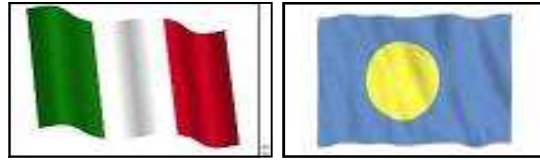


A GREEN PALAU SAVES YOU MONEY

Reducing individual and community expenditures on fossil fuel cost helps Palau to maintain its healthy environment and healthy people. Air pollution and harmful emissions are now rising. However, these can be lowered through individual and community awareness and action towards lower consumption of electrical power. The EESP loans to home buyers will do much to support these efforts.

HOW TO APPLY

Your Loan Officer will advise you on the EESP when you begin your application for a NDBP housing loan. You will be provided with a breakdown of the various measures and features to choose from which you will then instruct your designer or contractor to include in the drawings or blue prints for your house. Certain measures must be approved by the Bank before installation to insure that those meet the standards of the EESP effort. Your Loan Officer will inform you of those items. Please consult your Loan Officer before ordering any items which require Bank approval.



Funded by the Italian Government to the Republic of Palau

Supported by the:

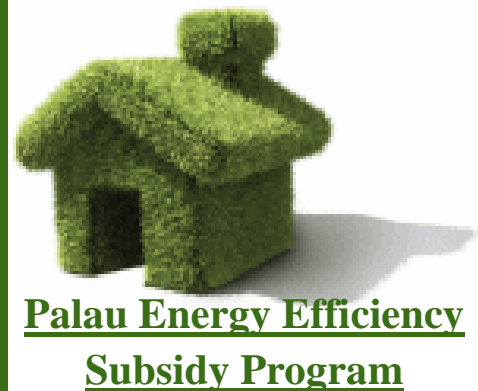


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Your Energy Efficient Home Loan



*"Helping Palau to
Stay Green"*

YOUR ENERGY EFFICIENT HOME

Saving money on your electric bills is one of the purposes of the National Development Bank of Palau's (NDBP) Energy Efficiency Subsidy Program (EESP). You may be able to participate in this limited term program offered by NDBP by including features and measures which are proven to reduce the consumption of electrical power in your new home.

If selected, you will be asked to choose energy saving features that will provide you with a rebate or subsidy on your home loan. Depending on the type and number of measures you select, your home loan will be discounted at a favorable rate to you, the borrower. This is a voluntary effort .

HELPING PALAU TO STAY GREEN

Another purpose of the EESP is to help reduce Palau's carbon foot-print and join other nations of the world in conserving energy produced by fossil fuel of oil and gas. Palau is a recognized leader in supporting a healthy environment and the EESP housing loan effort will continue to advance the Republic's role of sound environmental concerns and policies.

MORE DETAILS...

TERMS AND CONDITIONS

The EESP is a voluntary program aimed at specific purposes. Enrolling in this program provides you with certain measures and considerations designed to save you money and reduce Palau's energy consumption.

In addition to this you will be required to maintain certain records and submit to periodic monitoring of your home by Bank officials to insure compliance with the funding source and to evaluate the overall outcomes of the EESP.

All selected features and measures must remain in the home for a three year period. If you need to change these for any reason you are required to consult with your Loan Officer .

Measures & Options

REQUIRED FOR PARTICIPATION IN PROGRAM

EAST-WEST ORIENTATION OF LONG AXIS OF HOUSE
 LIGHT WALL COLORS
 WIDE ROOF OVERHANGS
 WHITE ROOF COATING

ATTIC VENTILATION AT SOFFIT AND RIDGE
 RADIANT BARRIER INSULATION IN ROOF
 ENERGY STAR APPLIANCES
 COMPACT FLUORESCENT LAMPS
 SURGE PROTECTOR STRIPS ON APPLIANCES

OPTIONAL FOR ADDITIONAL CREDIT

FULLY OPENABLE WINDOWS
 TINTED OR HIGH-PERFORMANCE GLASS
 EXTERIOR WINDOW SHADING OR AWNINGS
 SOLAR WATER HEATER (EITHER)
 INSTANT (DEMAND) WATER HEATER
 HOT WATER PIPING INSULATION
 WATER HEATER TIMER/ACCESSIBLE SHUT OFF SWITCH
 CEILING FANS
 HEAT TRAPS ON WATER HEATER PIPING

*

THE NATIONAL GOVERNMENT OF PALAU'S NATIONAL DEVELOPMENT BANK INTENDS TO APPLY FOR CARBON CREDITS FOR PARTICIPATING PROJECTS UNDER THIS PROGRAM AS WELL AS OTHER ENERGY RELATED PROGRAMS WHICH THE BANK IS INVOLVED.

COMMENTS

IF SITE CONDITIONS PERMIT
 COLORED TRIM PERMITTED
 SUFFICIENT TO SHADE WALLS (MINIMUM OF 3 FT.)
 METAL FINISH OR ELASTOMERIC ON CONCRETE
 SLAB/CERTIF.
 MINIMUM EQUAL TO CODE REQUIREMENTS
 PROPERLY INSTALLED
 NOT INCLUDING AIR CONDITIONERS
 IN ALL NON-DIMMING FIXTURES
 REDUCE VAMPIRE FACTOR ON STANDBY MODE

COMMENTS

LOUVERS OR AWNINGS OR CASEMENT
 IF AVAILABLE FOR TYPE OF WINDOW INSTALLED
 MAINLY FOR EAST AND WEST WINDOWS
 FLOW-THROUGH TYPE, NOT BATCH
 ELECTRIC OR GAS
 ON ALL ACCESSIBLE PIPING
 CONVENTIONAL ELECTRIC HEATER
 IN ALL OCCUPIED ROOMS (NOT BATHS OR STORAGE)
 FOR TANK-TYPE HEATER

ABOUT THE NDBP LOAN SUBSIDIES

When you as a borrower install approved features and measures into your new home, you not only contribute to a "greener community" but save money in the short, medium and long term. The program is designed to reduce energy consumption.

The Government of Italy generously provided seed funds to the Republic of Palau's National Development Bank to be used to off-set the cost of including certain measures and features proven to reduce electrical consumption for home buyers building their houses.

These are listed under the *required to install and optional installation*. The more features you choose the more energy efficient is your home and therefore, the greater the savings for you in the long run.