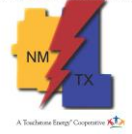


Lea County Electric Cooperative, Inc.

Application for Energy Resources Conservation (ERC) Loan

Lea County Electric Cooperative, Inc.



Date: _____ LCEC Member Number: _____

Name: _____ SS#: _____

Spouse: _____ SS#: _____

Address: _____

Home Number: _____ Work Phone: _____

Employer: _____ Net Monthly Income: _____

Spouse's Employer: _____ Net Monthly Income: _____

Net Monthly Debt payments (including alimony, child support or other obligations): _____

Any other monthly income not listed above: _____

Do you own (or carry a mortgage on) the home where unit will be installed? Yes No

Name of Mortgage Company and all others who have mortgage or lien on property:

1. _____

2. _____

3. _____

Is property being purchased on Contract of Sale? Yes No

If yes, name of seller: _____

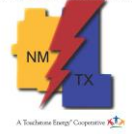
Name of Escrow Agent: _____

If property requiring the ERC loan is rental property, is the property owner the applicant?
 Yes No

I have received a copy of the guidelines for the ERC Loan Program and understand that the \$200.00 is due at the time of application to cover costs of title search and credit reports. I understand that a credit check will be necessary to process my application and hereby authorize LCEC to perform the credit check. I further certify that I am the property owner of the structure to receive energy upgrades. I understand that the processing of this loan could take up to one month. It is my responsibility to provide LCEC with proof of fire insurance and

Lea County Electric Cooperative, Inc. Application for Energy Resources Conservation (ERC) Loan

Lea County Electric Cooperative, Inc.



homeowner's coverage, at loan closing, with LCEC listed as a lien holder.

Signature of Applicant

Date

Signature of Applicant

Date

ERC RULES

Energy Resource Conservation (ERC) Loans are available to Lea County Electric Cooperative (LCEC) members only. Loans are available for installation of a high efficiency electric heating and/or air conditioning systems or other energy saving products.

1. Loans will be made only to LCEC members who are the property owners of the property requiring weatherization.
2. Loan will be made to assist in the purchase and installation of the following:
 - Caulking
 - Weather-stripping
 - Storm and thermal windows and doors
 - Insulation
 - Marathon[®] Electric Water Heaters
 - Electric Heat Pump systems with at least a 16 SEER rating
3. Loans will be made only to members who have a good payment record with LCEC (no more than 4 delinquencies during the prior 12 months) and a credit score of at least 650. This includes no bankruptcy filings within the past 5 years of current application.
4. All loans will be evaluated by a credit committee composed of LCEC staff to determine credit reliability.
5. Loans can be made only to property owners of the property requiring weatherization.
6. Funds will be made available for loans to cover the cost of contract labor and materials.

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7. An energy audit of the consumer's establishment, performed by LCEC personnel, and a follow up visit after installation is complete is a requirement in securing the loan.
8. Loans are made for existing structures only. New construction loans are not available. Loans can include commercial and industrial buildings if owned and operated by the member/owner.
9. Credit reports will be run on every application.
10. A mortgage on the property will be required as security on each loan, not to exceed 2nd lienholder status. The borrower will be required to sign a certification stating the number of liens held on the property. A title search will be run on each application.
11. Form ERC-307 must be signed by the contractor upon completion of work.
12. No work is to be started nor purchases made before loan approval by the Cooperative staff.
13. Payment to the member on the loan agreement will be made only at the completion of the project as described on the application and after required inspection.
14. The contractor providing the work should provide a written guarantee/warranty for both the products and workmanship involved.
15. Fire insurance and homeowner's coverage will be required for the amount of each loan.
16. LCEC shall bill the monthly payments as part of the monthly electric bill.
17. Minimum loans funded will be no less than \$1,000.00. Maximum repayment term for a \$1,000.00 loan is one year; loans of \$3,000.00 or less is three years; and loans in excess of \$3,000.00 is five years.
18. ERC loan program interest rate is 5%.

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19. The cost of credit checks, title search, filing fees and other charges necessary for initiating the loan will be paid by the borrower at the time of the application. Any additional fees over and above the initial \$200 may be applied to the member's account during the approval process.

Please submit with your application the following documents*:

- a. \$200 Fee is required at time of application
- b. Copy of Driver's License or Id for both Borrowers
- c. Final bid from Contractor that you have selected
- d. Copy of Warranty Deed

*Proof of fire insurance and homeowner's coverage will be required at funding with LCEC listed as a lien holder.