in conjunction with an EUC or CSI Thermal Water Heating incentive program project. All solar projects **must** be properly permitted and installed by an emPower participating contractor.

¹ Examples of eligible measures include air and duct sealing, wall insulation, lighting, water heaters, window replacements, heating and cooling replacements, and low flow showerheads. More information about eligible projects can be found at: www.empowersbc.org

² Solar thermal water heaters must be enrolled in the California Solar Initiative program and receive authorization by emPower staff prior to submitting a loan application.

Financing Terms

- Type of Loan: Unsecured, which means no collateral is required, your home equity is not affected, and you can expect quick pre-qualification.
- Rates: As low as 5.90% APR (fixed), depending on borrowers' credit score and term of loan.
 - For a limited time, qualified Santa Barbara County borrowers will have access an APR starting at 3.90% for loans over \$5,000. The promotional offer is subject to change and is available only while funds last.
- Loan Amounts: \$1,000 - \$30,000, depending on borrowers' qualifications
- Term of Loan: Up to 5 years for loan amounts between \$1,000 and \$5,000; up to 15 years for loan amounts between \$5,001 and \$30,000
- Specific financing terms will depend on individual credit ratings and will be determined in consultation with a loan officer and applicant

Other

- No prepayment penalties or closing costs

Checklist of Required Documentation for emPower Loan Application

Name: _____

Date of Loan Application Submittal: _____

STEP 1: Submittal of Loan Application

The following required documents must be submitted at the time you submit a loan application for an emPower Home Upgrade Loan.

- Verification of Eligibility
 - Contractor bid and scope of work outlining the upgrades included in the loan application
 - Letter verifying enrollment in eligible energy efficiency incentive program from SCE, PG&E, SoCalGas or emPower.
 - Letter from emPower verifying eligibility of solar photovoltaic system (if financing solar photovoltaic projects)
If solar photovoltaic projects are not included in your loan application, please indicate "N/A".

STEP 2: After Upgrades are Installed

The following required documents must be submitted to your lender after your contractor has completed the project.

- Evidence of Completion
 - Certificate of Completion, executed by both the homeowner and contractor
 - Final invoice from contractor
 - Final approval from selected eligible energy efficiency incentive program verifying the final, approved rebate amount and final eligible project costs.
 - Finalled solar permit from local building department (if financing solar photovoltaic projects)
If solar photovoltaic projects are not included in your loan application, please indicate "N/A".
 - Contractor Report on Project (obtained from your contractor).
 - Authorization to Receive Customer Information (Utility Consent), providing authorization for emPower to obtain energy use information

THIS CHECKLIST IS FOR YOUR USE ONLY. PLEASE RETAIN A COPY FOR YOUR RECORDS

Frequently Asked Questions

How do I get started?

Start by reviewing the process outlined on www.emPowerSBC.org or in the Welcome Packet. Then, contact a qualified contractor who is ready to perform eligible energy efficiency upgrades. You will find a qualified participating contractor list at www.emPowerSBC.org. Remember, only projects enrolled in a qualified incentive program are eligible for emPower financing. If you are not ready to call a contractor and need some expert advice on making energy improvements, you may request a free home energy site visit from emPower's Energy Coach.

Who is eligible to participate in the program?

Only owners of single-family detached homes in the incorporated or unincorporated areas of Santa Barbara, Ventura or San Luis Obispo Counties are eligible to apply. Property owners must be able to verify they meet these qualifications for an eligible incentive program before receiving loan pre-approval.

How do I find out if I qualify for the emPower loan?

That's easy! If you are an owner of a single family home in Santa Barbara, San Luis Obispo or Ventura County and have already worked with a participating contractor to enroll in an eligible energy efficiency program, simply complete the emPower Home Upgrade Loan application with CoastHills Credit Union or Ventura County Credit Union for consideration. If you meet our lenders' basic underwriting criteria and no other information is required, you'll be pre-qualified in 30 minutes.

What is the interest rate?

Interest rates start at 5.90%, a desirable rate for unsecured loans, and vary based on creditworthiness.

My credit is not very good; can I still qualify for a low interest loan to get my upgrades done through this program?

You may still qualify! emPower home upgrade loans are designed to be accessible. Please complete the application form and submit it for consideration or call our lenders for more information.

What types of projects may I use the financing for?

Only measures included in projects enrolled under a qualified incentive program are eligible to be financed under emPower. Energy efficiency projects must be accepted into one of the following:

- Energy Upgrade California's Home Upgrade or Advanced Home Upgrade incentive program through SCE, SCG and/or PG&E³.
- Other single energy efficiency measure incentives through SCE, SCG and or PG&E (SimpleStart) that are determined eligible by emPower.

³ Examples of eligible measures include air and duct sealing, wall insulation, lighting, water heaters, window replacements, heating and cooling replacements, and low flow showerheads. More information about eligible projects can be found at: www.empowersbc.org

- California Solar Initiative Thermal Water Heating incentive program⁴.
- Solar photovoltaic projects are **only** eligible for financing under the Program if they are performed in conjunction an EUC and CSI Thermal Water Heating incentive programs. All solar projects **must** be properly permitted and installed by a participating contractor of the California Solar Initiative.

What types of home upgrades options are offered in the Home Upgrade Project?

Homeowner's earn Home Upgrade incentives by installing 3 or more measures from a flexible menu of options that will earn you points towards incentives and rebates. The more points, the higher the incentives. Your rebates and incentives depend on the total points you earn—up to \$2,500 for 250 points. Eligible measures include duct sealing or replacement, air sealing, attic, wall, floor or duct insulation and furnace or water heater replacements. You may also add solar to this option.

What types of home upgrade options are offered in the Advanced Home Upgrade Package?

The Advanced Home Upgrade Package offers up to \$6,500 in energy efficiency incentives. It includes work such as: all of the Home Upgrade measures, replacement of your heating and/or cooling system, whole house air sealing, attic insulation, new ducts, energy efficient windows, some lighting and more. You may also add solar to this option.

Where do I find out about emPower program incentives and who pays these incentives?

The rebates are being offered through local utility companies and the Energy Upgrade California program. Rebates will be paid upon completion and approval of the work in your home. For more information visit our eligible projects page.

Why can't I receive emPower financing for solar photovoltaic (PV)-only projects?

emPower's funding came from external sources that require that homeowners conduct energy efficiency measures prior to adding solar PV projects. Energy efficiency measures are often a more cost effective approach to lowering your energy demand and can provide other important comfort and health benefits to your home. In addition, if you do energy efficiency work first, you can often minimize the size and cost of your solar PV project.

Can I choose any contractor to do the work?

No. In order to provide better quality assurance to homeowners, contractors must be enrolled with emPower as a participating contractor as well as Energy Upgrade California or the California Solar Initiative (CSI) programs, depending on the type of upgrade performed. You can find a qualified contractor at www.empowersbc.org. If you wish to work with a specific contractor that is not on this list, you may encourage them to contact emPower staff or visit www.empowersbc.org to learn how to participate.

What is the maximum loan amount?

You can receive up to \$30,000 in emPower financing, depending on credit criteria and other underwriting guidelines. If you meet basic underwriting criteria and program qualifications, you will be pre-approved up to your estimated project cost + 10% contingency (not to exceed \$30,000). Your final loan amount at closing will equal your actual project costs less any

⁴ Solar thermal water heaters must be enrolled in the California Solar Initiative program and receive authorization by emPower staff prior to submitting a loan application. See alternative underwriting process for solar thermal water heaters.

amount the homeowner wishes to pay out of pocket or any rebate amount that has been assigned directly to a contractor..

Can I still receive the utility rebate even if I do not obtain financing through emPower?

Yes, you are eligible for the full rebate amount through Energy Upgrade CA or the California Solar Initiative even if you use an alternative financing or payment method.

Can I use other utility rebates?

Yes, emPower financing can be combined with federal tax credits and manufacturer's rebates to make your projects even more affordable. You can find rebates in your area using <https://energyupgradeca.org>.

emPower has two lending partners, which one should I apply with?

- Begin by going to www.empowersbc.org. When you're ready to apply for a loan, use your zip code, you will be linked to the correct lender that can serve you: [CoastHills Credit Union](#) or [Ventura County Credit Union](#) .

What do I do if I do not qualify for emPower financing?

You may review other options for clean energy financing at: www.energyupgradeca.org/county/santa_barbara/financing_overview.

Where do I get more information?

For more information on the program and its participating lenders, please visit: www.empowersbc.org or call emPower staff at 805.568.3566.

For questions specifically related to your loan application, you may also call the participating lender.

- CoastHills Credit Union: 855.774.5626
- Ventura County Credit Union: 805.477.4000 or 800.399.0496

Sample Loan Application



CoastHills Credit Union emPower Central Coast Loan Application

You must be a CoastHills Credit Union member of borrowing age prior to receiving funds from this loan. If you are not currently a member, [click here](#) to review our membership requirements and determine your eligibility.

Please Review Carefully Prior to Submitting Your Loan Application:

The residential property to be improved must be a single family, detached home located within the County of Santa Barbara, County of Ventura, or County of San Luis Obispo.

* = Required

Is the residential property subject to this loan request considered a historic resource, landmark, point of historic significance or historic merit? *If you are unsure, please contact your local permitting agency for information.*

NOTE: Married persons may apply for credit in their own names. Please provide information if (1) another person will use this account, (2) you want a joint account, (3) you are married and live in California or (4) you are relying on the income of a spouse to repay this loan. If (3) and /or (4) apply to you, please provide information about your spouse in the co-applicant section.

Age of Home(yr)

Construction Company Name *

Construction Company Phone Number *

Contractor's License Number

Name of Contractor's representative completing application?

What is your estimated cost of improvements? *

What is your estimated rebate (provided by contractor)? *

Estimated Net Loan Amount

0.00
0.00
0.00

Must be in xxx-xxx-xxxx format

(No dollar signs, commas.)

(No dollar signs, commas.)

Maximum net Loan Amount is \$25,000 which does not include utility company rebates. All rebates will be deducted from the construction costs prior to funding. All loans under \$5,000 have a maximum term of 60 months.



In order to receive loan pre-approval, you must submit the required documents below with this loan application demonstrating that your project is eligible.

By clicking on the box, I confirm that I will submit the following documents with the loan application.

Contractor Bid/Scope of Work*

Verification of Rebate Reservation or Authorization to Proceed from Energy Upgrade California.*

Documents can be emailed to Loans@coasthills.com or faxed to 805-733-3497