

FAQ Sheet on Zero Interest Loans for Renewable Energy Installations

What is ROCBF?

ROCBF stands for the Robert Owen Community Banking Fund. ROCBF was set up in 2008 as a sister company to the Robert Owen Credit Union (which has been operating in Montgomeryshire since 1995) with financial support from the Welsh Assembly Government.

ROCBF is a not-for-profit CDFI (Community Development Finance Institution). It is regulated and licensed under the Consumer Credit Act and is a member of the CDFA (Community Development Finance Association - www.cdfa.co.uk), the national trade body for CDFIs. ROCBF is an ethical company trying to keep wealth circulating in local communities. You can find out more about it at www.rocbf.co.uk.

What is ZILF?

ZILF stands for Zero Interest Loan Fund which is a revolving loan fund provided by Powys County Council (PCC) for householders who need to borrow finance for renewable installations. It is one of a number of schemes operated by PCC supporting the government objectives to reduce carbon emissions and alleviate climate change.

How does the ZILF scheme work?

PCC has provided a fund but this is being administered by ROCBF through the local credit union network because they are experts in this field and licensed to provide loans to local people.

Why is it so cheap?

We are all concerned about reducing CO₂ emissions. By subsidising these loans, PCC hopes to increase the take-up of renewable energy installations within Powys households.

How much can I borrow?

You can borrow up to £5,000 for up to 5 years on Solar PhotoVoltaic (PV) installations and wind turbines, and up to £3,000 on Solar Thermal and other agreed renewables. PCC can advise on the full eligibility list.

How long does it take to get a Loan?

Once you are ready to go through with your installation then get in touch with us and we will send you an Application Pack. Please NOTE we can ONLY send you a pack when you have got a quote from an MCS accredited installer that you intend to go through with. Once you receive your pack it may take you a day or two to get any necessary documents such as proof of income, or bank statements etc. You will have up to 4 weeks to get your application to us. Once we receive this it usually takes 14 working days for us to make you an offer. You then have a further 10 days 'cooling off' period before signing your loan agreement and receiving your cheque.

Are there any special conditions or catches?

There are no catches. Many people and businesses already borrow from ROCBF because they prefer it to a bank, or because they find it provides better value or easier to work with.

There are conditions. To receive a loan you must be a member of a credit union; you must open up a *GreenSaver Account* in the credit union; and you will also need to agree to have your future Feed In Tariffs (FITs) paid into your *GreenSaver Account* (and this will be a condition of your ZILF loan). You will find an application to join your local credit union in your Application Pack.

What is a Credit Union?

A credit union is a local place to keep your savings, knowing that your money is being used to lend back out to other members in your community. There are three credit unions covering Powys, and around 400 across the UK. All credit unions are regulated by the Financial Services Authority (FSA) and members' savings are protected by the Financial Services Compensation Scheme (FSCS), the same compensation scheme as the banks, so you know your money is safe.

As an ethical not-for-profit business, many people like to keep some of their savings in credit unions, or to make regular payments into a savings plan to be used for a rainy day. This entitles them to apply for other low cost loans. There are also many other benefits such as free life assurance on savings and loan protection insurance.

What is a GreenSaver Account?

This is new type of account that is being offered by your credit union. You will automatically receive your FITs payments into this account. You may also make your loan repayments from here or purchase shares in the new local energy co-operative that will be on offer this year by Robert Owen Renewables Ltd. (see <http://www.ror.coop/ror/>).

What if I need more finance than I can get through this scheme?

If you need to borrow more you can apply for an additional loan through your credit union to add to your ZILF loan. For example, a solar PV installation might cost £10,000 and you only have £3000 in savings. You might then be able to borrow £5,000 out of the ZILF fund, and £2,000 through your new credit union *GreenSaver Account*. Your credit union loan however would be charged at a commercial rate of interest. This would still be very good value. Please let us know if this might be the case and we will contact you about how to arrange any further loans.

Is the ZILF loan secured against my property?

No, in effect this is not like a mortgage but is a personal loan to you. However, Powys County Council will take out a Land Charge against your property for the duration of the loan. This will merely notify them if your property is sold. You (and any other owners of the property) must agree to this condition

If I sell my home do I have to repay my ZILF Loan?

Yes. You will normally be expected to pay up in full out of the proceedings of any sale. This allows us to use the capital for another Zero Interest Loan to another household.

What if I take out a ZILF loan but then run into difficulties?

ROCBF is a responsible lender and will work with you to try and ensure any loan is affordable to you. If we feel it isn't, then we will not give approval.

However if you do get a loan and in the future your circumstances change we will look at how to reschedule. This would be free of charges.

What if I refuse to repay my Loan?

The money that you will be borrowing is from public finances so we would eventually take legal proceedings to ensure that all outstanding monies are returned.

So, finally.....Am I eligible for a Zero Interest Loan?

If you can answer YES to ALL the Questions below then you maybe eligible to apply for a ZILF loan:

- (1) Is the property you intend to have the installation on within Powys?
- (2) Are the rates charged on that property paid to Powys County Council?
- (3) Are you the legal owner or co-owner of that property?
- (4) Does the property already have a minimum level of insulation?
- (5) Do you have a quote for a FITs or RHI eligible installation?
- (6) Is your installer MCS accredited?