

April 15, 2015

## **Home Energy Loan Program (HELP) – Frequently Asked Questions**

### **Q1. What is the Home Energy Loan Program (HELP)?**

HELP is a pilot program of the City of Toronto that provides low interest loans to consenting homeowners interested in undertaking energy and water efficiency improvements to their home. The program offers funding to make the improvements and the homeowner repays the City over time on their property tax bill.

### **Q2. Why did the City implement this pilot program?**

Investment in energy efficiency and water conservation spurs economic, public health and environmental benefits that support a variety of City objectives, including:

- reducing energy use and maintaining housing affordability;
- creating high-quality jobs;
- improving energy security by offsetting the need for additional costly infrastructure;
- achieving established greenhouse gas reduction targets; and
- enhancing the quality of life for Torontonians.

### **Q3. How does HELP work?**

A homeowner would voluntarily apply to the City's program and enter into an agreement with the City to undertake energy efficiency and water conservation improvements. The City would then impose a Local Improvement Charge (LIC), or 'special charge', which is equal to the cost of the improvements, plus interest and an administrative charge incurred by the City, on the participating property. The special charge appears as a surcharge on the property tax bill.

Property owners make payments through the tax bill over an agreed term. The payment terms reflect the useful life of the improvements with the option of 5, 10 or 15 years.

### **Q4. What makes HELP different from traditional financing?**

Unlike a mortgage or personal loan, HELP financing is property assessed which means the payment obligation attaches to the property, not the owner, and is secured by the City's priority lien status. If a property changes ownership, the new owner would assume the financial obligation and continue to make payments until the special charge is fully paid.

### **Q5. Is HELP available in my neighbourhood?**

HELP was initially only available in select Toronto neighbourhoods, but as of April 2015, the program is available across Toronto.

**Q6. What are the HELP eligibility criteria?**

Toronto homeowners in the pilot neighbourhoods may qualify for a low interest loan through HELP if:

- you own a detached, semi-detached, or row house;
- all of the property owners on title consent to the Program;
- your property tax and utility payments to the City are in good standing; and
- you obtain written consent from your mortgage lender, if applicable.

**Q7. Why would a homeowner participate in this program?**

- The program allows you to pay for energy efficiency and water conservation improvements over time while avoiding the large upfront cost.
- The loan is attached to the property, not the owner, and therefore the benefits and costs are assumed by a new owner, if the property is sold.
- HELP offers competitive interest rates and longer repayment terms in comparison to traditional financing options (i.e. line of credit).
- 'One-window' service that covers natural gas, electricity and water conservation improvements and provides access to rebates and incentives available from Enbridge Gas and Toronto Hydro.

**Q8. What types of improvements qualify for HELP?**

Homeowners can apply for HELP funding based on the recommendations from the home energy assessment performed by an Energy Advisor certified by Natural Resources Canada. Eligible improvements include, but are not limited to, the following:

- Thermal envelope*: such as attic, wall and basement insulation, air-sealing, window and door replacement;
- Mechanical systems*: such as furnace and boiler replacement, water heater replacement, thermostats and controllers, and drain water heat recovery systems; and
- Water efficiency*: such as low-flow toilets and fixtures.

To qualify for the program, improvements proposed for funding by the homeowner must be identified in a pre-retrofit home energy assessment report completed by a Certified Energy Advisor.

**Q9. Are rooftop solar photovoltaic (PV) panels covered by HELP?**

No. HELP is focused on energy and water efficiency improvements. Renewable energy installations such as solar PV, wind and geothermal systems are not covered by HELP.

**Q10. Do I require permission from my mortgage lender to participate in HELP?**

It depends. Written consent from all mortgage lenders is only required if your property is subject to a mortgage. The City will provide you with a customized letter and form to take to your mortgage lender to make it easy for you to obtain such consent.

Note: Failure to obtain written consent from all mortgage lender(s) could result in breaching your mortgage obligations with your financial institution.

**Q11. What are the HELP interest rates and terms? Can I set my own terms or negotiate with the City?**

HELP offers competitive interest rates and payment terms to fit your budget. Interest rates are fixed and will not be adjusted over the term. The three options below are the only options available and the City will not negotiate different terms with homeowners.

Term	Fixed Interest Rate
5 years	2.5%
10 years	3.75%
15 years	4.25%

Note: Interest rates are valid until December 31, 2015 and may be subject to change thereafter.

**Q12. What is the HELP administrative charge?**

The administrative charge reflects the City's cost in delivering HELP and varies depending on the size of your HELP loan. The City will apply a two per cent (2%) administrative charge calculated on the total requested funding amount.

For example, a \$10,000 funding request would amount to a \$200 administrative charge. By having an administrative charge, program costs are borne by program participants instead of property tax payers.

Note: Interest is not compounded on this charge and payment is spread out over the term.

**Q13. What is the maximum HELP loan amount?**

The maximum loan, or special charge, eligible is five per cent (5%) of the current value assessment for the property. For example, a Toronto home assessed at \$500,000 can qualify for up to \$25,000. This means that the cost of improvements, interest, and administrative charge for your project cannot exceed \$25,000.

**Q14. How do I apply for a HELP loan?**

To get started, you will first need to be pre-qualified by the City by completing a Pre-Application. The City will confirm your eligibility and let you know the maximum funding amount available to you.

If your home is subject to a mortgage, your mortgage lender's written consent is also required prior to participation in the Program.

To start the application process, visit [livegreentoronto.ca](http://livegreentoronto.ca).

**Q15. How long will it take to be pre-qualified for a HELP loan?**

It will take five to seven days for the City to pre-qualify a homeowner after receiving a completed Pre-Application and mortgage lender consent forms.

**Q16. Where do I find the HELP documents and forms?**

Visit [livegreentoronto.ca](http://livegreentoronto.ca) to download the forms, to view a sample Property Owner Agreement and the HELP Homeowner Guide.

**Q17. How do I book my energy assessment? Are the Energy Advisor fees covered by the Program?**

You must complete pre- and post-retrofit home energy assessments with a Natural Resources Canada Certified Energy Advisor as a requirement of the program.

The costs of the assessments are not eligible for reimbursement under this program. The homeowner is required to pay for the home energy assessments, whether they proceed with the program or not. However, the fees may be eligible for a rebate from Enbridge Gas.

**Q18. How do I learn more about Energy Advisors and incentives/rebates available?**

For a list of qualified Energy Advisors and more information on rebates for home energy assessments, visit the Enbridge Gas website at <http://knowyourenergyscore.ca>.

**Q19. Does the City have a list of approved contractors?**

The City does not provide a list of contractors. It is up to the homeowner to complete the work by retaining an insured contractor. The City will not pre-qualify contractors or procure contractors to undertake retrofit improvements on behalf of property owners in connection with this Program. Similarly, the City is not responsible for the work quality of any contractors and assumes no liability for the works undertaken.

**Q20. When do I receive payments from the City?**

Disbursements of funds from the City to qualifying homeowners occurs at two points in the process:

- a. An initial disbursement is provided after the property owner signs a Property Owner Agreement and the agreement is signed by the Chief Corporate Officer and certified by the City Clerk. The disbursement is 10% of the requested funding amount, as approved by the City.
- b. A final disbursement is provided after the City receives and approves a completed Project Completion Report from the homeowner.

**Q21. Does the City pay contractors for the improvements installed at my home?**

No. The homeowner will use the funds disbursed by the City to pay contractors directly.

**Q22. Can I pay off my loan early?**

Yes. Homeowners have the option to pay off the balance of their loan in full at any time during the term of their loan, without any penalties.

**Q23. Can I make a partial lump sum payment?**

Partial lump sum payments will not be accepted. Homeowners have the option of paying the special charge monthly over the course of the payment term, or to clear the outstanding balance in full with one lump sum payment.

**Q24. Can I change the terms of the loan once I have signed the POA?**

No. Once you have signed a POA with the City, the terms are locked and cannot be changed.

**Q25. Where can I find information on the incentives available to me?**

Visit the HELP webpage by visiting [livegreentoronto.ca](http://livegreentoronto.ca) to learn more about financial incentives available from the utility companies.