

## **On-Bill Financing Program Installment Loans**

GVEC will provide financing of HVAC and solar energy home systems sold and installed by GVEC Home for qualified members of GVEC. This financing will be provided pursuant to a retail installment contract that the qualified purchaser who determines to purchase on credit will sign with GVEC Home. GVEC Home will then sell or assign the retail installment credit to GVEC. GVEC is participating in this financing program to provide an additional benefit to its members who qualify for credit according to the program guidelines. At this time only GVEC members are eligible to participate in this financing program.

It is the intent of GVEC Home to comply with all requirements of applicable law, including the requirements of the Truth-in Lending Act, the Equal Credit Opportunity Act, and the Fair Credit Reporting Act. Purchasers eligible for the financing program described below must meet creditworthiness standards, including evaluation of payment history, credit score checks, and other criteria as described herein.

### **Terms**

- This financing program is available only to GVEC residential and commercial members who purchase HVAC and/or photovoltaic solar systems or services (“systems”) offered by GVEC Home.
- No more than \$20,000 may be financed for approved systems sold and installed by GVEC Home.
- Maturity (the repayment period) is from one (1) to ten (10) years, depending on the amount financed, financing terms, the applicant’s creditworthiness, and other program criteria as GVEC Home may determine.
- No prepayment penalty for early payoff.

### **Program Criteria**

To be qualified for this financing program, purchasers must meet the following criteria:

- Must be a GVEC member with a minimum 12 months billing history for residential service accounts and 24 months billing history for commercial service accounts.
- If a residential service member, during the most recent 12 consecutive months of electric service:
  - the member is not late in paying a bill more than two times;
  - the member is not on a payment arrangement plan
  - the member does not have service disconnected for nonpayment; and
  - the member does not have more than one returned check.

- If a commercial service member, during the most recent 24 consecutive months of electric service:
  - the member is not late in paying a bill more than two times;
  - the member is not on a payment arrangement plan
  - the member does not have service disconnected for nonpayment; and
  - the member does not have more than one returned check.
- Member must meet one of the following credit scores criteria:

Credit Score Billing History with no more than two late payments to any creditor in a specified number of months, as set forth below:

<u>Credit Score:</u>	<u>No. of Months</u>
○ 600 - 649	24
○ 650 - 699	18
○ $\geq$ 700	12

- Member must own the property where the system will be installed.
- Member's annual income or revenues must be a minimum of three (3) times the amount financed.
- Member must authorize automatic payment for the account.
- All joint members must sign the financing documentation.
- No more than two financing transactions per member account at any one time.
- No tax liens may exist, or may be filed after closing, against the property or the member.
- Financings will be secured with a security agreement and UCC filing (s) on the system being financed, including a "fixture filing" if the amount financed exceeds \$10,000.
- Members shall provide satisfactory evidence of insurance on the property.
- If an installment remains unpaid after the 10th day after the maturity of the installment, the Retail Installment Contract will provide for delinquency charges and for charges for payments that are not paid due to insufficient funds.

### **Interest Rate**

- Interest rates will be as stated in the loan agreement which must be signed by the Member when the loan is finalized. Charges and fees associated with financing may be adjusted at the discretion of GVEC.

### **Fair Lending**

- Credit decisions shall be made without adverse discrimination on the basis of race, color, religion, sex, national origin, marital status, age (provided the applicant is of legal age and has the capacity to enter into a binding legal contract), receipt of public assistance, or good faith exercise of rights under the Consumer Credit Protection Act or any other prohibited basis. GVEC will not discourage the completion or submission of an application for credit by any applicant on any of the prohibited bases.
- It is the intent of GVEC to comply with the requirements of the Equal Credit Opportunity Act and the Fair Credit Reporting Act as they may apply to any credit program.

### **Order of Payment**

Member's electricity bill from GVEC will include a line item for repayment of the financing through monthly installments. Monthly payments by member will be applied by GVEC first to the financing (first to costs and expenses; then to finance charges; then to principal or the amount financed) and then to the electric service bills.

Important Note: This financing program description does not contain all of the terms and conditions of the Retail Installment Contract or other financing documentation.