

SACRAMENTO MUNICIPAL UTILITY DISTRICT

Frequently Asked Questions

Will I be receiving monthly statements?

Yes! This welcome letter is to make you aware of the first payment. You will be receiving your first bill in the mail about a week before the due date. Just tear off the bottom portion and return it with a check. Note: Your loan bill will look a *lot* like your electric bill.

What do I do to set up automatic payments?

We have enclosed an Electronic Funds Transfer application. Just fill it out and include a voided check for the checking account from which you would like the funds withdrawn. If using a savings account, you do not need to send a voided check. Send the appropriate materials back to us and we will set up the automatic transfer for you. It can take up to 6-8 weeks before going into effect. You will need to send your first payment via mail, phone, or online. Once you receive a bill that says "paid by bank" in the amount due area, your EFT is all set up! The monthly amount will automatically be withdrawn on the same date every month.

How do I pay online?

Paying online for your loan bill is a little different than paying your electric account. *You may or may not sign into My Account used to manage your electric account.* Go to www.SMUD.org. If you do not sign into My Account at the bottom of the page, click on the "Make a Payment" link. This will prompt you to type in your loan number and 3-digit ID number that is located on the bottom portion of your bill (this number does change each month so make sure to use your current statement). The next page will say address not found. Just ignore this message and click next to enter your payment information. Type in your bank account information and your payment amount before submitting. Make sure to enter your email address to receive your confirmation page for your records!

What if I want to pay more than my regular payment and have the additional amount applied as a principal only payment?

If you make payments more than the amount due each month, the excess amount will automatically be applied as a reduction to your principal.

What if I want to pay some months ahead?

You can make payments for months in the future, however you must notify us in writing that is what you desire. Attach a note to your payment that says "apply all excess to future payments." If you make your payments online, you can email us at loanstaff@smud.org. Just include your name, loan number, and a message that says you want the excess amount applied as future payments.

How do I find my payoff balance? Is there a penalty for paying off early?

You may calculate a loan payoff under My Account, or feel free to give us a call at **(916) 732-5081** to find out your payoff balance. This amount does change each day since the loan accrues interest on a per diem (daily) basis, so make sure to call to get an accurate balance. There is no penalty for paying off early.

Is the interest paid on my loan tax deductible?

It is best to consult a tax accountant. However, it is our understanding that the interest paid on SMUD's energy efficiency loans is not deductible on your federal taxes because the loans are not secured by a deed of trust mortgage. On the other hand, per Senate bill 75 enacted October 1, 2001, interest paid/incurred on any loan obtained from a publicly owned utility for the purpose of installing energy efficient product/equipment in a qualified residence in California is deductible for state tax purposes. Consequently, for the years in which your loan is open, the interest paid information will be provided to you on your normal billing in the following year. If you have paid-off your loan during the year we will send you a separate statement. The interest paid information is not reported by SMUD to the State of California's Franchise Tax Board.

Can I make payments over the phone?

Yes you can! You can call us at **(916) 732-5081**.

What if something happens and I am late on my payment?

There is a 15 day grace period before you receive any late charge. The late charge will be 5% of the payment amount, or \$5, whichever is greater.

