

# Michigan Saves Home Energy Loan Program



Easy. Affordable. Smart.

[www.michigansaves.org](http://www.michigansaves.org)

# What Is Michigan Saves?



- Nonprofit organization dedicated to making energy improvements easy and affordable
- Provides affordable financing for qualifying energy efficiency improvements with loan capital, origination, and servicing by network of lenders
- Manages \$6.5 million trust fund for loan default support to attract lender/investor capital
- Registers and oversees network of authorized contractors that promote financing



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# Overview of Michigan Saves Home Energy Loan



- Affordable, easy loans for homeowners
  - Unsecured, personal loans of \$1,000 to \$20,000\*
  - Rates up to 7% APR (fixed rate), may adjust semi-annually
  - Flexible loan terms: One year per \$1,000 up to \$4,999; customer can pick term up to 10 years for loans \$5,000 and more
  - Quick decisions through one-stop loan application center
- Loans used for qualifying improvements installed by authorized contractors
  - Eligible measures list or
  - Home energy assessment-based
- Exclusive program – Customers can only access loan through a Michigan Saves authorized contractor

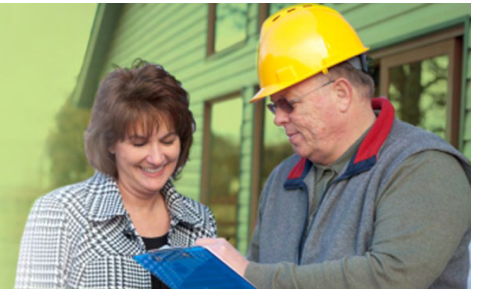
\*Effective June 1, for most lenders



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# Measure Qualification / Implementation



- Eligible Measures List
  - Pre-qualified, single measures: high efficiency HVAC measures, Energy Star® roofing & windows/doors, Energy Star® appliances, solar thermal measures, solar PV
  - See Michigan Saves website for the most recent list
- Home Energy Assessment Option
  - Energy assessment required (to Building Performance Institute standards)
  - Customer can implement any energy-saving measures recommended by the assessment (including measures on Eligible Measures List)
    - Air sealing and insulation can only be implemented under this option

# Customer Eligibility



- Owner-occupied, single family homes (1–4 units)
  - Must be primary residence
- Meet underwriting criteria
  - Credit Score 680 or higher
    - Central Macomb, Lake Trust, Greater Niles, MSUFCU, UP State CU
  - Credit Score 640 or higher
    - Consumers, Financial Plus, Genisys, LAFCU
  - Monthly debt to gross income of 50% (post loan)
    - This is most common reason for denial

# Role of Lenders and Loan Application Center



- Network of lenders provides loan capital, origination, and servicing
- Michigan Saves centralized loan application center accepts loan applications, helps customer select lender, and provides loan decision to customer
- Lender provides loan closing documents directly to customer
- Program is structured so contractors do not have to handle sensitive customer information

# Current Lenders



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# Role of Contractors



- Contractor driven program, marketed primarily through network of authorized contractors
  - Promote affiliation with Michigan Saves
  - Market Michigan Saves financing
  - Initiate loan application process
  - Conduct home energy assessments and/or install eligible improvements
- Authorized contractors are listed on Michigan Saves website



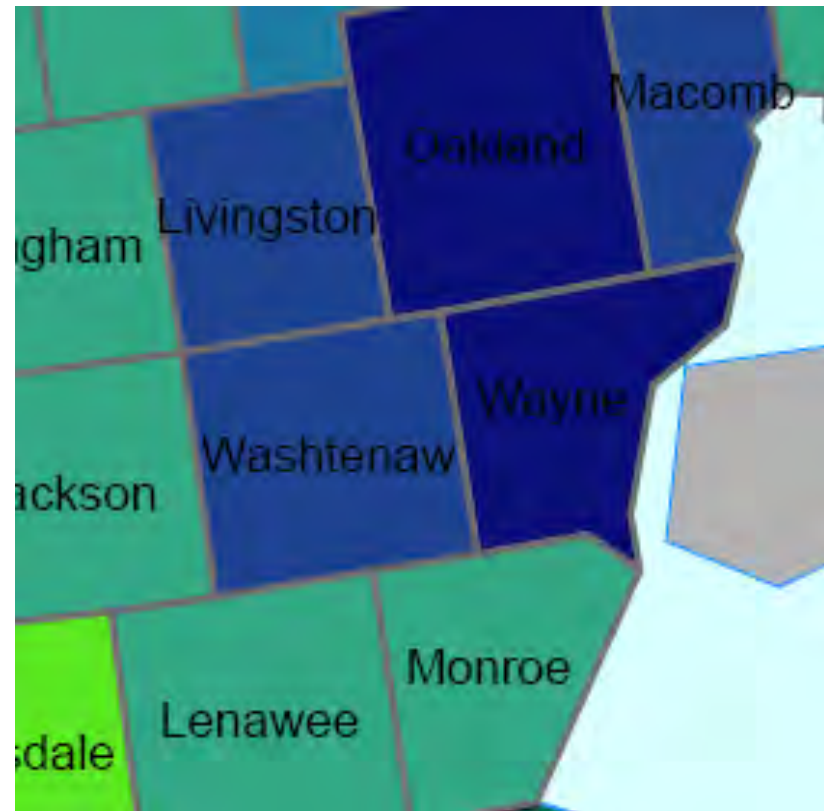
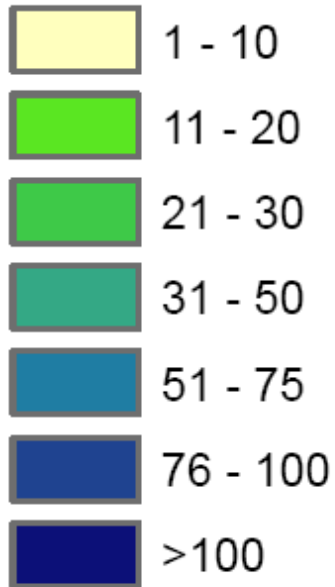
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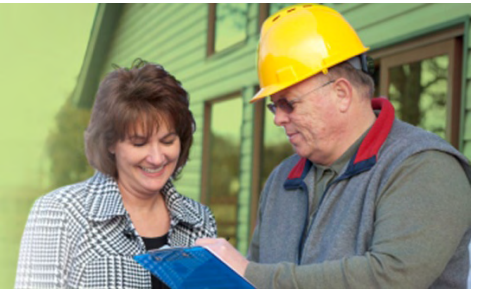
# Contractor Coverage



## Number of Contractors Serving Each County



# Program Results



- Loan results through 6/30/2011
  - Total loan applications - 580
  - Total loans approved - 314
  - Loan approval rate - 54%
  - Total value of approved loans - \$2,263,322
  - Average loan size - \$7,208
  - Average FICO score of approved applicants - 744
  - Average FICO score of all applicants – 681
  - Loans approved between 640-679 – 33

# Contacts and E-mails to Remember



- For all contractor questions, concerns, and feedback, contact Todd Parker
  - (517) 484-6474
  - [registration@michigansaves.org](mailto:registration@michigansaves.org)
- We welcome your suggestions!