

# Low-Interest Mini-Split Heat Pump Loan Program



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## LOAN Q & A

### **What is a Mini-Split Heat Pump and who is the manufacturer?**

-Mitsubishi and Fujitsu manufacture mini-split heat pumps which have two main components — an outdoor compressor/condenser and an indoor air-handling unit. A conduit, which houses the power cable, refrigerant tubing, suction tubing, and a condensate drain, links the outdoor and indoor units.

### **What is the purpose of the Mini-Split Heat Pump Loan Program?**

-To provide financial incentive to improve the energy efficiency of our member's homes and small businesses. The primary goal is to provide a more efficient means of heating and cooling the facility of each applicant than is currently installed.

### **What are the limitations of this program?**

-The program has been approved for another year, through July 31, 2017. The Cooperative will review the success of the program to determine if such program will be offered in the future. The Cooperative will contribute \$100,000 to an account that will be administered by the Cooperatives financial staff. A maximum of two systems or \$5,000 per member is available to loan on a first come / first serve basis until the funding is exhausted.

### **Who is eligible for a FBEMC Mini-Split Heat Pump Loan?**

-Loans are available to any Residential or Small Commercial member of French Broad EMC who own the home or facility where the system will be installed and provided they have been a member for a minimum of two consecutive years and have good credit with the Cooperative. Generally, good credit with the Cooperative will be defined for this program as no more than two late payments over the past 24 billing months.

### **How much can I borrow?**

-The system can be installed and paid for without taking a loan but if you need to borrow the money, the maximum loan is \$5,000.

### **How much does a mini-split heat pump system cost?**

- 9,000 BTU system approx \$2,400 (equipment, tax & labor)
- 12,000 BTU system approx \$2,600 (equipment, tax & labor)
- 15,000 BTU system approx \$2,750 (equipment, tax & labor)
- 18,000 BTU system approx \$2,900 (equipment, tax & labor)

### **What is the interest rate and how will I make my loan payments?**

-The interest rate is 3% and the monthly payments will be included on your regular electric bill.

### **What are the loan terms?**

-The loan can be financed for up to 48 months and late payment fees consistent with the Cooperative's Service Rules and Regulations Section 402, Part D will apply.

### **Can I do the work myself?**

-No. You must use our licensed HVAC contractor.

### **Can funds be used to replace my existing heating system?**

-Yes, you can use the funds to replace older inefficient heating systems with a Mitsubishi Mini-Split Heat Pump.

### **Can the work be started before applying for the loan?**

-No. Loans will not be made to refinance existing obligations or to finance the costs of eligible measures in structures to be built or already under construction. Only work done after the application has been approved will be covered by the loan.

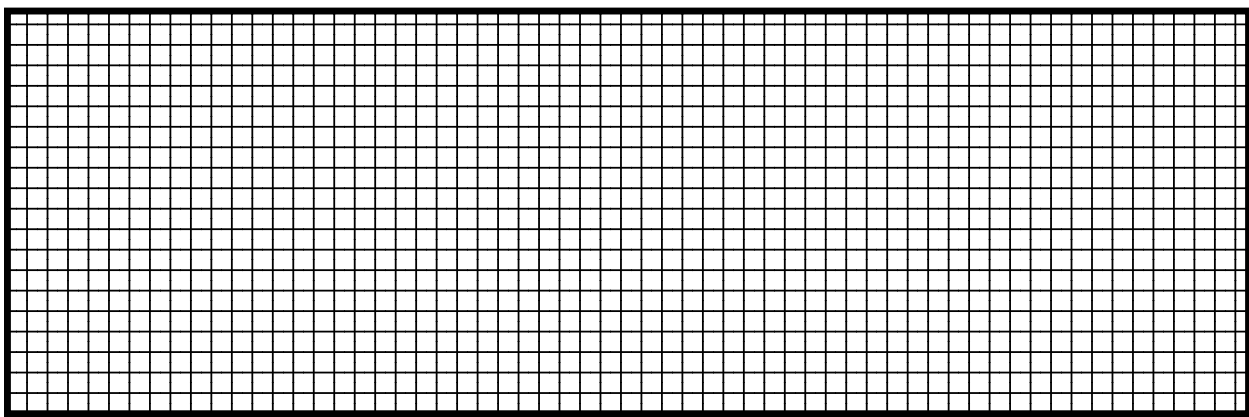
### **How do I apply?**

1. Contact FBEMC
2. Complete a loan application
3. A FBEMC representative will evaluate your location
4. When the work is completed, a FBEMC representative will 'sign off' on the job
5. Sign the following documents:
  - Promissory Note
  - Requisition for Payment
  - Indemnity Agreement
  - Truth in Lending Disclosure
6. FBEMC will pay your contractor
7. Your loan payments will begin on your next electric bill

### **What if I decide to move or sell my home?**

-When a disconnection of service has been requested, a final bill will be rendered with the total amount remaining on the loan and you will be required to pay the bill in full or be subject to the Cooperative's normal collection procedures.





How will this loan fit into my budget?

-Loans from \$1,500 - \$5,000 will be amortized for up to 48 months.

**FBEMC Loan Amortization Table**  
**Approximate Monthly Payments at 3%**

<b>Amount Borrowed</b>	<b>2 Years</b>	<b>3 Years</b>	<b>4 Years</b>
\$ 1,500.00	\$ 64.47	\$ 43.62	\$ 34.54
\$ 1,600.00	\$ 68.77	\$ 46.53	\$ 36.85
\$ 1,700.00	\$ 73.07	\$ 49.44	\$ 39.15
\$ 1,800.00	\$ 77.37	\$ 52.35	\$ 41.45
\$ 1,900.00	\$ 81.66	\$ 55.25	\$ 43.76
\$ 2,000.00	\$ 85.96	\$ 58.16	\$ 46.06
\$ 2,100.00	\$ 90.26	\$ 61.07	\$ 48.36
\$ 2,200.00	\$ 94.56	\$ 63.98	\$ 50.66
\$ 2,300.00	\$ 98.86	\$ 66.89	\$ 52.97
\$ 2,400.00	\$ 103.15	\$ 69.79	\$ 55.27
\$ 2,500.00	\$ 107.45	\$ 72.70	\$ 57.57
\$ 2,600.00	\$ 111.75	\$ 75.61	\$ 59.88
\$ 2,700.00	\$ 116.05	\$ 78.52	\$ 62.18
\$ 2,800.00	\$ 120.35	\$ 81.43	\$ 64.48
\$ 2,900.00	\$ 124.65	\$ 84.34	\$ 66.78
\$ 3,000.00	\$ 128.94	\$ 87.24	\$ 69.09
\$ 3,100.00	\$ 133.24	\$ 90.15	\$ 71.39
\$ 3,200.00	\$ 137.54	\$ 93.06	\$ 73.69
\$ 3,300.00	\$ 141.84	\$ 95.97	\$ 76.00
\$ 3,400.00	\$ 146.14	\$ 98.88	\$ 78.30
\$ 3,500.00	\$ 150.43	\$ 101.78	\$ 80.60
\$ 3,600.00	\$ 154.73	\$ 104.69	\$ 82.91
\$ 3,700.00	\$ 159.03	\$ 107.60	\$ 85.21
\$ 3,800.00	\$ 163.33	\$ 110.51	\$ 87.51
\$ 3,900.00	\$ 167.63	\$ 113.42	\$ 89.81
\$ 4,000.00	\$ 171.92	\$ 116.32	\$ 92.12
\$ 4,100.00	\$ 176.22	\$ 119.23	\$ 94.42
\$ 4,200.00	\$ 180.52	\$ 122.14	\$ 96.72
\$ 4,300.00	\$ 184.82	\$ 125.05	\$ 99.03
\$ 4,400.00	\$ 189.12	\$ 127.96	\$ 101.33
\$ 4,500.00	\$ 193.42	\$ 130.87	\$ 103.63
\$ 4,600.00	\$ 197.71	\$ 133.77	\$ 105.93
\$ 4,700.00	\$ 202.01	\$ 136.68	\$ 108.24
\$ 4,800.00	\$ 206.31	\$ 139.59	\$ 110.54
\$ 4,900.00	\$ 210.61	\$ 142.50	\$ 112.84
\$ 5,000.00	\$ 214.91	\$ 145.41	\$ 115.15