



Easy. Affordable. Smart.

Frequently Asked Questions

What is Michigan Saves?

Michigan Saves is a nonprofit organization dedicated to making energy improvements easy and affordable. Michigan Saves is developing several different financing programs.

Where is the Home Energy Loan Program currently available?

The Michigan Saves Home Energy Loan Program is now available statewide.

Do I qualify for a Michigan Saves loan?

Loans are available for owner-occupied, single-family, primary or secondary residences, or for 1–4 unit properties where one unit is owner-occupied. Rentals and secondary residences are not eligible. All borrowers must meet the lender’s underwriting criteria, including a credit score above 680 and a debt-to-income ratio less than 50%. Some lenders accept credit scores as low as 640. Check with individual lenders for details.

What kind of loan is this?

Participating lenders offer an unsecured loan for amounts between \$1,000 and \$20,000, at a fixed annual percentage rate (APR) no higher than 7%, with no prepayment penalty. Loan terms are one year for every \$1,000 for loans up to \$4,999. For loans \$5,000 and higher, 120 month terms are an option. A sample monthly payment for a 3-year, \$3,000 loan at 7% APR is \$93; a 7-year, \$6,000 loan at 7% APR is \$91.

What makes this loan easy and affordable?

Easy - No home appraisal or equity is required. The loan application is taken over the phone or Internet, and a decision is made within minutes.

Affordable - Michigan Saves loans are usually at a lower rate and with lower monthly payments than credit card financing. The table below shows approximate monthly payments based on different loan amounts and terms (monthly amounts are estimated to the nearest dollar and assume APR of 7%).

		Loan Amount (\$ in thousands)																	
		1	2	3	4	5	6	7	8	9	10	12	14	16	18	20			
Loan Term (Years)	1	\$87																	
	2		\$90																
	3			\$93															
	4				\$96														
	5					\$99	\$119	\$139	\$158	\$178	\$198	\$238	\$277	\$317	\$356	\$396			
	6						\$85	\$102	\$119	\$136	\$153	\$171	\$205	\$239	\$273	\$307	\$341		
	7							\$76	\$91	\$106	\$121	\$136	\$151	\$181	\$211	\$242	\$272	\$302	
	8								\$68	\$82	\$95	\$109	\$123	\$136	\$164	\$191	\$218	\$245	\$273
	9									\$63	\$75	\$88	\$100	\$113	\$125	\$150	\$175	\$200	\$225

10		\$58	\$70	\$81	\$93	\$104	\$116	\$139	\$163	\$186	\$209	\$232
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How do I get a Michigan Saves loan?

The process for getting a Michigan Saves loan is easy. First, work with a Michigan Saves authorized contractor to get an estimate on qualifying energy improvements. Decide whether to have an energy assessment first, or pick from a list of prequalified improvements. You can find a list of authorized contractors at www.michigansaves.org. Second, complete the loan application and get a decision within minutes. Your contractor will help you initiate this process. Finally, once the loan is approved, your contractor will make the energy efficiency improvements. The contractor will be paid directly after the work is done to your satisfaction.

What happens if I do not qualify for a Michigan Saves loan?

After you submit your loan application over the phone or Internet, you will be notified within minutes whether you are approved for a Michigan Saves loan. If you are not approved, the lender may follow up with you regarding your application to see if you qualify for other types of financing they offer, but it would not be a Michigan Saves loan. In all cases, it is important to notify your contractor right away so they know what method you will use to pay for the work (i.e., with a Michigan Saves loan or some other method of payment) or if they should not proceed. The Michigan Saves website has links to other financing and income-qualified assistance programs.

Why should I use a Michigan Saves authorized contractor?

Authorized contractors meet requirements for licensing, insurance, and third-party certification. Michigan Saves Advanced Contractors have additional technical certifications, and are authorized to perform a broader array of services and improvements. And only Michigan Saves authorized contractors can initiate the loan application process for you.

You will be entering into a direct contract with the contractor of your choice and it is important that you review their credentials, qualifications, and references to make an informed decision. Michigan Saves does not endorse any particular contractor.

What types of improvements can be financed through Michigan Saves?

Loans can finance weatherization, furnace and water heater upgrades, and other improvements that can help a home use less electricity, propane, heating oil, or natural gas. The measures will be identified through a whole-home energy assessment by a certified energy professional, or you can choose from a list of measures that are prequalified by Michigan Saves without an assessment. Ask your contractor for a list of prequalified improvements or visit www.michigansaves.org.

What is an energy assessment or audit?

An energy assessment is a diagnostic review of your home to identify how your home could use energy more efficiently. A Michigan Saves Advanced Contractor authorized to perform energy assessments will collect information on the size, style, age, and other characteristics of your home. The contractor will also use diagnostic tools to determine where your home is leaking air or losing heat. Contractors also check related health and safety factors. The information is fed into computer modeling software that identifies appropriate home improvements and estimates how much energy each measure can save.

Is an energy assessment or audit required?

An assessment is only required for insulation or air sealing measures, due to the potential for negative health impacts if the measures are not installed correctly. An assessment is recommended to ensure that you select the most effective improvements and that they are installed properly. The cost of the assessment can be included in the loan amount.

Are renewable energy systems eligible for financing?

The Home Energy Loan Program offers financing for **solar photovoltaic** installations, solar thermal, and solar hot water. Air-to-air and ground-to-air heat pump systems are eligible only when replacing an existing heat pump. Wind energy systems do not currently qualify for financing. See www.michigansaves.org for more details.

How can I find out about rebates and federal tax credits for financed improvements?

Your contractor will be able to help you determine what incentives, including rebates and tax credits, are offered on measures you choose to install. Rebates are currently available on certain appliances and equipment through local utilities. Visit www.dsireusa.org and your electric and natural gas utilities for rebate and tax credit information.

What are the typical monthly savings and costs I can expect?

The monthly utility savings can vary widely, and can exceed 20% in some cases. A home energy assessment can estimate the monthly energy savings based on specific improvements. While it is not customized for your home, you can also visit www.energystar.gov for a simple, online tool to estimate savings.

Some homeowners may be able to finance their installations with a monthly payment that is at or below the estimated monthly energy bill savings. Be aware that this depends on the type of improvements; in addition, energy prices, weather fluctuations, and other factors (how often you replace filters, new equipment, number of occupants in the home, etc.) will cause your energy bill to vary.