



Consumer Loan Application

I/We, _____ (Borrower), hereby apply for a consumer loan from Freeborn Mower Cooperative Services (FMCS), for the purpose of

_____ and in the amount of _____, as supported by attached itemized cost estimates.

- Borrower acknowledges and has included payment of the \$50.00 non-refundable loan origination fee.
- Borrower acknowledges receipt of FMCS Board Policy 4.004 and agrees to all policy provisions.
- Borrower acknowledges that loan payments are an integral part of FMCS's service and will be included on Borrower's electric bill and that any partial payments will be applied first to loan payments and then to Borrower's electric account. Borrower's failure to pay the electric bill in full will result in disconnect of electric service and additional fees and deposits as outlined in Board Policy 5.051. Promissory note will also be required.
- Borrower acknowledges FMCS will do a credit check to help determine if FMCS will issue a loan to Borrower.

BORROWER INFORMATION:

Print name

Print name

Signature

Signature

Social Security Number

Social Security Number

Borrower's mailing address: _____

Physical address: _____
(if different from mailing address)

Borrower's phone: _____ Borrower's electric account number: _____

Policy: Energy Improvement Financing Policy

Policy 4.004

OBJECTIVE: To promote the efficient use of electricity by providing funds to help the member pay for energy improvements.

PURPOSE:

- A. It is the intent of Freeborn-Mower Cooperative Services (FMCS) to provide financial assistance in the form of low-cost loans to its members for the purpose of installing energy-efficient electric HVAC equipment, electric water heating equipment, insulation, and Energy Star electrical appliances.
- B. Other energy-efficient residential upgrades may be determined appropriate for this loan program, at the discretion of the Chief Executive Officer (CEO) or his appointees.

TERMS:

- A. The minimum loan amount is \$1,000. The maximum loan amount is \$5,000. The minimum term is two years. The maximum term is five years. Loan terms will depend on the amount borrowed and will be based on the following: \$1,000-\$2,000 -> Two (2) Years; \$2,001-\$3,000 -> Three (3) Years; \$3,001-\$4,000 -> Four (4) Years; \$4,001-\$5,000 -> Five (5) Years. Loans will be made to property owners only.
- B. The loan amount shall not exceed the cost of the equipment, including service upgrades. It shall be the responsibility of the member to present an itemized cost estimate for new equipment, improvements, and upgrades as part of the loan application. Such itemized cost estimates may include, but are not limited to, equipment costs and electricians' quotes.
- C. A one-time loan origination fee of \$50 will be payable at signing and prior to any loans being made.
- D. 4.5% annual interest will be charged on the loan.
- E. Loans are not assignable or transferable. Loans must be paid in full at the sale or refinancing of the property or in the event of the death of the member. Loans will not be subordinated. There will be no penalties for prepayment.

- F. At the discretion of FMCS, the member shall also provide FMCS with a promissory note at loan closing. FMCS shall release the promissory note when final payment is made.
- G. If during the course of the addition of this equipment a service upgrade is required and any additional easements or rights-of-way are necessary on the member's property, the member will agree to provide them to FMCS without charge.
- H. Credit History
 - 1. Members must have one year of service with FMCS and satisfactory payment record during that year to be considered eligible for the loan program; and,
 - 2. The member must authorize FMCS to obtain a third-party credit report. FMCS may use its discretion in accepting or rejecting loan applicants based on a third-party credit report.
- I. A member may not have more than one such loan at a time.
- J. As part of the loan agreement, the member must agree that any partial monthly payments will first be applied to the loan, then to the member's electric account.

RESPONSIBILITY:

- A. The CEO (or his appointees) is responsible for the administration of this policy.
- B. The CEO (or his appointees) may, at his discretion, reject any loan application that does not meet the objective of this policy.

ADOPTED: 9-30-08

SIGNED: Paul G. Anderson
Board Chairman