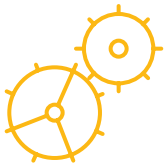


CEIP: Essential Facts for Realtors



The Clean Energy Improvement Program (CEIP) is an Alberta-based financing tool that allows residential and commercial property owners to access financing through their municipality to pay for energy efficiency and renewable energy upgrades. Unlike a traditional loan, repayment is made through the homeowner's property tax bill.



How does CEIP work?

- CEIP is a municipal program. Municipalities are required to pass a CEIP tax bylaw to offer the program locally. More than two dozen municipalities in Alberta have passed enabling bylaws and have programs in market or under development.
- Through CEIP, property owners borrow funds from their municipality to finance eligible energy efficiency and renewable energy upgrades. They repay the borrowed amount through their property tax bill.
- Depending on the type of upgrade, financing terms can be up to 25 years. Interest rates are established by each municipality.
- Borrowing maximums for each property type are set in provincial legislation as follows: \$50K for residential properties, \$1M for non-residential properties, and \$300K for farmland properties. Individual municipal programs can set lower maximums, if desired.
- The repayment mechanism for CEIP financing is similar to a Local Improvement Charge on a property tax bill. This means that if a property with a CEIP agreement in place is sold, the new owner assumes the payments (and continues to enjoy the benefits from the upgrades!).
- CEIP is enabled by Bill 10: An Act to Enable Clean Energy Improvements that passed on June 6, 2018.



Why do property owners choose CEIP?

- CEIP upgrades increase the energy efficiency or use of renewable energy on the property, meaning upgraded properties typically have lower utility bills and greater comfort than before the upgrades.
- CEIP financing can be transferred to the new owners if the property is sold, which means program participants will realize the full lifetime savings from their upgrades.
- The financing terms are competitive, with long repayment terms and low interest rates, which removes barriers to property owners who may be hesitant to finance upgrades through other financing avenues.
- The loan payment can be paid off as a lump sum at any time without penalty.

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To learn more about the program, visit myceip.ca or reach out to us at hello@myceip.ca or **1-888-506-9996**.





How does CEIP impact a real estate transaction?



To date, in Alberta, multiple properties with a Clean Energy Improvement Tax attached to a property have been sold and the Clean Energy Improvement Tax has agreed to be transferred to the new owner at the time of sale.

If a property owner is yet to fully repay their financing acquired through CEIP prior to selling their home, there are a few items of note.

- The loan repayment can be transferred with the property to the new owner, or the new owner can request that the remaining balance be paid off in full before sale.
- The current property owner is obligated to disclose this to any prospective purchaser or Realtor involved in the transaction.
- The CEIP financing agreement must be appended to the contract of property sale.
- The amount owing will appear as a Clean Energy Improvement Tax on the improved property's tax notice and will appear in tax search/information requests for the property.

When a property owner chooses to finance energy improvement upgrades through CEIP, the repayment is scheduled through the property's tax bill and will be listed as the Clean Energy Improvement Tax. Except in the Town of Rocky Mountain House, the Clean Energy Improvement Tax is not registered on the land title of a property.



Alberta Municipalities is appointed by the Government of Alberta as the designated provincial program administrator for CEIP.



Alberta Municipalities manages most day-to-day program work on behalf of participating municipalities, including processing participant applications as well as onboarding and managing CEIP qualified contractors.



Alberta Municipalities is a not-for-profit association founded in 1905. It represents Alberta municipalities including cities, towns, villages, summer villages, and specialized municipalities. You can learn more about Alberta Municipalities at **ABmunis.ca**.

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