



Illinois Electric Cooperative

Your Touchstone Energy® Partner



LOAN APPLICANT'S MEMORANDUM

The purpose of this memo is to outline the terms, conditions and the application process for Illinois Electric Cooperative's ERC loans.

1. *The interest rate is 2% per year. The maximum repayment period is 84 months..*
2. *Loans of \$5,000 or less can be unsecured. Loans in excess of \$5,000 must be secured by some type of collateral. The borrower must sign or give IEC any documents necessary to protect IEC's claim in the collateral. Examples of collateral that can be used are real estate, vehicle titles, savings bonds, stock certificates indicating ownership of publicly traded stocks or certificates of deposit.*
3. *The borrower must keep the collateral insured and add IEC as an insured on all insurance policies for real estate.*
4. *Borrowers should not start work on the installation of their energy system until their loan has been approved, especially if the work being done is contingent upon the Cooperative's loan approval. The installation must be complete and inspected by IEC personnel before the loan proceeds can be disbursed. Once the installation is complete and has been inspected, the loan proceeds can be disbursed directly to the contractor performing the installation or to the borrower at IEC's discretion. If they are disbursed to the borrower, the borrower must provide proof of payment of the contractor to IEC first.*
5. *Failure to comply with the terms of this program will cause forfeiture of the loan proceeds which will be repaid to IEC. Reasonable attorney fees incurred for collection will be the responsibility of the applicant.*

Dated: _____

Applicant

Applicant

10. We, the undersigned, certify that (1) the above property is served by Illinois Electric Cooperative (IEC), (2) the above applicant has paid bills owed the cooperative in a satisfactory manner, (3) the above information furnished by the applicant is correct to the best of our knowledge, (4) the weatherization addition will provide decent, safe and sanitary living conditions, (5) that upon completion of the contemplated loan from Illinois Electric Cooperative and any other mortgage I may have at the time of the execution of this application that I have no less than 20% equity in my home after this loan for which the improvements are to be made, and that if this ERC Loan is to be subordinated to any mortgage that I may have, that after subordination the 20% equity will remain, and (6) the terms of the ERC Loan Applicants Memorandum are incorporated in this application and applicant agrees to abide by same.
11. We, the undersigned, hereby grant permission to Illinois Electric Cooperative to obtain an appraisal at the applicant's cost, to determine equity in the home after all mortgages and loans have been applied for and granted pursuant to this request. We further authorize any bank or lending institution that we may have a loan at to give information to Illinois Electric Cooperative to determine outstanding balances owed at the time of the Application and upon conclusion of the anticipated ERC Loan.

Signature of Applicant

Date

Signature of Applicant's Spouse

Date

Committee Chairman

Date

President

Date