



Eugene Water & Electric Board

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EWEB LOAN FAQs

Q. Why is EWEB loaning people money?

- A.** EWEB has been loaning money to customers for efficiency improvements since 1989 because not all customers have access to low-cost money to pay the out-of-pocket costs for these improvements. Since then, multiple loan programs have been created, for other specific energy, water, electric, or septic issues that arise at a customer's home or business.

Q. Who may apply for EWEB loans?

- A.** Owners of homes that use electricity or water in EWEB's service territory. Customer must use the service that the loan is for. In other words, electric only customers cannot apply for a water loan.

Q. When will the Administrative Loan Fee of \$50 be due?

- A.** The fee is charged to the customer's account after the work has been completed and the loan funds are disbursed. There is no fee if a customer does not complete the entire loan process.

Q. Why does EWEB encourage completion of the loan documents by electronic signature?

- A.** Processing loan transactions by e-mailing the prepared loan documents to the applicants is efficient (saving time and money), password-secured, and provides the customer with easy access to the completed loan documents. EWEB has contracted with DocuSign (www.docusign.com) as an independent service contractor to provide a secure password-protected site for electronic transactions. The electronic signature you place on the digital loan document is a legally binding signature and intended to be relied upon by EWEB to complete the loan transaction.

Q. Do I have to be the owner of the property?

- A.** Yes. All owners of record must complete a loan application. EWEB will only loan money to the property owner(s) as listed in Lane County records. If the home is owned as an entity, then documentation will be required. If the agent of the owner applies on behalf of the customer, documentation will be required. If names listed in Lane County records are different than the applicants, then proof of name change is required.

Q. Why must all owners and spouses sign the loan application and loan contract?

- A.** EWEB requires all persons who have an interest in the property to sign the loan application and loan contract for the same reasons spouses are required to sign: 1) to ensure that all property owners are informed; 2) to ensure that the obligation will be paid if anything happens to the primary applicant; and 3) to ensure continued viability of EWEB's loan programs.

Q. What is a security filing?

- A.** A security filing is a recorded public notification that a financial obligation is owed EWEB. These filings are recorded with the Lane County Clerk. The actual instrument filed is a Uniform Commercial Code form 1 (UCC-1). **Security filings place a lien on the home owner's property until the loan is paid in full.**

Q. When is a security filing required by EWEB?

A. EWEB may require a security filing based on several criteria: 1) requested loan amount 2) total balance of all active EWEB loans, 3) payment history with EWEB, and 4) personal credit report information. If a security filing is required, it will be noted on your loan approval letter.

Q. What happens if I decide to refinance or sell my home, and there is a security filed?

A. **You will be required to pay off your loan in full when you refinance or sell your home. The entire loan balance will be included on your closing bill from EWEB.** EWEB does not subordinate its loans. If you plan to refinance your home, EWEB encourages you to do so prior to taking out an EWEB loan.

Q. Why doesn't EWEB subordinate its loans?

A. In order to protect public money and ensure continued viability of the loan programs, EWEB determined that a non-subordination position for *secured* loans allows EWEB to provide loans to the greatest number of customers with the least risk.

Q. Can I take out a loan as owner if I am purchasing my home by way of a "Land-Sales" or "Lease-Option" contract?

A. No. EWEB will only loan money to the property owner(s) as listed in Lane County records.

Q. I own a mobile home but rent the space where it is located. Will EWEB loan to mobile home owners?

A. Yes. You will be asked to supply the mobile home plate number on the application, in order for EWEB to verify ownership.

Q. How much can I borrow?

A. Each loan program has defined dollar limits. You may have more than one active loan; however, the combination of all residential loans is capped at \$20,000 per customer.

Q. I own a large apartment building. Do I have the same limit as a single family residence?

A. Yes.

Q. What if I don't have a Social Security Card (number)?

A. EWEB requires a valid social security number when applying for any loan program. An ITIN (tax payer identification) card is not accepted in lieu of a social security number.

Q. Is there any penalty to pay the loan off early?

A. No. If you wish to pay your loan off early, please contact EWEB Customer Service to get your loan balance.

Q. How long does it take to get loan approval?

A. After EWEB receives the completed application, loan approval may take up to 30 days. You will receive a letter and/or an email from EWEB notifying you of approval or denial.

Q. How does EWEB determine when to approve or deny a loan?

A. EWEB uses a decision matrix that takes into account the amount of the loan, your EWEB payment history, and credit scores as well as information contained in your credit report. On occasion, EWEB will ask for additional information, such as tax returns, income verification, and other documents to substantiate financial ratios.

Q. What happens if my loan is denied based on wrong information on my credit report?

A. If you have been denied credit approval because of information contained on your credit report, then you may request a copy of your credit report, free of charge, from the credit bureau listed on the denial letter.

Q. Is there a time limit on my loan application?

A. Your application is valid for six months. If your application is older than six months, you will be required to complete a new application.

Q. When does EWEB pay out the loan?

A. After the project is completed, you will receive an email directing you to electronically sign your EWEB loan contracts. Once EWEB receives the electronically signed loan contracts, funds will be disbursed, usually within two weeks. If you choose not to receive your contracts electronically, they will be mailed to you for complete signatures. Mailing loan contracts may delay payment.

Q. Where do the loan proceeds go, and how long does it take for the loan proceeds to be disbursed?

A. As a convenience to our customers, EWEB allows the customer to designate the loan proceeds directly to their contractor. If loan proceeds are not designated, EWEB will default the loan proceeds to the customer. Once, EWEB receives final paperwork from the contractor, EWEB verifies proper installation (if applicable), and loan contracts are returned to EWEB fully signed, loan proceeds will be disbursed usually within two weeks.

Q. May I pick up the check at EWEB?

A. No.

Q. Can the loan repayment be included on my EWEB bill?

A. Yes, your monthly loan charge will appear as a separate line item on your bill, under "Additional Services".

Q. What happens to the loan if I move but keep the house that received the program improvements as a rental?

A. As long as you maintain ownership of the property, you may continue to be billed for the loan. You will need to inform EWEB of your new address so the loan billings will be sent to you.