



**Auvergne
Rhône-Alpes**
Énergie Environnement

POWERITY
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The zero-rated eco-loan scheme to encourage renewable energy (ECO- PTZ)

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Good practices – Regulation

The zero-rated eco-loan scheme

- The zero-rated eco-loan scheme (*eco-prêt à taux zero* or *Eco-PTZ* in French) has been introduced by the “Finance law 2009” (*loi de finance 2009*) to allow **landlords to get a loan to finance energy refurbishment works** (insulation, **heating or water heating using renewable energies**) for their main residence.
- The maximum amount of this loan is between €7,000 and €30,000 **refundable for 15 years following works**. It is **granted by banks** which have concluded specific agreement with the French State.
- This loan is granted to **landlords** (occupiers or lessors) **without any income condition for main residences**



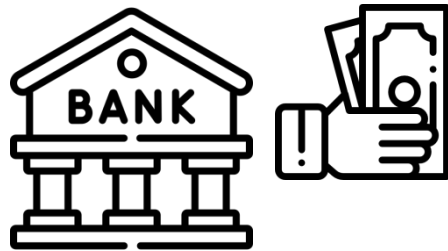
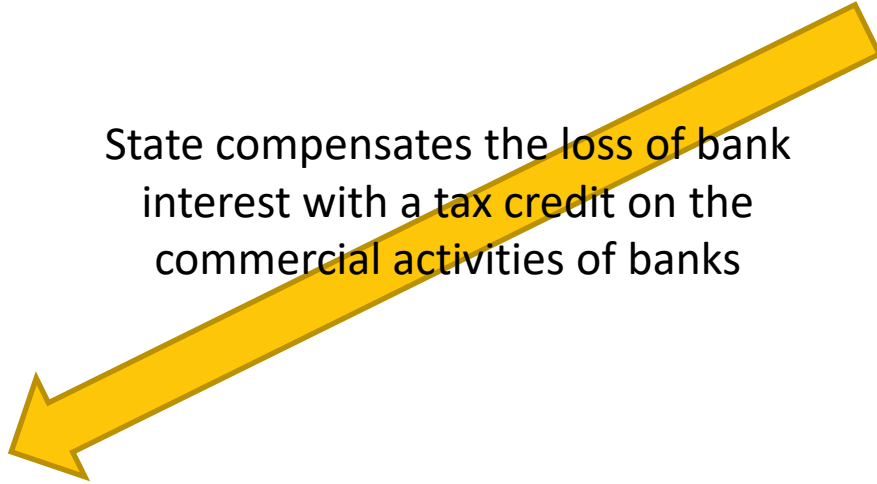


The zero-rated eco-loan scheme

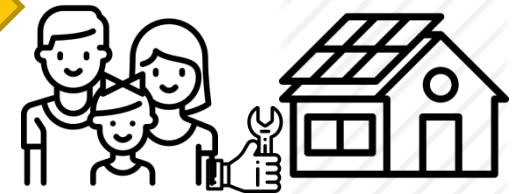


French State

State compensates the loss of bank interest with a tax credit on the commercial activities of banks



Bank granted a eco loan to the household



Energy retrofit

Household repays the loan without interest, during 5 to 15 years





The zero-rated eco-loan scheme

Eligible works for RES	Performance criteria
Wood-fired boiler	Class 5
Wood-burning stove, closed fireplace, indoor fireplace insert or cooker	Yield $\geq 70\%$. rate of CO emissions $\leq 0.3\% \leq 0.3$ environmental performance index ≤ 2
solar thermal collector	CSTBat, Solar Keymark or equivalent certification
heat pump dedicated to the production of domestic hot water	COP > 2.4 if room or outside air intake COP > 2.5 if extract air capture COP > 2.3 if geothermal capture
Equipment for connection to a heating network	More than 50% RES in the mix

+ associated works

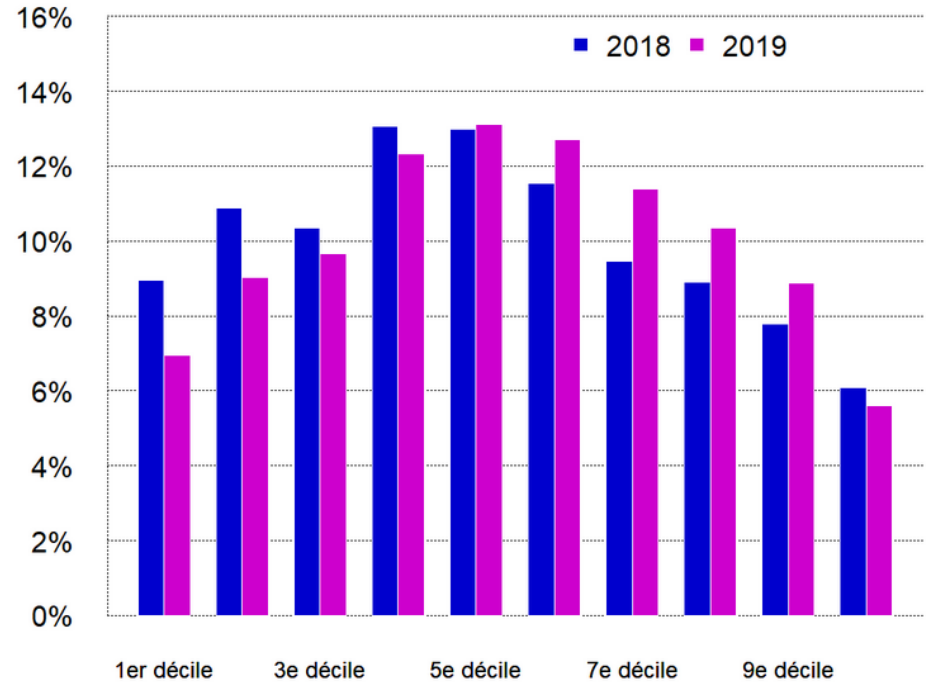
(pipe insulation, regulation and programming, metering, etc.).





The zero-rated eco-loan scheme

- 35,574 loans were granted in 2019, for an average amount of €13,342.
- The proportion of households with a reference tax income of less than €30,000 is about 40% for eco-loans.
- The zero-interest eco-loan can also finance the amount remaining to be paid, supported by special provisions for people in vulnerable situations:
 - “MaPrimeRénov”,
 - "Habiter Mieux sérénité",
 - "le chèque énergie" or
 - subsidised Energy Saving Certificates.



Breakdown of zero-rate eco-loans by tax income decile of all owner-occupiers

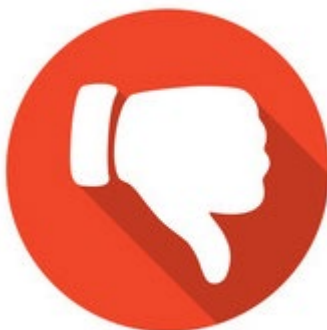


The zero-rated eco-loan scheme



- The amount of the loans enables the financing of global and efficient renovations by embedding RES solutions.
- This costs little to the State, which pays the interest via a tax credit granted to banks.
- The distribution circuits for the zero-interest eco-loan are the same as those for home loans, which makes them accessible.

• But...



- The majority of precarious households are renters and are not eligible.
- We remain limited by the maximum debt ratio (30%).
- For elderly households or with health problems, insurance can be expensive.