



## Frequently Asked Questions MCE Green Home Loan Program

[THE BASICS](#)

[FINANCING A PROJECT WITH GREEN HOME LOANS](#)

[LOAN DETAILS](#)

[LOAN APPLICATION](#)

[QUESTIONS ABOUT LOAN PAYMENTS ON YOUR ELECTRIC BILL](#)

## THE BASICS:

### **What is MCE's Green Home Loan program?**

MCE is offering a financing program for single-family homeowners called Green Home Loans. It allows MCE customers to take a loan out from a private bank to pay for energy efficiency improvements and to repay that loan on your monthly PG&E energy statement over an extended period of time. This alleviates the upfront cost of energy efficiency improvements.

### **Why is MCE offering the Green Home Loan Program?**

MCE is testing the innovative concept of tying energy efficiency loan repayments to the utility bill. Not only does this connect any energy savings associated with the project with the loan payment, but it also could encourage borrowers to repay this loan more frequently than with other loan types. This could reduce the percentage of defaults and decrease the cost of financing for you, the borrower.

### **Who is eligible?**

Qualified homeowners who are MCE customers, are credit-worthy, and own the property at which the energy efficiency improvements are being performed. In order to qualify, borrowers must have a minimum FICO score of 640, property taxes must be current, and the property cannot have any liens, judgments, Notice of Default, or other notices filed against it. A title search will also be performed to verify home ownership.

### **How does it work?**

When you finalize your loan documents with the bank, MCE will amortize and place a monthly charge for the loan on your PG&E bill so you can start repaying it along with your standard monthly electric charges. Instead of paying the loan back directly to the bank, you pay the loan back on your utility bill and we'll transfer the portion owed to the bank for you.

### **Which bank is providing the loan?**

First Community Bank, a locally-owned community bank headquartered in Santa Rosa with Marin and East Bay branch offices, is providing the loan.

### **How do I get started?**

Before applying for a Green Home Loan, your first step is to decide what kind of home energy efficiency improvement you would like to finance, and there are three different options to choose from: Home Upgrade, Advanced Home Upgrade, or Equipment Replacement.

## [FINANCING A PROJECT WITH GREEN HOME LOANS:](#)

### **What is the Home Upgrade energy efficiency improvement option?**

Through the Home Upgrade program you can achieve a 10% savings in your home's energy use and receive PG&E rebates from \$1,000 - \$2,500.

With this option you will work with contractors to select from a menu-style list of improvements that are right for your home. Each improvement is worth a certain amount of points, and participants must reach a threshold of 100 points (corresponding to 10% energy savings).

If you choose the Home Upgrade option, you can apply for a Green Home Loan for up to \$30,000.

Learn more about the Home Upgrade Program by visiting:

<https://www.bayareaenergyupgrade.org/program-overview/warm-home-upgrade>.

### **What is the Advanced Home Upgrade energy efficiency improvement option?**

For homeowners who want a more customized project, or who would like to achieve higher energy reductions, the Advanced Home Upgrade program is a good choice. The Advanced Home Upgrade offers energy efficiency improvement rebates from PG&E based on your expected energy reduction from \$1,500 to \$4,500.

If you choose the Advanced Home Upgrade a qualified professional of your choice will work with you to conduct an on-site energy assessment to identify opportunities for savings and create a customized scope of work designed to achieve the most energy savings.

If you choose the Home Upgrade option, you can apply for a Green Home Loan for up to \$30,000.

Learn more about the Advanced Home Upgrade option by visiting:

<https://www.bayareaenergyupgrade.org/program-overview/exercise-your-choices-advanced-home-upgrade>.

### **What is the Equipment Replacement option?**

This option is good if you just need to replace one piece of equipment, such as a furnace, air conditioner, or hot water heater. You may qualify through contractors on a fast-track approval process. Equipment must be EnergyStar certified. Find EnergyStar equipment online at:

[http://www.energystar.gov/index.cfm?c=products.pr\\_find\\_es\\_products](http://www.energystar.gov/index.cfm?c=products.pr_find_es_products).

## **How do I choose which Home Upgrade option is right for me?**

Choosing the most effective ways to invest your money can be a difficult decision. We've created an online tool to help you understand your options for upgrades and manage your energy use. You can enter information about your home, receive feedback on your energy use, develop an action plan for saving money, and save your information to track your progress over time. [Register online to get started](http://myenergytool.mcecleanenergy.com) at [myenergytool.mcecleanenergy.com](http://myenergytool.mcecleanenergy.com).

The Contractor State Licensing Board publishes tips to help you find a qualified professional. Find those tips by visiting:  
<http://www.cslb.ca.gov/GeneralInformation/Library/GuidesAndPamphlets.asp>

You can also search for qualified professionals with My Energy Tool by visiting:  
<http://myenergytool.mcecleanenergy.com/contractor/search>

## **How do I apply for financing for Home Upgrade projects?**

The first step to moving forward with a Home Upgrade project is to find a qualified professional of your choice. You can search for qualified professionals online at:  
<http://myenergytool.mcecleanenergy.com/contractor/search>.

Once you've selected a qualified professional, you will work with him or her to identify energy savings opportunities and decide whether the Home Upgrade or the Advanced Home Upgrade makes sense for your home. Once you've determined your scope of work, you can apply to First Community Bank for financing. You will need to include along with your application your proposed scope of work and permit number, both of which are provided by your contractor, as well as a copy of your current PG&E bill. If you have chosen the Advanced Home Upgrade path, you will also need to provide a copy of your energy assessment.

First Community Bank will evaluate your application based on the amount disclosed in your scope of work. You will be notified as to the status of your application within 5 business days, at which time you will be contacted by the bank to finalize loan documents. To receive your loan disbursement, you must provide:

1. a finalized scope of work or final invoice,
2. proof of permit<sup>1</sup> or final inspection
3. signed [Certification of Completion](#) and
4. [Borrower / Contractor Affidavit](#) form.

## **How do I apply for financing to replace my furnace or hot water heater?**

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<sup>1</sup> Proof of permit may include a copy of the final inspection report by the business official

Applying to finance the replacement of your furnace, air conditioner, or hot water replacement is simple.

You only need to provide your proposed scope of work and permit number, which are both provided by your contractor, along with your loan application and a current PG&E bill. In most cases your contractor can help with the documentation. Please note that only EnergyStar qualified products are eligible for financing. Find EnergyStar products online at:

[http://www.energystar.gov/index.cfm?c=products.pr\\_find\\_es\\_products](http://www.energystar.gov/index.cfm?c=products.pr_find_es_products).

First Community Bank will evaluate your application based on the amount disclosed in your scope of work. You will be notified as to the status of your application within 5 business days, at which time you will be contacted by the bank to finalize loan documents. To receive your loan disbursement, you must provide:

5. a finalized scope of work or final invoice,
6. proof of permit<sup>2</sup>
7. signed Certification of Completion and
8. Borrower / Contractor Affidavit form.

### **Is an energy assessment required in order to use MCE's financing program for my project?**

Energy assessments are not required for the Home Upgrade, furnace, air conditioning, and hot water heater replacements<sup>3</sup>. However, energy assessments are required for the Advanced Home Upgrade option. You will work with a qualified professional of your choice to perform an energy assessment and develop a customized scope of work that achieves the most energy reductions possible.

You can search for qualified professionals with My Energy Tool by visiting:  
<http://myenergytool.mcecleanenergy.com/contractor/search>

The Contractor State Licensing Board publishes tips to help you find a qualified professional. Find those tips by visiting:  
<http://www.cslb.ca.gov/GeneralInformation/Library/GuidesAndPamphlets.asp>

### **Can I finance renewable energy projects such as solar panels?**

Not at this time. MCE is working with our financial partners to create financing solutions for renewable energy projects, like rooftop solar. In the meantime, we encourage you

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<sup>2</sup> Proof of permit may include a copy of the final inspection report by the business official

<sup>3</sup> For the Home Upgrade program, there is a required 'Combustion Appliance Safety' test which will verify that your combustion appliances, potentially including your furnace and / or hot water heater, are not causing a carbon monoxide problem in your home.

to explore the financial incentives MCE has made available for customers who invest in renewable energy. Learn more at: <https://mcecleanenergy.com/nem>

### **Where can I apply for rebates?**

MCE encourages you to apply for any applicable rebates for your project. Receiving rebates can reduce your project cost, helping to reduce your overall loan principle and keep your monthly cost lower. Find rebates online by visiting: <http://myenergytool.mcecleanenergy.com/myplan/rebates>.

### **Can I re-amortize my loan when I receive my rebate?**

First Community Bank will allow borrowers a one-time opportunity to re-amortize their loan with the proceeds of your rebate(s). This will help you lower monthly payments. This is not a requirement, but is a courtesy the bank is offering to program participants. Contact First Community Bank at (855) 636-6090 for more information.

### **What happens if my project cost changes?**

MCE and First Community Bank have created a seamless process for dealing with project cost changes. If you know there will be either an increase or decrease in the total project cost, immediately notify First Community Bank of the change at (855) 636-6090 of the change. The bank may require a new Scope of Work and / or energy assessment as proof of the change in project cost. Before disbursement of the loan and at conclusion of the project, a final Scope of Work and / or a final invoice must be provided to First Community Bank showing that final project costs match the loan size.

### **What if I don't receive my estimated energy savings?**

MCE does not guarantee energy savings estimates. Many things can influence your utility costs, including changes in weather, usage, and rates over time. To manage your energy usage and maximize the savings from your home upgrade project, MCE encourages you to register with [My Energy Tool](#) to track your usage over time and learn more ways to save energy.

### **What if I'm not satisfied with the contractors work?**

For issues that are unresolvable by the contractor, there are a few options for you as a consumer. For projects under the Home Upgrade or the Advanced Home Upgrade path, MCE encourages you to immediately reach out to Build It Green, who implements the Home Upgrade program on behalf of PG&E, at 1 (866) 970-7348 if you are unsatisfied with the work product or notice any problems with the work. For hot water heater, air conditioner, or furnace replacements, you may register a complaint with the Contractor State Licensing Control Board by visiting: <http://www.cslb.ca.gov/consumers/filingacomplaint/>

## LOAN DETAILS:

### **What are the terms of the Green Home Loans?**

- Minimum loan amount of \$2,500.00; maximum loan amount of \$30,000.00
- Fixed rate of 6.50%
- Loan amounts up to \$7,500.00 have a loan term of 5 years. For loan amounts in excess of \$7,500.00, you have the choice of a 5 or 10 year term.
- Fully amortized monthly principal and interest payments
- Monthly billing included on your current PG&E billing
- Annual statements will be mailed directly by First Community Bank

### **What are the costs associated with the loan?**

A non-refundable application fee of \$50.00 is collected with your application and covers administrative costs to process your application including credit report and property report fees. A documentation fee of \$150.00 is collected at consummation of the loan and at your option may be financed into the loan.

### **Can you give me an example of how the repayment terms of a Green Home Loan might work?**

A typical loan of \$5,000 has 60 monthly payments of \$98.15; APR 7.871%.

### **Are there late charges?**

No, however, if your loan becomes more than sixty days delinquent, your account will be assigned to a third party debt collector. First Community Bank may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

## LOAN APPLICATION:

### **How do I qualify for the Green Home Loan?**

In order to qualify, borrowers must have a minimum FICO score of 640, property taxes must be current, and the property cannot have any liens, judgments, Notice of Default, or other notices filed against it. A title search will also be performed to verify home ownership.

### **How do I apply for a Green Home Loan?**

Before you apply for a Green Home Loan, your first step is to decide what kind of home energy efficiency improvement you would like to finance, and there are three different options to choose from: Home Upgrade, Advanced Home Upgrade, or Equipment Replacement. Your application will not be processed until after selecting an improvement project.

After selecting an improvement project, submit the following to First Community Bank:

- Loan Application,
- \$50.00 non-refundable loan fee,
- A copy of your most recent PG&E monthly billing statement, and
- All applicable MCE documents (scope of work, permits, etc.).

### **What happens after I am approved for the loan?**

- You will receive a written communication from FCB notifying you of your loan approval.
- Work is completed at your home. MCE will notify FCB when your project is complete and forward the necessary notices to the Bank.
- Once the work is confirmed, your loan documents are prepared and arrangements are made for you to sign the loan documents.

## [QUESTIONS ABOUT LOAN PAYMENTS ON YOUR ELECTRIC BILL](#)

**I have enrolled in the MCE Financing program but I have not yet seen the charges on my bill.**

Charges may take up to 45 days to appear on your first energy bill. If you believe there has been an error, please contact MCE at 1 (888) 632-3674.

**My energy bill shows past due MCE Financing Program charges, but I've already made my payment.**

Energy payments may take a month to be reflected on your account statement. For the current status of your account, please call MCE at 1 (888) 632-3674.

**I didn't receive my MCE Financing Program charges on my bill this month. Will I be charged a late fee?**

No. Occasionally due to the billing relationship between PG&E and MCE, MCE charges may not show up on every month's bill. MCE has taken measures to ensure that these billing irregularities will not impact your account status.

**I would like to make extra payments on my loan. Can I make those payments on my energy bill?**

No. Any extra funding paid on your energy bill will show up as a credit against future energy charges, and will not impact the loan balance. To make extra payments on your loan, please contact First Community Bank at (855) 636-6090.

**Will my utility bill be shut off if I can't repay my loan?**

No. However, non-payment of your energy bill may eventually result in utility shut-off per the policies of PG&E.

**What happens if I close my electricity account or opt out of MCE?**

Closing your account or opting out of MCE requires full payment of any outstanding loan obligations. Be sure to contact First Community Bank at (855) 636-6090 with any questions.

**What happens if I move or sell my house?**

Currently, selling your house, moving, or otherwise closing your MCE account requires full payment of your outstanding debt obligation. Please contact First Community Bank at 1 (855) 636-6090 with any questions.