GREEN IS THE COLOR of environmental consciousness, and bringing renewable solar energy technology to homeowners takes another form of green: money.

To combine both shades of green took an inventive partnership among several organizations. As a first step, Transition Town Media, a community-based initiative to build a more resilient future in the Media area, partnered with Delaware Valley Regional Planning Commission and the Delaware County Planning Department to bring a group-buying program for residential solar panels to the area.

The Solarize Greater Media program builds on successful solar campaigns nationwide. The pilot program, which ran from January through June 2016, offered solar assessments, installation, and below-market group pricing from Solar States, the selected vendor. Homeowners in many Delaware County neighborhoods were eligible.

Transition Town Media approached FMFCU Assistant Vice President and Market Manager Bryan Messick in October 2015 about financing options for homeowners. Bryan discussed the project with Allan Stevens, vice president/chief credit officer, to see what products FMFCU could make available for this new type of loan. By making a few changes to existing home equity and personal loan products, the Credit Union could offer three new options to homeowners.

“When I was initially approached, Transition Town Media asked whether I knew of any other financial institutions willing to finance solar panels,” Bryan says. “I gave them some names of people at area banks to contact, but nothing came of it. The banks would have had to go through too much red tape to create a specific loan product for renewable energy. With the Credit Union, however, I could bring in the right people and turn something around in a very short time.”

The pilot program for Solarize Greater Media also became a test for FMFCU, enabling the Credit Union to assess the market and the demand for these types of loans. If call volume is any indication, homeowner interest is strong. “I fielded 40 to 50 phone calls,” Bryan says. “And even though some homeowners would not have benefited from a solar installation, the people I spoke with were impressed and happy to see a local financial institution get behind...
renewable energy and have financing options available.”

FMFCU offered a home equity loan, of up to 20 years, with documentation fees waived on loans up to 80 percent loan-to-value; a personal loan, with terms up to seven years; and an interest-only variable rate home equity line of credit, allowing members to manage payment amounts to fit their budget, with terms of up to 30 years. Because homeowners are eligible for a 30 percent Federal Renewable Energy Tax Credit on the cost of their installation, if they choose to apply that money to the loan, FMFCU will make a one-time loan recalculation to lower monthly payments.

“Of the dozen or so loans we completed to finance solar panels, only about one third were to existing FMFCU members. We are always pleased to add new members who not only can benefit from solar power, but can now take advantage of all the Credit Union offers,” Bryan says.

Good for the environment and his pocket

Jason Gowan is one of those new members who joined FMFCU for the solar panel financing program.

As the owner of Gowan’s Appliance Repair, he makes it his business to understand how homes can run better and has always been attracted to the idea of adding solar panels for renewable energy. “Solar energy is good for the environment and good for my pocket in the long run.”

He took a home equity loan on the split-level in Middletown he shares with his wife and young daughter and intends to use his tax rebate to lower the monthly payments.

At this point in the process, Jason’s home has gone through the engineering phase and is in the permitting and interconnection approval phase. “Every day I check my email for an update on when they will install the panels,” he says. His eagerness is understandable. According to the initial assessment, his yearly electric bill of $2,400 will drop to about $500. In using solar power, he will also generate Alternative Energy Credits he can sell to PECO, helping the utility company meet state obligations for electricity from such renewable sources as solar and wind.

“I always wanted solar power, but it was always out of reach,” Jason says. What put it firmly within his grasp was the group discount available through Solarize Greater Media and competitive financing through FMFCU.

Environmental and economic sense

Stuart Race is another new FMFCU member who joined with the solar panel installation, which was completed on his Upper Providence home in mid-July.

“One of our three daughters is a civil engineer and she’s always on us about making our house greener. When the Transition Town Media meetings started last winter, my wife insisted we attend. We saw it made environmental sense and economic sense, too,” he says. Not only would the family halve their electric bills, the savings would offset the capital investment within five-to-six years.

There was one wrinkle. Before panels could be installed, Stuart had to replace his roof. “It was original to the house, which was built in 1988, so we would have had to do it anyway. It actually helped our decision, because now was as good a time as any to do the whole thing.” Solar States referred a roofing vendor and Stuart’s roof was removed and re-shingled in less than a day. Installation of the panels and meter hookup followed over the next few weeks.

Stuart and his brother are partners in several businesses, one of which involves wealth management, so he knows about financial institutions. He chose FMFCU for financing and didn’t spend much time looking around. “The people from the Credit Union were at the meeting we attended. I have a good feel for what’s out there for loans, and they were competitive. Even though I use a number of financing sources for various business projects, this was an opportunity to create a new relationship.”

He gives a shout-out to Bryan Messick, “who made this as easy as possible,” and the Media Branch who was extremely flexible and friendly.

As for the installation program itself, he says, “The numbers have to add up for it to make sense, but when they do, going solar is the best choice.”