



Heat Saver Loan

Frequently Asked Questions

As of July 13, 2017

The Heat Saver Loan offers three key features of an effective financing program:

- Great interest rates and terms!
- Flexible!
- Easy and Fast!

The loan can also be combined with Efficiency Vermont [incentives](#).

Frequently Asked Questions:

- [What Are Heat Saver Loans?](#)
- [What Are the Loan Details?](#)
- [Who Can Offer Heat Saver Loans?](#)
- [What Kinds of Properties Can Participate?](#)
- [What Types of Measures Are Eligible?](#)
- [What Measure Specifications Are Required for Mechanical Systems?](#)
- [What Is the Process for Home Weatherization?](#)
- [What happens if the property is older than 50 years, or is located in an historic district?](#)
- [What sources of income are counted when determining “Household Income”?](#)
- [What Efficiency Vermont Incentives Can Be Combined with the Loans?](#)
- [What Are the Next Steps to Offer Heat Saver Loans to Customers?](#)
- [Who Are the Sponsors of the Heat Saver Loan Program?](#)
- [How Can I Get More Information?](#)

What Are Heat Saver Loans?

Heat Saver Loans are a finance product available to help Vermonters improve the energy efficiency of their homes. The loans offer attractive financing for homeowners looking to overcome up-front expenses to upgrade home energy performance and equipment and save money. Current interest rates range from 0% to 4.99%, based on an applicant’s household income and loan terms. Rates and program features may be subject to change.

Highlights include:

- Simple one-page application (“Project Verification Form”)
- Approval may be provided in as little as 2 business days or less in many cases
- Low fixed interest rates
- Loan lengths are flexible, to match loan payments to energy savings
- Energy savings count in determination of ability to pay
- Can be combined with Efficiency Vermont [rebates](#) (including rebates for heating systems)



- Solves the issue of how to pay for the work and allows contractors to focus the customer’s attention on a project start date

What Are the Loan Details?

Income Qualifications	Loan Term Up to 5 Years	Loan Term from 5 to 15 Years
Over \$96,240	3.99%	4.99%
Between \$64,161 - \$96,240	1.99%	2.99%
Under \$64,160	0.0%	1.99%

*Median Family Income for Vermont based on the Burlington-South Burlington MSA

Heat Saver Loans can range up to a maximum of \$35,000 for eligible installations and can be obtained through either [Opportunities Credit Union](#) or [VSECU](#).

There is no minimum FICO credit score required. All applications are reviewed under the lenders’ standard underwriting procedures. No applications are denied solely on the basis of credit score.

Borrowers must be eligible for credit union membership, which is typically for homeowners who live or work in Vermont or have relatives who are members. Check with the credit unions for details.

NOTICE: The Heat Saver Loan offer has been extended through August 2017 or as long as funding remains available. Due to funding availability and rising interest rates, the Heat Saver Loan program may be subject to changes this summer and fall.

Who Can Offer Heat Saver Loans?

Home Performance with ENERGY STAR contractors, including:

- [Weatherization Improvement or Home Performance Contractors](#) (air sealing, insulation, etc.)

Efficiency Excellence Network contractors, including:

- [Heating System Contractors](#) (high efficiency oil and propane boilers/furnaces and in some cases, natural gas boilers/furnaces)
- [Cold Climate Heat Pump Contractors](#)
- [Advanced Modern Wood Heating System](#) Installers (central wood pellet boilers and furnaces)

Renewable Energy Resource Center Preferred Installers, including:

- [Solar Domestic Hot Water System Installers](#)

What Kinds of Properties Can Participate?

- Residential owner occupied 1 to 4 family units physically located in the state of Vermont
 - Individual homes or units of condos or co-ops
 - Mobile homes on owned land or in state licensed mobile home park
 - Primary residences and vacation homes (subject to some limitations)
 - Property taxes are being paid by the owner and are not delinquent
 - Cannot be an asset in any pending bankruptcy, legal or divorce proceeding



- Cannot be owned by a business entity
- Owner must be eligible for and become a credit union member
- Loans may be used to finance the installation of eligible measures in existing homes and new construction projects.
- If the building is 50 years or older or in a historic district and exterior equipment is visible from a public right-of-way or causes a ground disturbance, State Historic Preservation requirements must be complied with.

What Types of Measures Are Eligible?

The low interest Heat Saver Loans provide a finance option for Vermonters who want to weatherize their homes and/or install certain efficient heating and domestic hot water systems. The loans can be used for:

- High efficiency oil or propane furnaces and boilers (and in certain cases, natural gas furnaces/boilers; see below for details) which serve as the primary heating system for the residence
- Cold-climate heat pumps
- Central wood pellet systems
- Solar domestic hot water systems
- Weatherization improvements (such as air sealing, insulation)
- Health and safety measures, and repairs needed for the specific type of approved thermal system and energy efficiency measures, up to 50% of the total project cost are eligible for financing

At this time, equipment other than what is specified on the Project Verification Form will not be eligible for Heat Saver Loans. This includes wood stoves, pellet stoves, direct-vent or wall-vented space heaters.

Improvements must be permanently attached to the participating property and aim to reduce the net energy requirements of the participating property. Upgrades must be installed by a qualifying contractor (see above).

Measures may be installed to replace existing equipment or installed where no system previously existed (e.g., an automatic heating system in a home previously heated only with wood).

Fuel storage tanks are eligible to be included if they are part of the entire qualifying heating system being installed. Fuel tank installations or removals are not eligible if they are not part of an overall heating system installation. Hot water storage tanks may be included as part of an entire qualifying heating system.

Repairs of existing heating systems, Do-It-Yourself activities, and installation of humidifiers or filters are not eligible expenses.

What Measure Specifications Are Required for Mechanical Systems?

Heating system measure specifications align with requirements for [heating system rebates](#) offered by Efficiency Vermont and including the following:

- Oil



- $\geq 87\%$ AFUE
- Boiler, includes qualifying high performance circulator pump
- Furnace, includes ECM blower motor
- Primary heating system for the residence
- Propane
 - $\geq 95\%$ AFUE
 - Boiler, includes qualifying high performance circulator pump
 - Furnace, includes ECM blower motor
 - Primary heating system for the residence
- Electric Cold Climate Heat Pump
 - Air to air split systems; ductless or slim ducts; AHRI certified; variable-speed compressors
 - COP @5°F ≥ 1.75 ; operation at -5°; $\leq 65,000$ Btu/h
 - Single Head Units:
 - HSPF ≥ 10.3 , EER ≥ 12 , SEER ≥ 20
 - Multi-Head Units :
 - HSPF ≥ 10.0 , EER ≥ 12.0 and SEER ≥ 17.0
 - Qualifying cold climate heat pumps can be found [here](#).
- Central Wood Pellet
 - EE $\geq 85\%$; MBh ≤ 300 ;
 - 14 day fuel-storage; automated on/off and fuel feed
 - EPA and Vermont particulate compliant (0.08 lbs/MMBtu)
 - Classified as an indoor system and is installed inside.
 - Qualifying models can be found [here](#).

Solar hot water systems are also eligible that meet the following criteria:

- Solar Domestic Hot Water
 - SRCC certified thermal collectors (OG-100 collector or OG-300 system certification)
 - Installed by a Clean Energy Development Fund (CEDF)-approved installer and licensed plumber

Qualifying equipment meeting these specifications can be found through the Efficiency Vermont website.

What Is the Process for Home Weatherization?

- Audit performed by an Efficiency Excellence Network / Home Performance with ENERGY STAR® (HPwES) Contractor
 - In Vermont Gas Systems (VGS) territory, when a customer is not eligible for the [VGS Retrofit Program](#), they may participate in the HPwES Program to access the Heat Saver Loan to finance home weatherization and/or gas equipment that meets the [VGS Eligible Equipment Standards](#).
- Air-leakage reduction must exceed 10%
- All recommended health and safety improvements must be completed
- Can be combined with Efficiency Vermont “Home Performance with ENERGY STAR” [incentives](#)



Homeowners served by Vermont Gas Systems (VGS) who are eligible to participate in the Home Performance with ENERGY STAR® program are eligible to apply for a Heat Saver Loan. They are also eligible to apply for an HSL for natural gas system upgrades, but only in conjunction with a weatherization job via HPwES. The furnace or boiler upgrades must meet the following criteria:

- Natural Gas
 - Hot Air Furnace – 95% + AFUE
 - Hot Water Boiler – 90% to 94.9% AFUE or greater
 - Primary heating system for the residence

What sources of income are counted when determining “Household income?”

The quick answer is that all sources of income from adult occupants of the home are counted (excludes wages earned by working teenagers). This includes:

- Wages, salaries, overtime pay, commissions, fees, tips, bonuses, housing allowances and compensation for personal services
- Social Security payments including social security and adoption subsidies received by adults on behalf of minors or for minors intended for their own support
- Income from annuities, insurance policies, retirement funds, pensions, disability or death benefits, unemployment benefits, rental income, and other continuing income
- Projected energy savings from the project being financed are considered as income if necessary for loan qualification

What happens if the property is older than 50 years, or is located in an historic district?

For buildings that are 50 years or older or in an historic district and have exterior equipment or changes to the property that will be visible from a public right-of-way, or causes a ground disturbance, the borrower must demonstrate that the project meets the requirements of the State Historic Preservation Office (SHPO). Borrowers may download the Heat Saver Loan SHPO Compliance Form from the program website. Completed forms must be mailed or emailed to the Vermont Division of Historic Preservation (the Vermont SHPO; ACCD.projectreview@vermont.gov) along with any supporting materials. Upon review, the SHPO will reply to the borrower with a determination, who must then submit the Compliance Form with their HSL Application Form to their credit union of choice.

Information on historic properties may be found at:

Historic Preservation (<http://accd.vermont.gov/historic-preservation>)

And here:

On-Line Resource Center (www.orc.vermont.gov/Resource/Show-Resource-Table.aspx)

If you have questions, contact: Jamie Duggan at 802-477-2288 or james.duggan@vermont.gov

What Efficiency Vermont Incentives Can Be Combined with the Loans?

The Heat Saver Loan can be combined with these Efficiency Vermont [incentives](#).



What Are the Next Steps to Offer Heat Saver Loans to Customers?

1. Select a qualifying project
2. Complete system/contractor portion of the **Project Verification Form** application with the customer, sign and attach quote
 - Leave with customer to provide to lender
 - Use only the official and **most current Project Verification Form** application from the Resources page when applying.
3. Customer chooses lender, completes lender application process and notifies contractor when approved.

Who Are the Sponsors of the Heat Saver Loan Program?

The Heat Saver Loans are the result of a partnership between the Vermont Public Service Department (including the Clean Energy Development Fund) and the Vermont Low Income Trust for Electricity (VLITE) along with the Efficiency Excellence Network and Efficiency Vermont.

How Can I Get More Information?

For more information, contact:

[Opportunities Credit](#)

[Union](#)

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800-865-8328
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