

Dear Mortgage Lender,

The homeowner that has provided you with this letter has applied to participate in the District of Saanich Heat Pump Financing Program (the "Program"). The Program provides interest-free financing up to \$12,000 for homeowners to replace their fossil fuel heating system (oil, natural gas or propane furnace or boiler) with a high efficiency air-source heat pump.

The District of Saanich is offering the financing service by enabling Local Area Service bylaws for participating properties, and collecting payments through property taxes over a 10-year term. ***The loan amount is levied as a charge against the property. Financing payments will be subject to the same penalties, remedies, and lien priorities as property taxes if the amount due is not paid by the property tax due date.*** Participants may choose to pay the balance in full at any time, and thereby remove the charge from the property.

We believe this Program is beneficial for all parties involved: homeowners, the District of Saanich, and mortgage lenders for the following reasons:

1. **Improve affordability:** the high up-front capital costs of replacing an oil or natural gas furnace with a more efficient heating system poses a barrier to many households. Saanich's Program helps address this capital cost barrier and, in most cases, participating households will save money on their monthly energy bills by switching to a heat pump.
2. **Reduce community greenhouse gas (GHG) emissions:** buildings represent 31% of our community's GHG emissions, and over 90% of these emissions come from natural gas, oil and propane equipment used to heat and operate buildings. Transitioning to renewable electricity and using efficient equipment such as heat pumps are key strategies to achieve Saanich's climate targets of cutting our community emissions in half by 2030 and reaching net-zero emissions by 2050.
3. **Improve resilience:** heat pumps provide efficient cooling in summer months, and with the increased frequency and intensity of extreme heat events, are becoming increasingly important to improve resilience and protect health and wellbeing in our community.
4. **Reduce the risk of oil spills:** there are an estimated 2,500 oil tanks in Saanich, posing financial and environmental risk to homeowners, who are responsible for the costs of cleanup. These costs are generally not covered by insurance and can escalate to \$100,000 or more to remedy. There are typically several oil leaks from above-ground tanks each year in Saanich.

In order to participate in the Program, residents must:

- Own a single family home, duplex, triplex or eligible townhome or mobile home in Saanich
- Use oil, natural gas and/or propane as the primary heating system for the home
- Be in good standing with property taxes and municipal utility bill payments

We hope this letter has helped to answer any questions you may have about one of your mortgagees participating in our Program. **We ask that you please confirm with your client that their participation in the Program will not contravene the terms of their mortgage contract.**

More information on the program can be found at www.saanich.ca/heatpumpfinancing.

If you have any further questions, concerns, or feedback, please do not hesitate to reach out by email to maggie.baynham@saanich.ca.

Kind regards,



Paul Arslan
Director of Finance
District of Saanich