

# Residential Loan Program and Eligibility

SMUD is pleased to offer this financing program in order to encourage our customers to replace high energy use equipment with more efficient models.

## Borrower Eligibility Criteria *(list not all inclusive)*

1. As an applicant for a SMUD Equipment Efficiency Loan, you must be the vested owner of the property where the product(s) are to be installed, although you do not have to reside in the property. Properties vested in a trust will require additional information.
2. To be eligible for financing, the applicant must receive loan approval from SMUD *prior* to installation of any product(s).
3. Loans are not made to tenants renting or leasing the property.
4. Where appropriate, we may require additional financial statements or records for the loan evaluation process. However, most applicants need only submit a short application form provided by the participating contractor. SMUD will obtain a credit report from an outside agency to help determine your creditworthiness.
5. You must use one of SMUD’s approved contractors. SMUD’s Participating Contractor Lists show which contractors are approved to install specific product(s). The California Contractors State License Board has additional tips for selecting contractors: (800) 321-2752 or [www.cslb.ca.gov](http://www.cslb.ca.gov).

## Eligible Equipment

Please note the following if you are considering applying for a loan to finance the purchase of energy efficient products or equipment using SMUD financing. Currently, eligible equipment includes:

Measure	Maximum Loan Term	Loan Secured by Measure as Collateral
Aeroseal Duct Sealing Attic insulation Wall insulation	36 months	No
Cool Roof - Flat/Low Slope Cool Roof - Steep Slope	60 months 120 months	No Yes
Central air-conditioner Heat pump Insulated siding Photovoltaic Solar domestic water heater Windows	120 months	Yes

## Loan Terms and Conditions

1. SMUD offers financing at a fixed interest rate. *Interest rates are subject to change, for current rates call (916) 732-5472.*

2. A loan application fee of \$100 will be charged for loans secured by the measure. SMUD will return this fee if we decline the application or the applicant properly cancels the transaction with the contractor.
3. SMUD will send a monthly bill that is separate from the electric service.
4. Upon SMUD’s approval, the loan commitment is valid for 60 days. Within this 60-day period, your contractor must install the product(s) and notify SMUD of the completion date.
5. SMUD will normally record a fixture filing (UCC1 Financing Statement) with the County Recorder as collateral for the loan. Should a customer desire to refinance their property or obtain a secondary loan, SMUD will evaluate subordination requests on a case-by-case basis.

## Other Program Conditions

- The installation must comply with SMUD specifications and eligibility guidelines.
- Cool roof products, air conditioners, heat pumps, and windows must meet SMUD’s minimum efficiency standards to be eligible for financing.
- SMUD will not finance previously installed products, or products paid for by the customer or financed through another lender.

## Recommendations

SMUD recommends that you get more than one bid. Make sure that the bids are for models of the same size and efficiency levels to be able to make a fair price comparison.

## Installation Information

- In most cases, your contractor will obtain the required City or County permit for you. However, it is your responsibility to ensure that the City or County inspection conditions are met.
- At SMUD’s option, we may conduct a random inspection of completed work. In these cases, there will be no charge to you for our quality assurance inspection.

## Warranty Conditions

Contractors participating in SMUD’s Equipment and Efficiency Improvement Programs agree to provide a two-year contractor warranty. The photovoltaic and solar domestic hot water warranty periods are different.

**SMUD is not responsible for repairs or service.**

## Who to Contact

If you have any questions or comments, please direct your calls to the following numbers:

### Residential Services – 1-888-742-7683

Questions regarding: Program eligibility, contractor issues, installation process, request for a list of participating contractors, warranties, inspections, and general energy efficiency questions.

### Financial Services – (916) 732-5472

Questions regarding: Loan application process, loan or payment terms, fees, and collateral.

SMUD’s internet address is [www.smud.org](http://www.smud.org)



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