

# CHOCTAW ELECTRIC COOPERATIVE, INC. LOAN APPLICATION GUIDELINES

## I. SUMMARY OF APPLICATION PROCESS

1. CEC member will fill out a financial statement and return it to Member Services Department of Choctaw Electric in Hugo.
2. CEC will obtain a credit report
3. Income verification is required on all loans
4. After approval of financial statement, member will:
  - A. Have energy audit performed by CEC
  - B. Obtain estimate on planned improvements
5. Applicants to whom loans are granted will be required to provide an annual certificate of insurance showing CEC as loss payee
6. When the member and CEC approve improvements and estimates, the loan will be processed. Member will be required to sign:
  - A. Promissory Note
  - B. Agreement that CEC will add monthly loan payment to electric bill and the payment will be paid first
  - C. Mortgage ( if loan exceeds \$5,000.00)
  - D. UCC form (if loan exceeds \$5,000.00)
7. When all necessary forms have been signed and the Member and CEC have approved the bid on improvements, an appointment will be made to complete improvements
8. CEC and Member will approve the work and advance of funds will be made to the Contractor and Member for 80% of approved work

## II. GUIDELINES FOR CEC LOANS

### A. ELIGIBILITY

#### 1. Improvements Eligible for Loan Funds

To be eligible to receive funds the planned renovations may include but not limited to items such as the following:

- a. Caulking or weather stripping
- b. Heat pump systems (ground water source)
- c. Heat pumps, water heaters and central heating or air conditioning
- d. Insulation for ceiling, wall, floor, duct, pipe, or water heaters
- e. Storm or thermal windows
- f. Storm or thermal doors
- g. Electric system coordinated customer-owned devices that reduce the maximum kilowatt demand on the electric system
- h. Clock thermostats
- i. Attic ventilation fans
- j. Purchase and installation of electric heating systems for facilities, housing commercial production of poultry, swine, equine, etc.
- k. Purchase and installation of new or upgraded sewer systems for becoming eligible to connect to a rural water system. Application for this system must be made through the rural water district office.

#### 2. Member Eligibility

- a. The member must not have been on the Cut-Off Notice list for the 24-month period preceding application.
- b. Those members connected less than one year must have a prompt pay history with both the cooperative and other creditors. Specific board approval will be required for all loans in this category.
- c. The member must complete the Loan application as well as the Personal/Credit information.
- d. The member must sign statement covering planned improvements.
- e. The member must sign a lien accommodation and promissory note.
- f. The member must sign an agreement that if full payment is not made on the electric bill the CEC Loan payment will be deducted first.

#### 3. Structure Eligibility

- a. Loans will be made to members of Choctaw Electric Cooperative who own the structure to be improved. The member must hold title to the structure being improved.
- b. The structure must be receiving electric service from Choctaw Electric Cooperative.
- c. An employee of the cooperative must make a facility energy audit of the structure. Certain recommendations may be made.
- d. Loans cannot be made to refinance earlier conservation obligations or structures to be built or under construction. (This does not apply to add-ons or remodeling of existing structures.)

## **B. LOAN TERMS AND CONDITIONS**

1. Loans may be made up to 80% of the total improvements being made.
2. The minimum amount of any CEC Loan will be \$500.00.
3. The minimum monthly payment including principle and interest will be \$20.00
4. The maximum amount of any CEC Loan will be \$10,000.00.
5. Neither an attorney's title opinion or an updated abstract will be required to secure loans for amounts up to and including \$5,000.00. However, amounts over \$5,000.00 applicants will be required to supply a title search.
6. The maximum scheduled repayment will not exceed seven (7) years, (84 months).
7. Interest rate on CEC Loans will be (6) percent.
8. The monthly payment will be added to the consumer's electric bill.
9. The due date of the first payments will be established by the CEC Member Accounts Department and will be dependent upon the member's billing cycle.
10. CEC will inform the member of interest paid on the CEC Loan by January 31<sup>st</sup> of each year.
11. A CEC Loan Committee comprised of CEC trustees must approve the loan and may require a separate mortgage on the real estate to which the equipment or material being financed is attached.
12. When the member makes installation, the loan will be limited to the cost of materials utilized.
13. CEC will not advance funds to the consumer or the contractor without assurance that the work has been properly performed

## **C. TERMS APPLYING TO INSURANCE OF UNITS**

1. The member must meet insurance requirements as is necessary on real estate loans.
2. The legal description of the property to which the improvements are being made must be set forth in the Insurance Certificate.
3. A copy of the Insurance Certificate shall be kept on file in the office of the Cooperative.

## **D. STEPS NECESSARY BEFORE MONIES CAN BE ADVANCED**

1. If required, the member will submit an abstract currently certified for title examination on real property where structure is to be improved. The member will pay for this examination.
2. If required, the member will sign mortgage on real property where structure is to be improved.
3. If required, the member will notify their insurance carrier and list Choctaw Electric Cooperative as second mortgage on insurance certificate and provide CEC with a copy of insurance certificate.
4. The member will sign Promissory Note and UCC form to be filed with the Court Clerk in the county where real property is located.

## **E. CEC WILL NOT DISCRIMINATE AGAINST ANY MEMBER, EMPLOYEE OR TRUSTEE BECAUSE OF RACE, COLOR OR NATIONAL ORIGIN.**

**CEC LOAN APPLICATION  
MEMBER INFORMATION**

DATE: \_\_\_\_\_ ACCOUNT NUMBER: \_\_\_\_\_

**PRIMARY APPLICANT INFORMATION**

Name: \_\_\_\_\_ Phone: \_\_\_\_\_

SSN: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ Zip: \_\_\_\_\_

Occupation: \_\_\_\_\_ Employer: \_\_\_\_\_

Length of time with current employer: \_\_\_\_\_

**JOINT APPLICANT INFORMATION**

NAME: \_\_\_\_\_ Phone: \_\_\_\_\_

SSN: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address if different than Primary Applicant: \_\_\_\_\_

Occupation: \_\_\_\_\_ Employer: \_\_\_\_\_

Length of time with current employer: \_\_\_\_\_

Relationship of applicants: \_\_\_\_\_

**STATEMENT OF PLANNED IMPROVEMENT:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**COST ESTIMATE OF PLANNED IMPROVEMENTS: \$** \_\_\_\_\_

**BID SUBMITTED BY:** \_\_\_\_\_

~A copy of the bid sheet should be submitted as part of the completed application~

**CEC LOAN APPLICATION**  
**Schedule of Real Estate**

**Description & Location of Property:**

\_\_\_\_\_

**Title in name of:** \_\_\_\_\_

**Improved/Unimproved:** \_\_\_\_\_ **Acres or Lots:** \_\_\_\_\_

**Value: \$** \_\_\_\_\_ **Mortgage:** \_\_\_\_\_

**Schedule of Other Assets**

**Description & Location of Property:**

\_\_\_\_\_

\_\_\_\_\_

**Title in name of:** \_\_\_\_\_

\_\_\_\_\_

**Improved/Unimproved:** \_\_\_\_\_ **Acres or Lots:** \_\_\_\_\_

**Value: \$** \_\_\_\_\_ **Mortgage:** \_\_\_\_\_

**Income**

<b>Salary, Bonus, Commissions</b>	<b>Dividends</b>	<b>Real Estate Income</b>	<b>Other (describe)</b>
_____	_____	_____	_____
_____	_____	_____	_____

**Number of Dependents:** \_\_\_\_\_

**Name of bank(s):** \_\_\_\_\_

**Checking:** \_\_\_\_\_ **Savings:** \_\_\_\_\_

**Homeowner Insurance Carrier** \_\_\_\_\_

**Have you ever made a compromise settlement with creditors or been adjudged bankrupt?** \_\_\_\_\_

**Are any suits, judgements, or litigations pending either for or against you?** \_\_\_\_\_

**Signed:** \_\_\_\_\_ **Signed:** \_\_\_\_\_

**CEC LOAN PROGRAM**  
**FINANCIAL STATEMENT INDIVIDUAL/ JOINT**

NAME(S): \_\_\_\_\_ DATE: \_\_\_\_\_

ADDRESS(ES): \_\_\_\_\_ PHONE: \_\_\_\_\_

The following assets are owned solely and exclusively by the person(s) named above. No person or entity other than the person(s) named above has any financial interest in such assets except as stated below. The following assets are stated at fair market value. The person(s) named above has (have) no liabilities, direct or indirect, single or joint, absolute or contingent, except as stated below, and the liabilities are completely stated. Alimony, child support, or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for repayment.

Assets (whole dollars)	Dollars	Liabilities (whole dollars)	Dollars
Cash on Hand		Due within one year:	
Checking Account		Notes payable (banks)	
Savings Account		Notes payable (other)	
Time Deposits (CDs)		Credit Card debt	
Motor Vehicles (s)		Accounts and bills payable	
Other Current Assets Describe: _____ _____		Other liabilities due within one year. Describe: _____ _____	
<b>Subtotal Assets</b>		<b>Subtotal Liabilities</b>	
Notes payable to you:		Long term Debt:	
Real Estate owned		Real Estate Mortgage(s)	
Ownership family business		Other - describe	
Resale of personal property and household goods		Other - describe	
Other assets - Describe _____		Other - describe	
<b>Total Assets</b>		<b>Total Liabilities</b>	

**Total Life Insurance** \_\_\_\_\_ **Total Credit Life Insurance** \_\_\_\_\_