



RECOVERY.GOV

**Montana Department of
Environmental Quality
Alternative Energy Revolving Loan
Program**

1100 North Last Chance Gulch
PO Box 200901
Helena, MT 59620-0901
406-841-5200

Residential Application

Please attach the following:

- ✓ Include three most recent pay stubs for each applicant **OR** most recent tax return, if self-employed
- ✓ Copy of property tax statement covering collateral
- ✓ Product brochures, manufacturer's data and all dealer or contractor bids related to proposed project
- ✓ Site assessment and estimated energy savings or production
- ✓ Non-refundable application fee of \$50 for individual or \$100 for joint applications. Checks should be payable to Montana Department of Environmental Quality (DEQ).

Loan Request: Amount \$ _____

How did you hear about this loan program? _____

Applicant: (A) _____ **Co-Applicant:** (B) _____

Mailing Address _____ How Long? _____

Location of Project _____

City, State, Zip Code and County _____

Legal Description of Project (Township, Range, Section, ¼ Section, etc.) _____

Former Address _____

Telephone (Work) _____ (Home) _____ E-Mail _____

Income (for previous 12 months): Attach additional pages if necessary

Applicant: Employer _____ Phone _____

Time with Employer _____ Position _____ Monthly Salary \$ _____

Co-Applicant: Employer _____ Phone _____

Time with Employer _____ Position _____ Monthly Salary \$ _____

If you are self-employed or if your income does not come from a regular salary, attach copies of your most recent tax return. We will contact you if we need more information.

Assets		Liabilities				
			Financial Institution	Account #	Payment	Balance
Bank Account	\$					
Savings Account	\$	Home Loan			\$	\$
Home	\$	Auto Loan			\$	\$
Auto	\$	Credit Card			\$	\$
other	\$	Credit Card			\$	\$
other	\$	other			\$	\$
other	\$	other			\$	\$
other	\$					
Total Assets	\$				Total Liability	\$
					Net Worth:	\$

Are you obligated to pay alimony or child support? _____ Amount? _____

Have you filed bankruptcy, lost property by foreclosure, or had other credit problems in the last seven years? _____
If yes, explain: _____

SECURITY: (see instructions page 4)
What security is proposed for the loan? _____

PROJECT INFORMATION:
Describe your project. What is the alternative energy technology proposed? Are there energy conservation measures proposed for the loan? Who will install the system? You may attach a separate sheet if desired. _____

Local electric utility _____
Will your project be connected to the grid? _____

List any consultants' names and telephone numbers.
System designer _____
Installer: _____
Dealer: _____

Have you ever had an energy audit? What energy measures were installed? _____

How much energy is your project expected to produce or save? _____ Energy or _____ Dollars.
Include documentation of site assessment, energy production or savings calculations with assumptions.

COST ESTIMATE:
Below, list all project costs, including structures, equipment, material, labor, etc. Has project been started? _____
Use additional sheet if necessary. Attach all bids, assessments, product brochures and specifications.

<u>EXPENSE ITEM</u>	<u>COST</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
<u>Application fee (\$50 individual, \$100 joint)</u> Include with application	\$ _____
<u>Closing costs estimate</u> (2% of loan request, or \$250, whichever is greater)	\$ _____
Total Project Costs	\$ _____

Estimated energy project usable life: _____
Date construction is expected to start: _____ Estimated completion date: _____

Describe any land disturbance activities (square feet or acres), distance to local streams or rivers, depth to water table, sensitive plant or animal species in the area, related to this project. Will you be pumping and discharging groundwater? Describe the gallons per minute and the discharge method. Attach a map showing all the equipment to be installed and the area of disturbance. Will any historical buildings be involved with the project?

All projects that are funded by the American Recovery and Reinvestment Act (ARRA) are required to display a sign throughout the construction phase that indicates the project is funded by the American Recovery and Reinvestment Act. Signs for ARRA loan projects will be provided by DEQ and must be displayed during the construction of the project. _____ Initial

*******IMPORTANT – READ CAREFULLY – Authorization to Release Credit Information *******

APPLICANT(S) CERTIFIES AS FOLLOWS: that applicant(s) is a resident of Montana; that applicant(s) will use loan proceeds only to construct the energy project described; that the applicant(s) will comply with all applicable rules and laws intended to preserve or enhance environmental quality; that applicant(s) will obtain all applicable local, state, and federal permits, approvals and licenses and comply with their conditions and terms. Applicant(s) authorize the Alternative Energy Revolving Loan Program to verify any facts they deem necessary for loan analysis, including obtaining my/our credit report. Applicant(s) authorizes DEQ to use their, project information and project photos to explain or promote the loan program.

I have completed the application and attached all documents request and the application fee of: \$50.00/\$100.00, payable to Department of Environmental Quality.

(A) _____ (B) _____
Applicant Date Co-Applicant Date

SSN _____ SSN _____
Applicant Date Co-Applicant Date

Applicant(s) need to provide in writing if any application information is to be considered exempt from public disclosure. *Disclosure of Social Security numbers is not mandatory. The Department of Environmental Quality intends to use the number to obtain a credit report. The Privacy Act of 1974 prohibits the state from denying a loan because the person does not disclose their Social Security number.

DEQ will use either state or federal ARRA funds for approved loans, at their discretion. Borrowers will be notified which funds will be used on the commitment statement and loan documents.

Reporting Requirements

Because American Recovery and Reinvestment Act funding (stimulus funds) may be used for this loan, the following items will be posted on the recovery website: the city, the county, the loan amount and type of technology being used at the project.

Initial _____ Date _____

Montana Department of Environmental Quality Alternative Energy Revolving Loan Program

What Kind of Projects Does DEQ Finance?

Projects must produce useful energy from a renewable source for a Montana residence or small business. Examples of projects include:

1. Photovoltaic or active solar systems.
2. Wind generators.
3. Small hydroelectric generators
4. Geothermal heating systems.

Many other projects are possible as well. Energy conservation measures may be included for finance with renewable energy projects, but may not exceed 20% of the loan amount.

What Can Loan Funds Be Used For?

Loan funds **can** be used for:

1. Equipment, installation, and other energy project construction costs.
2. Normal loan fees, closing costs, and interest during construction.

Loan funds **cannot** be used for:

1. Cost of acquiring a home or site.
2. Back-up system costs (like a conventional electric furnace or a fossil fuel-powered generator.)

Only the energy project can be financed. For example, AERLP loans cannot pay for a new home, but can be used for the specific costs of the solar or other renewable energy elements to be built into a new or existing home.

What Technical Information is Required?

1. A site assessment and energy production or saving calculations, with assumptions.
2. A map of the project with locations of the various types of equipment to be installed. Include distance and dimensions of excavations, trenches, pads, etc.
3. Product brochures, manufacturing data, and all dealer or contractor bids.

What Loan Security Must Be Offered?

An applicant may be able to secure the loan with the alternative energy system components, or AERLP can lend on a first or a junior mortgage if the applicant has adequate equity in a home. The loan officer will discuss with the applicant the need for an appraisal if property is to be used for security.

How Long are Loan Terms?

Loan terms are up to ten years, or may be adjusted to a shorter term. The loan officer will work with each borrower individually.

How Is The Application Processed?

1. **DEQ** analyzes the request. DEQ reviews the project's technical merit, then sends the application packet to the financial contractor for financial review and approval.
2. DEQ or financial contractor will request any additional information needed to approve the loan application. The application process will be suspended until any requested information is received
3. The financial contractor will evaluate financial information and recommend approval or denial. DEQ makes the final decision.
4. Upon approval, DEQ will notify the applicant if funds are available. If there are no funds available at that time, the application will remain active for up to one year. The applicant will be notified when funds become available.
5. Applicants that are not recommended for approval will be notified of the decision and the reason.
6. On approval, the applicant will receive a commitment listing the items needed before loan closing. For example, permits and final construction drawings are normally needed.
7. Loan funds will be issued promptly after final loan documents are signed.

How Is The Money Received?

Loan funds are usually paid to the borrower within a week of the time the final loan documents are signed. Keep itemized receipts to document the loan was used only to pay for project costs. Installations will be documented to assure that loan funds are used as proposed.

What Is the AERLP Interest Rate?

Interest rates are 3.75% for 2012. Interest remains fixed for the term of the loan. DEQ evaluates interest rates for the program each year and posts any changes on the Energize Montana web site.

What Other Loan Costs Are There?

Borrowers pay all costs of operating the loan program. Applicants should expect to pay the following:

1. **Application Fee:** There is a non-refundable application fee that must accompany application, which pays for the credit report. The fee is \$50 for individual or \$100 for joint applications.
2. **Underwriting Fee:** A 2% fee will be charged at closing.
3. **Appraisal Fee:** If an appraisal is required, you will be required to pay the full cost. The loan officer will discuss the need for an appraisal.
4. Fees may be financed with the loan, but the maximum loan amount cannot exceed \$40,000.

IMPORTANT: After a loan is approved, it cannot be increased without going through an approval process. Feel free to estimate loan costs with DEQ.

How Are Energy Tax Credits Received?

Many projects funded by **AERLP** are eligible for a state energy tax credit. (Tax credit criteria are not the same as loan criteria, so loan approval does not necessarily insure tax credit approval.) Tax credit forms are available with other state tax forms from the Montana Department of Revenue and on the Energize Montana web site.

Will AERLP Insure That The Project Is a Good One?

No, the Montana Department of Environmental Quality May Not:

1. Act as an attorney, engineer, financial or tax consultant. The applicant should hire any professional needed.
2. Guarantee the project is a good investment.
3. Endorse any project, manufacturer, contractor, or component. All evaluations are made only for loan purposes. The applicant should shop for bids and use professional help if necessary.
4. Compel a contractor or engineer to remedy defects in construction or to live up to any contracts they make with you.
5. Insure that any project is safe, feasible, or operable. Inspections are for loan purposes only. Each applicant should inspect all work carefully for their own protection.

Applicant(s) need to provide written notice if any application information is to be considered exempt from public disclosure.

Where Is The Application Sent or Where Is More Information?

Mail or deliver applications to:

**Montana Department of Environmental Quality
Alternative Energy Revolving Loan Program
Energy & Pollution Prevention Bureau
1100 North Last Chance Gulch
P.O. Box 200901
Helena, Montana 59620-0901
(406) 841-5214 or (406) 841-5275**

For more information go to:

<http://deq.mt.gov/Recovery/energy/energy.asp> www.energizemontana.com

or call 406-841-5200