

**Klickitat PUD**  
**1313 S. Columbus Ave.**  
**Goldendale, WA 98620**  
**(509) 773-7622 or (800) 548-8357**

**Residential**  
**Loan Application**



*"the symbol for energy efficiency"*

**Please provide Owner's name(s), address, and phone numbers below.**  
**Attach proof of income to loan application for approval.**

<u>OWNER(S) NAME &amp; MAILING ADDRESS</u>	<u>SERVICE ADDRESS</u>	<u>E-MAIL ADDRESS</u>	<u>HOME PHONE</u>
			<u>WORK PHONE</u>

**Please refer to the second page for instructions to complete this section of the Application.**

A.	<u>AVAILABLE ENERGY CONSERVATION MEASURES:</u> Insulation, Windows/Glass Doors, Heat Pumps, Duct Sealing, & Appliances (refrigerators, freezers, clothes washers, water heaters) <u>PREFERRED LOAN REPAYMENT TERM:</u> <input type="checkbox"/> 1 Yr <input type="checkbox"/> 2 Yr <input type="checkbox"/> 3 Yr <input type="checkbox"/> 4 Yr <input type="checkbox"/> 5 Yr <input type="checkbox"/> 6 Yr <input type="checkbox"/> 7 Yr		
B.	Specify the amount or percentage you wish to make as down payment at time of closing (optional) _____		
C.	1. Have you received a Klickitat PUD Billing delinquency notice within the last twelve months? <input type="checkbox"/> Yes <input type="checkbox"/> No 2. Have you ever filed for bankruptcy or had a debt adjustment plan confirmed under Chapter 13? If Yes to C2, and it has been less than 7 years, you are not eligible for a loan under this program. <input type="checkbox"/> Yes <input type="checkbox"/> No 3. Have you ever had property foreclosed upon or repossessed? <input type="checkbox"/> Yes <input type="checkbox"/> No 4. Have you ever been a party in a lawsuit or are there any outstanding or unsatisfied judgments against you? <input type="checkbox"/> Yes <input type="checkbox"/> No		
D.	1. Do you have a first mortgage? <input type="checkbox"/> Yes <input type="checkbox"/> No 2. Do you have a second mortgage, home equity loan, or any other loan that is secured by your home? If Yes to D.2., and the loan is over \$1,000.00, you are not eligible for a loan under this program. <input type="checkbox"/> Yes <input type="checkbox"/> No 3. Do you own the property where your home is located? <input type="checkbox"/> Yes <input type="checkbox"/> No		
E.	<u>APPLICANT:</u> <input type="checkbox"/> I do not wish to furnish this information to the federal government. <u>Race or National Origin:</u> <input type="checkbox"/> American Indian, Alaskan Native <input type="checkbox"/> Black <input type="checkbox"/> Asian, Pacific Islander <input type="checkbox"/> White <input type="checkbox"/> Hispanic <input type="checkbox"/> Other (Specify) <u>Gender:</u> <input type="checkbox"/> Female <input type="checkbox"/> Male	<u>CO-APPLICANT:</u> <input type="checkbox"/> I do not wish to furnish this information to the federal government. <u>Race or National Origin:</u> <input type="checkbox"/> American Indian, Alaskan Native <input type="checkbox"/> Black <input type="checkbox"/> Asian, Pacific Islander <input type="checkbox"/> White <input type="checkbox"/> Hispanic <input type="checkbox"/> Other (Specify) <u>Gender:</u> <input type="checkbox"/> Female <input type="checkbox"/> Male	
F.	Year home built:	Home square footage:	

Klickitat PUD will disqualify a loan applicant for receiving more than two delinquent notices within the last 12 months on their utility bill. Loan fees consist of a non-refundable filing fee of \$146.00. The Owner(s) read, understood and agree to the Instructions, Service Requirements, and the Loan Terms and Fees. The Owner(s) certifies the information provided in the application is complete, true, and correct.

\_\_\_\_\_  
 Owner Acceptance

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Owner Acceptance

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Social Security Number

\_\_\_\_\_  
 Social Security Number

## ***INSTRUCTIONS TO COMPLETE APPLICATION***

A.	The first step is to complete the Application and request a preferred loan term. The Annual Percentage Rate (APR) is 4.9% on all loans available through Klickitat PUD's program.
B.	The second step is to indicate if you wish to make an optional down payment, and the amount.
C.	The third step is to respond to questions related to your credit history. If you answer yes to C2, and the bankruptcy or debt adjustment was less than 7 years ago, you are not eligible for a loan under this program.
D.	The next step is to indicate if you have a first mortgage, second mortgage, home equity loan, or any other loan secured by your home. If you answer Yes to D.2., you are not eligible for a loan under this program. Also if you do not own your property (i.e. renting, leasing), you are not eligible. If the loan you are requesting is under \$1,000.00, there is no lien involved on the property and therefore this condition does not apply.
E.	Please respond to the questions about Race or National Origin and Gender or indicate that you do not wish to furnish this information.
F.	Please provide the year your home was built and its approximate square footage.

### ***LOAN PARTICIPATION INSTRUCTIONS - WEATHERIZATION AND HEAT PUMP***

1.	The first step is to complete this Application and submit it to the Energy Services Department at the Goldendale office. KPUD will promptly respond to your application. If approved, a letter of Approval, a list of Authorized Contractors and Proposal Forms will be mailed to the homeowner. Your application will be valid for 60 days.
2.	Within the next 60 days, contact any of the Authorized Contractors to obtain proposals. Once you have obtained a completed proposal you prefer, proceed to step 3.
3.	Bring or mail the proposal of your choice to Klickitat PUD, Energy Services Department, 1313 S. Columbus Ave., Goldendale, WA 98620. After we have reviewed your proposal we will contact you to schedule loan closing. Proof of income and identification will need to be provided at loan closing, along with a \$146.00 payment. At loan closing, we will review the Contractor's Proposal and Loan documents with the owner(s).
4.	Work may commence once KPUD has issued notice to proceed. After the work has passed inspection by KPUD, the contractor is paid and monthly installment payments begin. Installments will be due on the same day as your regularly scheduled utility bill. If this day of the month does not work for the loan payment, other arrangements can be made.

### ***SPECIAL LOAN PARTICIPATION INSTRUCTIONS - FOR APPLIANCE(S)***

1.	The first step is to complete this Application and submit it to the Energy Services Department at the Goldendale office. KPUD will promptly respond to your application. Your application will be valid for 60 days. If approved, a letter of Approval and an Appliance Proposal Form will be mailed to customer. (Note: Loan term maximum of 5 years unless other weatherization and/or a heat pump is included in the loan.)
2.	Within the next 60 days, contact any retailer that carries ENERGY STAR® labeled appliances to obtain proposals. Once you have obtained a completed proposal you prefer, proceed to step 3.
3.	Bring or mail the proposal of your choice to Klickitat PUD, Energy Services Department, 1313 S. Columbus Ave., Goldendale, WA 98620. After KPUD has reviewed your proposal, we will contact you to schedule loan closing. Proof of income and identification will need to be provided at loan closing. At loan closing, we will review the Retailer's Proposal and Loan documents with the owner. <b>DO NOT PURCHASE APPLIANCE(S) UNTIL AFTER LOAN CLOSING DOCUMENTS HAVE BEEN SIGNED.</b>
4.	Customer must purchase appliance(s) with personal means (i.e. credit card, check, and cash). After purchase, mail or hand deliver a copy of the original invoice or purchase receipt to the Energy Services Department and call to set up a verification of purchase inspection.
5.	After proof of purchase has been authenticated, customer will receive a check from Klickitat PUD for the approved loan amount, less any rebates within 45 days. A Monthly installment payment will be added to your utility bill for loan amount less any rebate.

# RESIDENTIAL SERVICE REQUIREMENTS

## *Klickitat PUD*

*1313 S. Columbus Ave.*

*Goldendale, WA 98620*

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**Eligibility Criteria for Heat Pumps** 1.) Participation is not available for new construction. 2.) Your home must currently be served electricity by Klickitat PUD for at least 12 consecutive months with no more than 2 final notices, and have any type of permanently installed electric heating equipment as primary heat in your home. The home must be adequately insulated as determined by the PUD on a case by case basis. Insulation can be concurrently done with a heat pump installation if needed. If you do not have 12 months history with KPUD, you must have a letter of good credit from your last Utility with the same criteria for history.

**Eligibility Criteria for all other Energy Conservation Measures** 1.) Participation is not available for new construction. 2.) Your home must currently be served electricity by Klickitat PUD for at least 12 consecutive months with no more than 2 final notices, and have any type of permanently installed electric heating equipment as primary heat in your home. Homes with portable electric heaters do not qualify for energy conservation measures unless a permanently installed electric heating system is currently installed at residence. If you do not have 12 months history with KPUD, you must have a letter of good credit from your last Utility with the same criteria for history.

**Eligibility Criteria for Appliances** Customer must have an electric water heater to apply for an appliance loan for dishwashers, clothes washers and replacing water heaters. All Appliances must be ENERGY STAR<sup>®</sup> rated and electric. ENERGY STAR Qualified Appliances are highly efficient appliances that meet DOE's and EPA's ENERGY STAR specifications (lists can be found on the World Wide Web at <http://www.energystar.gov>). ENERGY STAR Appliances available through Klickitat PUD's loan program are: clothes washers, refrigerators and freezers. Water heaters are also available but are not currently ENERGY STAR rated. To qualify a water heater, the Energy Factor (EF) rating is used. Maximum loan term is 5 years unless Weatherization upgrades and/or a heat pump is included with the loan. If Weatherization upgrades and/or a heat pump is included with appliance(s) loan, the maximum loan term is 7 years. Proper installation of all appliances is the owner's responsibility.

**Actions Related To Fraud** Federal law prohibits Authorized Contractor rebates, kickbacks and other free services provided in exchange for the right to perform federal contract work. Such law may apply to the contracts under which Contractors weatherize your home. Federal laws prohibiting and providing penalties for fraud also apply to this program.

**Air Sealing** If air-sealing of ceiling, floor, or wall penetrations are completed, the installation of bathroom(s) and kitchen exhaust fans may be required when none exist. The cost of, including but not limited to, installing exhaust fans may not qualify for a loan. If the tested air leakage is reduced by 30% or more, installation of exhaust fans will be required when none exist.

**Asbestos Notice** The Owner shall make available to any contractor submitting a bid a written statement of the reasonable certainty of non-disturbance of asbestos or the assumption of the presence of asbestos. The owner understands that all asbestos abatement must comply with the law. For more information about asbestos abatement, permits, and disposal requirements, contact the applicable Air Pollution Authority or the EPA at 1-800-424-4372. The cost of, including but not limited to, asbestos abatement does not qualify for a loan.

**Basement Wall Insulation and Window Availability** The cost of, including but not limited to, enlarging windows to meet ventilation code requirements, electrical, plumbing, and sheetrock does not qualify for a loan.

**Klickitat PUD authorized Contractors** KPUD has established a list of independent contractors that participate in this loan program. These contractors have a Contractor's license, insurance, and have signed an agreement with KPUD. Contractors have agreed to meet all City/County codes, BPA installation specifications, and KPUD requirements. Contractors are only allowed to install materials approved in advance by KPUD. The Contractor shall not bid on measures that are not available. The Contractors also warrant all work performed for a minimum of one to two years (depending on type of installation), after PUD acceptance. KPUD can not recommend one Contractor over another, nor endorse or recommend any materials or products.

**Cost Control to Ensure Utility Cost-Effectiveness of the Loan Program** The loan may be limited by a maximum allowed cost for each item in the Contractor's proposal to ensure the Loan Program meets KPUD's cost-effectiveness goals. If the loan proposal exceeds the loan amount, the difference will be paid by the Owner at the time of closing the loan.

**Customer Service Questionnaire** KPUD may send you a questionnaire in the mail shortly after your work has been completed. The PUD wants your help to ensure the future success of the loan program. We appreciate both positive feedback and suggestions for improvement we receive from our customers.

**Disclaimer of Liability** The Owner shall defend, indemnify and hold harmless Klickitat PUD, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees arising out of or in connection with the performance of the Participation Agreement, except for injuries and damages caused by the sole negligence of Klickitat PUD.

**Do-It-Yourself Information** KPUD will extend the loan program to customers that want to purchase and install improvements themselves, however only materials are eligible for the loan.

**Exterior/Interior Roof Insulation** If exterior roof insulation is installed, the cost of installing a new roof membrane and flashing are expenses that do not qualify for the loan. Defects such as roof leaks must be repaired prior to the installation of affected weatherization measures. Correction of defects do not qualify for the loan. Only the costs of materials and installation of the insulation and associated furring costs qualify for the loan. If interior roof insulation is installed, the cost of, including but not limited to, 5/8 inch sheet rock, painting, texturing, taping and painting and its installation do not qualify for the loan.

**Facilitation Agreement** The Owners agree that they (or their representative) will be present at the time KPUD's inspection is conducted, and further agrees to provide access into the home for inspection within ten (20) business days after work has been completed by the Contractor. The Owners understand that they select which available measures to install in their home subject to certain restrictions. However, those available measures the Owner chooses not to install may not be available in the future. The Owners understand that their future request to complete weatherization will be placed at the end of any waiting list.

**Floor Insulation** If the construction of your home prohibits the installation of code required underfloor ventilation, the Owner authorizes the installation of minimum ventilation. The Owner understands that minimum ventilation may cause structural defects and lead to increased moisture and radon gas levels. The Owner also understands that a minimum clearance of eighteen inches must exist between the lowest structural floor member and the floor of the crawlspace to allow for floor insulation. The cost of, including but not limited to, providing adequate clearance, removing existing combustible insulation materials located in the crawlspace, condensate pipe (and pump installation if required), repairing floor dry rot, does not qualify for a loan. Insect or pest damage and water pipe leaks must be repaired prior to the installation of affected weatherization measures. Correction of defects does not qualify for the loan.

# RESIDENTIAL SERVICE REQUIREMENTS

Continued...

**Heat Pump Availability** KPUD requires adequate insulation before the installation of a heat pump.

**Historical Preservation** The Owner is required to comply with the Washington State Historic Preservation Code. Homes that are at least 45 years old may qualify for listing on the register of historic buildings. The Owner shall notify KPUD prior to commencement of work if Historical Preservation requirements may apply.

**Income Tax Information/National Energy Policy Act** The National Energy Policy Act states "The rebates utilities provide residential customers for buying or installing conservation measures, beginning in 1993 shall not be taxed. When utilities provide such conservation rebates to non-residential customers, they will continue to be fully taxed through 1994. In 1995, 40% of those rebates will be tax free, rising to 50% in 1996 and 65% in 1997." You should consult your accountant or the Internal Revenue Service regarding the taxation and/or deductibility of interest and charges for the loan. The PUD is required to annually transmit an Internal Revenue Service (IRS) 1098 form (mortgage interest statement) to the IRS and owner.

**Insulation Availability** Ceilings that have less than R-38 insulation qualify for additional insulation. Roof/Ceiling combinations without ventilation cavities qualify for additional insulation if the existing R-value is less than R-30. Floors that have less than R-10 floor or perimeter insulation will qualify. Heating, ventilation, and air conditioning duct work must have less than R-5 existing to be considered. Walls must have less than one-inch of insulation and the wall cavity is at least three and one-half inches to qualify for the additional insulation. The Owner may not qualify for the loan if the definitions of availability above are violated.

**Permitting Requirements** A building permit and building inspection may be required by the City/County. The Department of Labor and Industries, Electrical Inspection Division requires a permit when homes have upgrades or modifications to their electrical service panel, and after the installation of new exhaust fans (replacement exempt) or if the residence is a mobile home installing or replacing a heat pump or anything that changes the home structurally. If asbestos abatement is performed in conjunction with this program, the Owner shall obtain a permit from the appropriate Air Pollution Control Authority. For water source heat pumps, the Owner shall obtain all required State permits including but not limited to a Water Right, Water Discharge, Waste Discharge, and Injection Well permit. A copy of all required permits shall be provided to the Energy Services department of Klickitat PUD, prior to loan disbursement. The costs of permits do not qualify for a loan.

**Privacy Act Notice** It is necessary for the Owner to provide some information to Klickitat PUD that will help us operate the loan program successfully. The information to be collected includes the names and addresses of residential owners participating in the program and technical data about the energy use and efficiency of each home. The PUD needs this information to determine whether each home is eligible to participate in the service. Beyond this, the information collected will be used to evaluate and audit the loan program. Your home may be randomly selected to participate and we would need your cooperation. This and other data will be used to help the Utility improve the loan program and develop new services as well as assess energy savings. The information collected by the PUD is required to be maintained for a minimum of five years. KPUD will only release information to the public and other interested parties in anonymous statistical form or under court order.

**Radon and Carbon Monoxide Notices** Studies have revealed that there is no direct correlation between air sealing and radon levels. Several booklets are available from the EPA about radon by calling 1-800-323-9727. The booklet titles are: Citizen's Guide to Radon, Home Buyer's and Seller's Guide to Radon, Consumer's Guide to Radon Reduction, and Radon: A Physicians Guide. Carbon monoxide (CO) is a poisonous gas that has no smell, taste, or color. Carbon monoxide is produced by any fuel burning appliance (e.g. kerosene, natural gas, propane, or wood). CO poisoning is serious and can kill you if fuel burning appliances are not operated properly. Make sure fuel burning appliances are properly installed, are functioning properly, and are used properly for their intended purpose. A CO detector, similar to a smoke detector, can be purchased for added safety. For more information a brochure is available from the Consumer Product Safety Commission (CPSC) titled "The Senseless Killer" by calling 301-504-0580. A list of CO detectors that currently meet UL standard 2034 can be heard by calling the CPSC information number 1-800-638-2772.

**Wall Insulation** If insulation is blown into exterior walls, the Contractor will either drill directly through or remove and replace siding. Alternatively, the Contractor can drill directly through the interior wall finish. If basement walls, other unfinished walls, or floors over unheated garages are insulated, sheetrock and tape may be required. It is the Owner's responsibility to contact and be aware of City/County Building Safety & Inspection and Uniform Building Code requirements for light, ventilation, egress, etc. If exterior wall insulation is installed, siding shall be installed prior to Utility acceptance and be weathertight. The cost of, including but not limited to, siding, sheetrock and tape, texturing, painting, electrical modifications, plumbing, light and ventilation per code, and egress windows does not qualify for the loan.

**Water Heating Options and Availability** High efficiency electric water heaters qualify for a loan.

**Window and Door Availability/Notices** Windows and patio doors qualify for replacement windows with a maximum U-value of 0.30 under the loan program. New windows and doors are usually very expensive and have a long simple payback. It's the Owner's responsibility to remove and reinstall window coverings. The Owner understands that windows equipped with window air conditioners or swamp coolers are not eligible to be replaced (exception; if the owner permanently installs the air conditioner/swamp cooler in a wall or permanently removes the unit). The cost of, including but not limited to electrical, plumbing, sheetrock, new window sills, inside and outside trim, painting, increasing the window or glass size and optional features such as muntin bars, grids, solar films, or tinting does not qualify for the loan.

# RESIDENTIAL LOAN TERMS AND FEES

## *Klickitat PUD*

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### AVAILABLE REPAYMENT PERIODS AND INTEREST RATES

Loan Term: (in years)	1	2	3	4	5	6	7			
<b>Customer Options</b>	Annual Percentage Rate (APR)									
<b>A. High efficiency</b> Heat Pump, ENERGY STAR® labeled Windows, Building Insulation	4.9	4.9	4.9	4.9	4.9	4.9	4.9			
<b>C. ENERGY STAR</b> Appliance(s) and Energy Efficient Water Heaters	4.9	4.9	4.9	4.9	4.9	N/A	N/A			
<b>D. Minimum Loan Amount</b>	<b>\$500.00</b>									
<b>D. Maximum Loan Amount</b>	<b>\$10,000</b>									

### LOAN FEES

<b>Filing fee</b> (one time, non-refundable)	\$ 146.00
<b>Late charge</b> The late charge is based on aging and unpaid balance	12% APR

### LOAN FEES

The Utility will use the results of your payment history to approve or deny the Owner's application. Length of time for approval for loan requests over \$7,500 may take longer, as these need the Board of Commissioner's approval.

**Payment** Payments are due on the day of month your regularly scheduled utility bill is due. Loan payments are included on your utility bill but will print on a separate line for clarity. Repayment of the loan will begin no later than thirty (30) days following disbursement of loan proceeds. Loan payments are applied against the balance in the following order: late charges, accrued interest, then principal. (Note: Due to the configuration of the Billing system, paying extra on the principle will only give you a credit on your next bill. You can however, pay the loan off in its entirety at any time). There are no prepayment penalties if you pay the total loan off early.

**Late Charges** Interest will accrue on the unpaid balance of the loan at an annual rate of 12% from the day of month payment is due for payments received more than thirty (30) days after the monthly due date.

**No Assumption – Due on Sale** Persons buying the Owner's real estate cannot assume the remainder of the loan on the original terms, and the remaining balance will be due on the sale. Any mortgage refinancing that would require subordination of Klickitat PUD's lien shall cause the remaining balance to become due and payable.

**Proof of Income** A recent payroll stub or W-2 form if self-employed. No minimum or maximum income.

**Lien/Lien Release** For any loan over \$1,000, a lien will be filed on the customer's property 3 days after loan is installed on your account, and will be released within 20 days after the loan is paid in full.

**Disclosure** The loan and/or servicing (collecting your principal and interest payments) may be assigned, sold, or transferred to another party.

**Notice** The Utility reserves the right to change terms, fees, and service requirements without notice. This is a limited offer and restrictions apply.