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New low-rate ENERGY STAR loans can help homeowners reduce fuel costs

Casey to invest \$20 million to promote energy conservation; save middle class families money

HARRISBURG(January 12) – A new statewide initiative to promote energy conservation and reduce home heating bills was unveiled today in Harrisburg by State Treasurer Robert P. Casey, Jr. Under Casey's plan, the Treasury Department will invest up to \$20 million to help homeowners throughout Pennsylvania borrow money at low interest rates to purchase energy efficient heating systems and to make other ENERGY STAR improvements to their homes that will conserve energy and reduce heating and cooling costs.

"This program helps families gain control of their energy costs in the face of skyrocketing fuel bills," Casey said. "It's a phenomenal opportunity for middle class homeowners who want to reduce their fuel costs, but who are unable to get a home equity loan or charge a \$5,000 furnace on a high-interest credit card."

Casey's \$20 million investment in the Keystone Home Energy Loan Program (www.KeystoneHELP.com) will provide working capital for AFC First Financial Corporation of Allentown to offer unsecured loans with a 10-year repayment period at 7.99% interest to finance the purchase of ENERGY STAR heating and cooling systems or other energy efficient products. Low-income homeowners will be able to obtain loans at an even lower rate of 5.99% interest.

"Obviously some homeowners may have access to cash or loans with a lower interest rate," Casey said. "But for those who don't, KeystoneHELP offers a much better deal for the purchase of ENERGY STAR equipment than most consumer lenders, credit cards, and home improvement stores."

ENERGY STAR is a voluntary program of the U.S. Environmental Protection Agency (EPA) and the Department of Energy (DOE) that identifies and promotes energy efficient products to conserve energy and reduce greenhouse gas emissions. ENERGY STAR-designated products meet strict energy guidelines set by the EPA and DOE. These products deliver the same or better performance as comparable models while using less energy and saving money.

"The KeystoneHELP program is a great example of how government,

utilities, businesses and the general public can work together to promote energy efficiency and save money," said Ellen D. Lutz, Director, U.S. Department of Energy Mid-Atlantic Regional Office. "In 2005, the average household will have spent nearly \$1900 on home energy bills. The KeystoneHELP program provides a win-win opportunity for Pennsylvanians. Not only are they able to make immediate and affordable energy-efficient upgrades to their homes, they will continue to realize the economic benefits of these upgrades through lower utility bills in the future."

"The U.S. Department of Energy Mid-Atlantic Regional Office commends the Pennsylvania Treasury Department for investing in the Commonwealth's energy security by providing \$20 million for the KeystoneHELP program," said Lutz. "We would also like to recognize the West Penn Power Sustainable Development Fund, an ENERGY STAR Partner, and AFC First Financial Corporation for their efforts in making this program available statewide."

Examples of ENERGY STAR purchases and home improvements that are eligible for KeystoneHELP loans include: furnaces and boilers, heat pumps, thermostats and controls, central and window air conditioning units, dehumidifiers, ventilation systems, insulation, siding, windows, skylights, doors, ceiling fans and lighting equipment and controls.

"The low interest rates and long repayment term offered by KeystoneHELP mean that the monthly loan payments for the purchase of an ENERGY STAR furnace will be cheaper for most homeowners than the higher monthly fuel expenses associated with an old furnace or the installation of a new, inefficient heating unit," Casey said.

KeystoneHELP was developed by AFC First and the West Penn Power Sustainable Energy Fund as a pilot program in central Pennsylvania. To expand this program statewide, Casey partnered with the Pennsylvania sustainable energy funds (created in 1998 as a result of electric deregulation); the Rendell Administration; the Pennsylvania Energy Development Authority (PEDA); Pennsylvania regulated energy utilities and petroleum suppliers; the Senate Democratic Caucus, led by Senator Vincent Fumo, chair of the Senate Democratic Appropriations Committee; and Representative Dwight Evans, chair of the House Democratic Appropriations Committee.

"The generous support of our partners has made it possible for a terrific regional program to become an even better statewide program," Casey said. "Our partners' contributions – both in terms of upfront funding and ongoing marketing support – are critical to the success of KeystoneHELP and its availability to low-income homeowners at reduced interest rates."

AFC First has extensive experience as both a consumer lender and as a source of loans for energy efficient home improvements through a network of over 500 HVAC and remodeling contractors in 10 states. AFC First is one of only three Fannie Mae approved energy lenders in the U.S., and the only one in the Northeast. AFC First's ability to substantially reduce its rates to homeowners is based on funding of a loan loss reserve that has been provided by a \$500,000 grant from PEDA, as well as a \$400,000 grant from the Department of Community and Economic Development that is being secured by Senator Fumo and Representative Evans.

The special interest rate of 5.99% for low-income homeowners is made possible by voluntary contributions from Columbia Gas of Pennsylvania, Philadelphia Gas Works, PPL electric and gas utilities, and three Pennsylvania FirstEnergy companies – Metropolitan Edison Co., Pennsylvania Electric Co., and Pennsylvania Power Co.

"We are pleased to have worked with our members and Treasurer Casey's office in connection with the development of the Keystone Home Energy Loan

Program. This loan program, available to all Pennsylvanians, provides a real opportunity for working families to make home improvements which will conserve energy and lower energy costs," said Donna M. J. Clark, Vice President and General Counsel of the Energy Association of Pennsylvania.

The following Pennsylvania utilities and petroleum marketers are providing significant marketing support for KeystoneHELP: Allegheny Power; Columbia Gas of Pennsylvania; Dominion Peoples; Duquesne Light Company; Equitable Gas Company; National Fuel Gas Distribution; PECO Energy Co.; PG Energy; Philadelphia Gas Works; PPL Electric Utilities and PPL Gas Utilities; Wellsboro Electric Company; UGI Electric Utilities and UGI Gas Utilities; Citizens' Electric Co.; Valley Energy, Inc.; and three Pennsylvania FirstEnergy Companies – Metropolitan Edison Co., Pennsylvania Electric Co., and Pennsylvania Power Co.

Marketing support from these partners is expected to include: distributing promotional materials about KeystoneHELP in customers' bills; publicizing the program in newsletters to customers; assisting AFC in expanding its contractor network to reach more homeowners; and promoting the program on company websites and facilitating links between websites.

The West Penn Fund, the MetED/Pennelec Sustainable Energy Fund and the TRF Sustainable Energy Fund have also approved significant grants to AFC First for marketing support to publicize and promote KeystoneHELP.

Casey's news conference was held at the headquarters of the Pennsylvania Housing Finance Agency (PHFA), the leading provider of capital for affordable homes in Pennsylvania. PHFA plans to market KeystoneHELP to its network of homeowners. As State Treasurer, Casey serves on the PHFA board.

For more information, log on to www.KeystoneHELP.com.

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