

## Home Energy Loans Frequently Asked Questions

We strive to make all our products and materials, including our rates and terms, clear and simple. We want you to be able to understand our financing, the application process, and how the loans work. Despite our best efforts, you may have questions. Below we answer the questions that we are most commonly asked.

If your question is not answered below or you find anything confusing, please reach out directly to the lender you are working with or email [HomeEnergy@Craft3.org](mailto:HomeEnergy@Craft3.org) or phone 888-231-2170 ext 225. We look forward to answering any questions you may have.

### QUESTIONS

#### **How can I know if I am eligible?**

To determine your eligibility, please visit our [website](#) and select your utility provider. That will then show you the Home Energy Loans that you may be eligible for. In addition, you must live in and own the house where the proposed project will take place.

Some Home Energy Loans require that upgrades meet energy efficiency or rebate eligibility standards.

#### **What measures qualify for financing?**

We can finance equipment upgrades related to the heating and cooling in your home. This can include a heat pump, AC, or furnace, as well as insulation and windows.

In Washington state we are also able to finance critical repairs. Critical repairs are repairs or improvements that are necessary in order to undertake an eligible energy efficiency project. Critical repairs could include mold abatement; asbestos removal; leak repairs, including relevant wall and floor replacement; roof repair/replacement; rodent/pest removal and prevention; electrical upgrades including panel replacement; and air quality improvement.

#### **Do you finance solar?**

Unfortunately, we are currently only able to finance solar for customers of Seattle City Light.

#### **What are critical repairs?**

Critical repairs are repairs or improvements that are necessary in order to undertake an eligible energy efficiency project. Critical repairs could include mold abatement; asbestos removal; leak repairs, including relevant wall and floor replacement; roof repair/replacement; rodent/pest removal and prevention; electrical upgrades including panel replacement; and air quality improvement.

Customers in Washington state can finance critical repairs as part of their Craft3 Home Energy Loan. This means you can use your loan to pay for such measures.

### **Can you explain the examples listed on the right-most column of the rate table?**

These are sample projects designed to show the monthly cost of borrowing a certain amount at a certain interest rate. Note, however, that this is not the maximum amount you can borrow.

If you borrow more, your monthly payments will be larger. Similarly, if you borrow less, your monthly payments will be smaller. If you have any questions, please reach out. I would be happy to show you exactly how monthly payments correspond to different loan amounts.

### **Can I finance a completed project?**

No. You cannot finance a project that has been completed.

In some cases, a contractor may complete a project before funding is approved. In such cases, we can disburse funds to the contractor, but we are unable to reimburse the customer directly.

### **How does the lien work?**

We file a UCC fixture filing with the county recorder. This is specific to the equipment you financed with the Craft3 loan and not a lien on your whole house. Because the lien is filed, it will show up on a title report for your house. This means that you will need to pay off the lien when the property sells or transfers.

### **Are there early payment penalties?**

No. We never charge prepayment penalties. Any prepayment or payment in excess of the required monthly payment is applied to the principal. **Note:** If you make prepayments or additional payments, they will not decrease your required monthly payment. They will, however, mean that you pay off your loan sooner and thus pay less interest over the life of the loan.

### **Can I make payments online?**

Yes. You can use our secure [online portal](#) to make a one-time payment or to set up automated monthly payments.

### **Are interest rates fixed?**

Yes. All our consumer loans have fixed interest rates. This means that your interest rate doesn't change even if inflation or other interest rates go up.

### **What is APR?**

APR stands for annual percentage rate. This is the annual estimated cost of credit for your loan, including both interest and loan costs, calculated as a percentage. This lets you compare various loans so you can see which are likely to be more expensive. The APR does make a few assumptions: all disbursements will happen as expected, and all payments will be made on time. If those assumptions end up not being accurate, the APR may also not be accurate. Importantly, the APR is not your interest rate. Your loan documents (usually the Promissory Note) list the interest rate and govern the actual loan payments.



### **When considering loan applications, how do you assess credit scores?**

For Craft3, your credit score is much less important than your current credit performance, utility payment history, and ability to repay and afford the loan.

### **How do you safeguard customer data security?**

Data security is a top priority. We offer an application portal where you can securely upload personal information including IDs and project documents. We also verbally verify transactions on a routine basis to ensure they are authorized by our borrowers before we send funds to contractors.

### **Is the loan transferable if the house is sold or someone inherits it?**

Loans may be transferable if the property is sold or inherited. However, Craft3 may require that the new property owner provide such information as would normally be required for a new loan application. Additionally, Craft3 will assess an \$850 fee to be paid at the time of property transfer or loan assumption.

