What are soft loans?

Soft loans are given below market rates, with longer payback periods, and may have interest-free periods at the beginning of the loan agreement.

How does it work?

1. Find information through local media, energy advisor etc.
   - Energy advisor runs an energy audit
   - Energy advisor suggests measures including estimated energy savings and renovation costs

What are the benefits?

- Easy to roll out
- Standardized supply with flexibility to preferences
- Allows 1:1 refinance to commercial banks
- Positive impact on public budgets

Sign a contract with the bank and get a loan

Go to a partner bank and apply for a soft loan

Bank evaluates the client’s creditworthiness

Sign a contract with partner certified craftsmen, construction company and get the work done

Energy advisor helps identify if the client is eligible for any subsidies and bank offers

Loan repayment

Example

Ecopack, Wallonia, Belgium

A public interest body called Société Wallonne du Crédit Social is in charge of the loan.

Funded from a share capital with the regional government, the social housing association, and from other sources.

Provided loans with zero interest rates for home energy efficiency improvements.