

High-Energy Cost Line Extension Loan Program

Revised June 21, 2021

The District will provide electric service to all applicants within its service area where adequate capacity is available for the load contemplated. The District shall have sole discretion in determining if the proposed extension is feasible, along with its point of connection with existing facilities. The site must be located within the District's service area, and there must be a suitable right-of-way and/or easement available. Customers may qualify for a low-interest loan to help pay for the cost of their line extension.

Customer Loan Qualifications:

1. The cost of the line extension, as determined by the District Staking Engineer, must be a minimum of \$10,000. 10% of the construction cost must be paid in advance prior to line construction. Loans are capped at a maximum of \$50,000. The District required administrative fee will be applied to the total customer investment upon completion of the project.
2. This program is for individuals only, not businesses.
3. All applicants will be subject to credit verification prior to any loan being approved. If the applicant is legally married, the spouse must also apply for the loan as a co-applicant, along with any other adult owners of the property.
4. Applicants must demonstrate the ability to repay the loan in a timely manner. Proof of income and identification must be provided.
5. In order to qualify for financing under this program applicants must not have outstanding obligations to the District.
6. If approved, the loan will be payable over a period of 120 months with an interest rate of 1.5% plus the 12-month BSBY rate at the time the loan is approved.
7. Any payment received after the 15th calendar day of any month will be assessed a 5% late payment fee.
8. The loan will be secured by a mortgage placed on the real property to which electrical service is being provided. If there is a first mortgage, second mortgage, home equity loan, or any other loan secured by the property, the applicant is not eligible for a loan.
9. Applicant(s) must provide documentation proving ownership, which includes the property parcel number and a legal description of the property.
10. Applicant(s) must provide an appraisal of the property to ensure there is sufficient equity to cover the loan amount.
11. Applicant(s) will be required to sign a Contract for Purchase of Power, Promissory Note and Mortgage, and will be required to cover the cost of recording the documents with the county courthouse.
12. Loans are not transferable. If the property is sold, or ownership or legal responsibility changes, the outstanding balance on the loan must be paid in full.
13. Existing loans cannot be refinanced by the District.
14. The District is under no obligation to finance any portion of the customer's line extension and may refuse financing at its sole discretion.