



HOUSE of REPRESENTATIVES

STATE OF MICHIGAN

Appropriations Requests for Legislatively Directed Spending Items

1. The sponsoring representative's first name:
Timothy
2. The sponsoring representative's last name:
Beson
3. The cosponsoring representatives' names. All cosponsors must be listed. If none, please type 'n/a.' A signed letter from the sponsor approving the co-sponsorship and a signed letter from the member wishing to co-sponsor are required. Attach letters at question #9 below.
Rep. Donovan McKinney
4. Name of the entity that the spending item is intended for:
Michigan Saves, Inc
5. Physical address of the entity that the spending item is intended for:
230 N Washington Square Ste 300, Lansing MI 48933
6. If there is not a specific recipient, the intended location of the project or activity:
Statewide
7. Name of the representative and the district number where the legislatively directed spending item is located:
Statewide
8. Purpose of the legislatively directed spending item. Please include how it provides a public benefit and why it is an appropriate use of taxpayer funding. Please also demonstrate that the item does not violate Article IV, S 30 of the Michigan Constitution.
Michigan Saves will use these legislatively directed funds for two purposes, in alignment with the statutory language:

Strengthen the Michigan Saves loan loss reserve fund (LLR). Michigan Saves will deposit a portion of the funds into its existing LLR to leverage private capital that funds residential and commercial energy efficiency and renewable energy loans. For every \$1 in LLR, Michigan Saves can leverage at least \$30 in private capital for residential and

commercial energy loans. Through 2024, Michigan Saves has supported over \$675 million in loans from private lenders to Michiganders for energy efficiency and renewable energy improvements. Most of the \$675 million has flowed into local businesses, such heating and cooling companies, plumbing contractors, electrical contractors, solar photovoltaic installers, window replacement companies, roofing companies, and building contractors. Michigan Saves also partners with six Michigan-based credit unions that provide all the loan capital for our residential financing program. With over 1,200 authorized contractors in our network, Michigan Saves creates economic opportunity throughout the state.

In addition to strengthening the LLR, Michigan Save would a portion of the funding for loan capital to implement a bridge loan product for tax-exempt entities. The Inflation Reduction Act (IRA) allows nonprofit organizations and governmental entities, for the first time, to qualify for the investment tax credit (ITC) for purchases of clean energy technologies, including solar photovoltaic, battery storage, geothermal and combined heat and power. The IRA also provides “direct pay” for these tax-exempt entities, allowing them to directly receive the ITC in a lump sum payment in conjunction with regular tax filings. However, small and medium-sized entities, particularly those with tight budgets, may not have the cash upfront to pay the full installation cost of a solar array and then wait to receive the direct tax credit payment from the Internal Revenue Service 12 to 18 months later. Michigan Saves will use a portion of grant funds to provide a short-term bridge loan that covers a portion of the project cost, with the loan repaid in full when the tax-exempt entity receives the direct tax credit payment. Without a short-term bridge loan, many tax-exempt entities would not be able to implement a clean energy project. By using grant funds as a short-term bridge loan to support clean energy projects that would not otherwise occur, Michigan Saves fills a market gap and continues to leverage private investment for clean energy improvements. These programs to-date have provided residents and business over \$301M dollars in electric savings, \$146M in utility savings and supported a network of 1,276 local contractors.

9. Attach documents here if needed:

Attachments added to the end of this file.

10. The amount of state funding requested for the legislatively directed spending item.

5000000

11. Has the legislatively directed spending item previously received any of the following types of funding? Check all that apply.

["Federal","State","Private"]

12. Please select one of the following groups that describes the entity requesting the legislatively directed spending item:

Non-profit organization

13. For a non-profit organization, has the organization been operating within Michigan for the preceding 36 months?

Yes

14. For a non-profit organization, has the entity had a physical office within Michigan for the preceding 12 months?

Yes

15. For a non-profit organization, does the organization have a board of directors?

Yes

16. For a non-profit organization, list all the active members on the organization's board of directors and any other officers. If this question is not applicable, please type 'n/a.'

• Paul Schutt, Board President, Issue Media Group • Roselyn Tantraphol, Vice President, Moonsail North • David Wible, Treasurer, Comerica Bank • Selma Tucker, Secretary, GSO Solutions • Amanda Godward, Ecotelligent Homes • Michael Larson, Michigan Energy Options • Bryan Lewis, JR Lewis LLC • Jason Matley, TRUE Community Credit Union • Emily McGraw, Consumers Energy • Terri Schroeder, DTE Energy • Conan Smith, Michigan Environmental Council • Karen Gould, Michigan Public Service Commission (Ex-Officio)

17. "I certify that neither the sponsoring representative nor the sponsoring representative's staff or immediate family has a direct or indirect pecuniary interest in the legislatively directed spending item."

Yes, this is correct

18. Anticipated start and end dates for the legislatively directed spending item:

October 1, 2025 – September 30, 2027

19. "I hereby certify that all information provided in this request is true and accurate."

Yes



Michigan Saves®

Lead Poisoning Prevention Fund

Michigan Saves created the Lead Poisoning Prevention Fund (Lead Fund) to fill a critical gap for homeowners and income-property owners who don't qualify for free home lead services from the Michigan Department of Health and Human Services (MDHHS). We're working to make sure everyone—no exceptions—has peace of mind when it comes to the safety of their homes.

We are pleased to offer a 50/50 cost-share incentive for Lead Fund program participants. This means Michigan Saves will cover 50 percent of the cost of your lead abatement project.

Visit our website at michigansaves.org/leadfund for more details about the cost-sharing incentive.

Cost-share Example

Lead abatement project is \$20,000

\$10,000

Michigan Saves incentive

+

\$10,000

Homeowner loan

Benefits of the Lead Fund

- Affordable financing for removing lead hazards from your property
- Free lead inspection and risk assessment
- Licensed and insured lead abatement contractors
- Assistance on reviewing lead inspection results and prioritizing work
- Quick and simple online loan application process with no application fees
- No closing costs or property liens
- Low fixed interest rates, longer terms, and no penalties for early repayment on loans

Before starting a lead abatement project with the Lead Fund, we strongly encourage you to first explore home lead services through MDHHS's Lead Safe Home Program. Visit michigan.gov/mileadsafe for more information.

Get started with the Lead Fund by submitting a letter of intent on our website at michigansaves.org/leadfundletter. Learn more about the process of removing lead from your home with the Lead Fund on the back of this flyer or at michigansaves.org/leadfund.

Scan to fill out the Lead Fund Letter of Intent:



Residential Financing Facts

Loan type

Unsecured personal loan

Eligible improvements

Lead abatement measures or related work only

Amounts

\$1,000–\$50,000

Terms

Flexible between one and 15 years

Rates

For the latest fixed rates, visit michigansaves.org/residential-homes

Eligible Properties

Single-family homes with up to four attached units and single-family income properties

(Note: Lead Fund loans are unsecured, personal loans. LLCs are not eligible to apply.)

Actual rates, terms, and loan amounts vary and depend on market conditions, the lender you choose, and your creditworthiness.

Have questions? Contact our team:

info@michigansaves.org

517-484-6474

[Michigansaves.org/leadfund](https://michigansaves.org/leadfund)

A Detailed Look at How to Remove Lead from Your Home Through the Lead Fund

Removing lead from your home with Michigan Saves' Lead Fund is a multistep process. This diagram outlines the entire process so you can understand how this program works and what it will look like for you and your home or property.



1

Letter of intent

Read and sign the Lead Fund Letter of Intent at michigansaves.org/leadfund if your MDHHS application is denied or if you do not want to apply to the MDHHS Lead Safe Home Program.



2

Environmental investigation

Michigan Saves will help you schedule a free environmental investigation of your home to identify all lead hazards.



3

Finding a contractor

Use Michigan Saves' Find Your Contractor Tool at michigansaves.org/find-a-contractor to find an authorized lead abatement contractor to complete your project.



4

Workscope development

Work with your chosen authorized lead abatement contractor to prioritize lead hazards, establish a budget, and develop a scope of work to submit to Michigan Saves.



5

Loan application

After your workscope is approved, apply for a Michigan Saves loan. Reminder: With the 50/50 cost-share incentive, your loan will only need to cover 50 percent of the project cost.



6

Lead abatement

Your authorized contractor will complete the lead abatement project based on your agreed-upon budget, timeline, and workscope.



7

Certificate of completion

After the project is complete, both you and your contractor will sign a certificate of completion.



8

Project payment

Begin loan payments based on the terms of your Michigan Saves loan. Michigan Saves and our lending partner pay the contractor.



Michigan Saves[®]

The Nation's First Nonprofit Green Bank

April 23, 2025

Chair Bollin,

Thanks to Michigan Saves legislative partners, state investment of roughly \$30 million has leveraged over \$650 million in private capital and provided a 15-time return on investment for Michigan homeowners and small businesses, resulting in nearly \$450 million in utility bill savings. As Michigan's nonprofit green bank, our success and growth would not be possible without the partnership of the Michigan Legislature and Administration.

Michigan Saves is asking for continued support through an appropriation of \$10 million in the FY 2026. This investment would fund our best-in-class energy financing program as well as expand opportunities for residents to access our septic replacement program. \$5 million of the request will support clean energy investments in homes and businesses throughout the state. The remaining \$5 million would provide residents with grant opportunities for septic replacements. While the septic program has been largely successful, some residents still lack the ability to qualify for our low-interest loan product yet have failing or near-failing systems that need to be addressed.

2024 was another successful year for Michigan Saves and continuing the State's investment into its green bank allows Michigan Saves to continue serving Michiganders. Among our top accomplishments:

- Michigan Saves surpassed \$675 million in energy efficiency investments, reaffirming the ability of our loan loss reserve fund to leverage private capital and provide a strong return on the State's investment.
- With funding from EGLE, Michigan Saves launched the Septic Replacement Loan Program (michigansaves.org/septic), which provides low-interest financing to Michigan homeowners for the replacement of failing or near-failing septic systems. In the first eight months, the program served nearly 80 homeowners and supported approximately \$1.3 million in septic loans. Michigan Saves is excited for the growth of this program in 2025.

Despite our growth and success in 2024, there were some challenges, particularly with loan defaults, which doubled from 2023 and have exceeded \$3 million for the year. Our defaults seem to be indicative of broader economic trends. The National Credit Union Administration notes that "an increasing segment of credit union membership continues to experience financial strain as evidenced by a steady increase in the loan delinquency rate and charge offs." The Federal Reserve Bank of New York reports that approximately 9.1% of credit card balances have transitioned into delinquency over the last year. Credit card delinquency is a benchmark for Michigan Saves, since it is unsecured debt, albeit at a much higher interest rate.

In 2025, Michigan Saves will be celebrating 15 years of clean energy investments in approximately 50,000 homes and 2,000 businesses, houses of worship, and municipalities. Michigan Saves looks forward to continued service to Michiganders in every corner of the state. Please do not hesitate to reach out with questions or if we can be a resource for your constituency at any time. Thank you for your consideration and your service.

Sally Talbert



Septic Replacement Loan Program

Information for homeowners

The Septic Replacement Loan Program (SRLP), created in partnership with the Michigan Department of Environment, Great Lakes, and Energy (EGLE), provides low-interest financing to Michigan homeowners for the replacement of failing or near-failing septic systems and connections to municipal sewer. EGLE contracted Michigan Saves to develop and manage the program.

A failing septic system can back up wastewater into your home or discharge wastewater onto the ground surface, potentially contaminating surface and drinking water supplies. This can expose children and pets to dangerous bacteria and viruses in your yard, which can then be tracked into your home. Replacing a failed septic system can be an unexpected financial burden, which is why the SRLP provides low-interest loan options for Michigan homeowners in need.

Homeowners can access two loan tiers by working with a Michigan Saves authorized septic installation contractor: income-based financing (tier one) and market-based loans (tier two). Information collected in the loan application will determine the tier the applicant will be considered for; guidelines can be found on our website. For both tiers, actual rates, terms, and loan amounts may vary based on factors collected during the loan application.

Program eligibility

- Single-family homes, owner-occupied or rental property
- Sites with documented failing, near-failing, nonexistent, or similarly inadequate septic system (as determined and documented by your local health department)
- Eligible costs include evaluation of the system, design, pumping, and installation. Connections to municipal sewer are also eligible if the existing septic system has been determined to be failing and an existing sewer connection is available and accessible.
- All systems funded through this program must meet SRLP minimum standards

TIER ONE

Income-qualified loans

Tier one loans are available based on household income (proof of income required); however, other financial indicators from your credit report are also used to determine eligibility.

- Loan amounts from \$1,000 to \$30,000 per project
- Interest rates no higher than 1%; terms up to ten years
- Unsecured loan, no lien or collateral required
- Required credit report check includes a review of financial history, such as debt levels, past bankruptcies, foreclosures, and any outstanding collections
- Loans only available through TRUE Community Credit Union

See the back of this flyer for more details on tier one income eligibility.

TIER TWO

Market-based loans

Tier two loans are available to all customers and use traditional credit checks to determine eligibility, including factors like your credit score and financial history.

- Loan amounts from \$1,000 to \$50,000 per project
- Interest rates vary by lender and are based on credit qualifications
- Unsecured loan, no lien or collateral required

Visit our website for current interest rates for tier two loans.

How to get started

- 1 Select your Michigan saves authorized septic installation contractor. Search for authorized contractors at michigansaves.org/find-a-contractor.
- 2 Contact your local health department to establish the project scope and to obtain a construction permit. All systems permitted through the SRLP must be designed in accordance with the program minimum standards. Find these standards at michigansaves.org/programstandards.
- 3 Apply for a Michigan Saves loan at michigansaves.org/loancenter once you have obtained an LHD construction permit and bid from your authorized contractor.

Have a contractor that isn't authorized through Michigan Saves? Getting authorized is easy. They can learn more at michigansaves.org/septiccontractors.

Tier one additional details 2025 income eligibility*

Persons in Household	Maximum Annual Household Gross Income to Qualify
1	\$31,300
2	\$42,300
3	\$53,300
4	\$64,300
5	\$75,300
6	\$86,300
7	\$97,300
8	\$108,300

*Other financial indicators from your credit report are also used to determine eligibility



For More Information or Questions About the SRLP:

[Michigansaves.org/septic](https://michigansaves.org/septic)

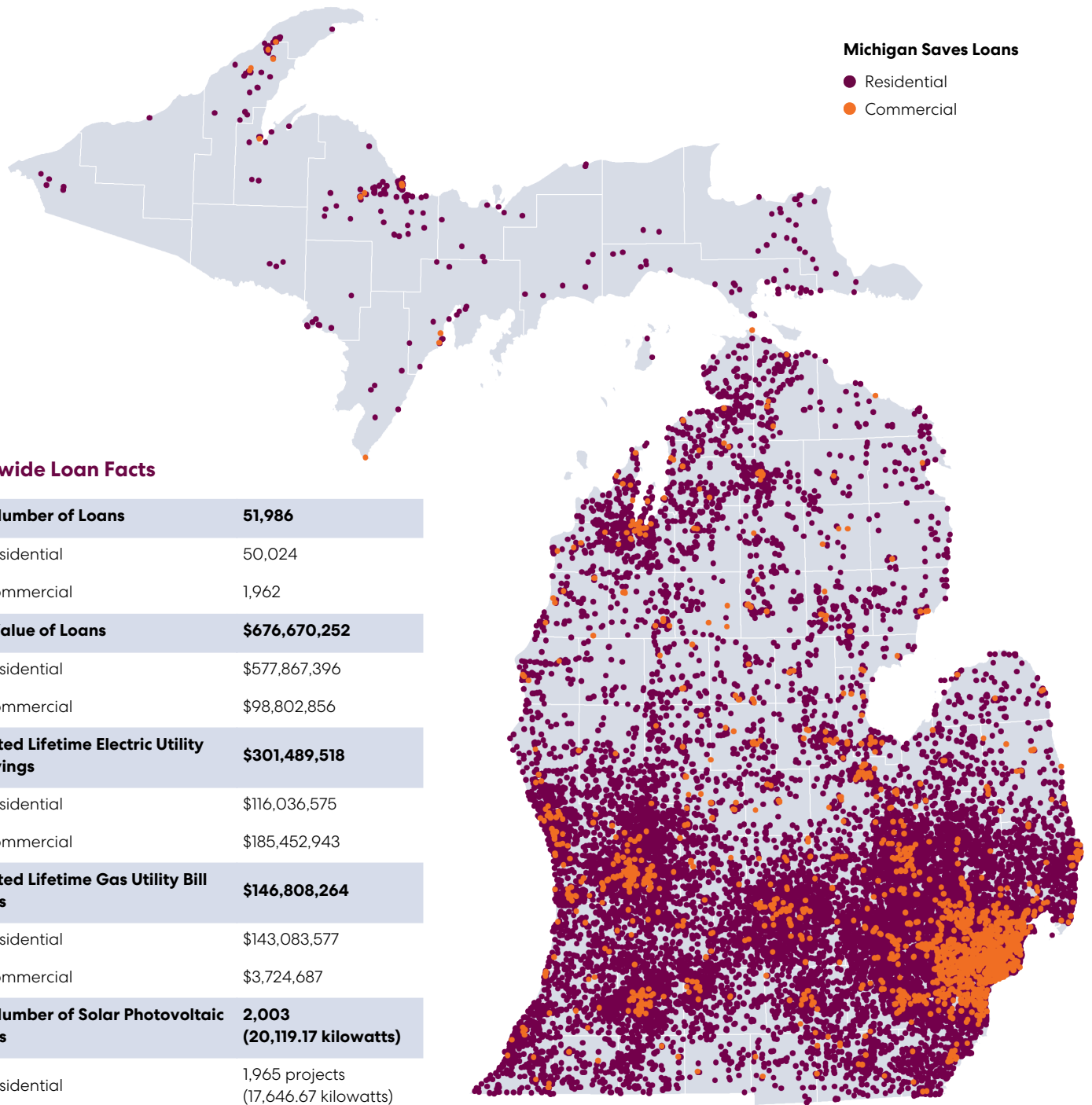
info@michigansaves.org
517-484-6474

Michigan Department of Environment, Great Lakes, and Energy

Anne Mitchell, Program Manager
517-914-4254
EGLE-DWEHD-SRLP@michigan.gov



2024 Residential and Commercial Statewide Loan Distribution



Statewide Loan Facts

Total Number of Loans	51,986
Residential	50,024
Commercial	1,962
Total Value of Loans	\$676,670,252
Residential	\$577,867,396
Commercial	\$98,802,856
Estimated Lifetime Electric Utility Bill Savings	\$301,489,518
Residential	\$116,036,575
Commercial	\$185,452,943
Estimated Lifetime Gas Utility Bill Savings	\$146,808,264
Residential	\$143,083,577
Commercial	\$3,724,687
Total Number of Solar Photovoltaic Projects	2,003 (20,119.17 kilowatts)
Residential	1,965 projects (17,646.67 kilowatts)
Commercial	38 projects (2,472.50 kilowatts)
Total Number of Authorized Contractors	1,276

76,509

Total Number of Energy Efficiency Jobs in Michigan
(as reported by E4TheFuture)

Loan Quantity and Value

County	Loan Quantity	Loan Value
Alcona County	29	\$437,058
Alger County	11	\$171,530
Allegan County	717	\$10,407,412
Alpena County	39	\$648,438
Antrim County	132	\$1,901,308
Arenac County	39	\$562,707
Baraga County	9	\$188,601
Barry County	391	\$5,495,372
Bay County	126	\$2,412,931
Benzie County	74	\$1,032,533
Berrien County	554	\$6,925,832
Branch County	59	\$1,095,665
Calhoun County	959	\$11,563,955
Cass County	125	\$1,703,293
Charlevoix County	78	\$1,072,520
Cheboygan County	105	\$1,339,893
Chippewa County	27	\$480,658
Clare County	63	\$1,004,333
Clinton County	760	\$10,615,855
Crawford County	60	\$840,308
Delta County	17	\$873,599
Dickinson County	8	\$102,403
Eaton County	1,138	\$18,814,717
Emmet County	147	\$1,852,497
Genesee County	2,531	\$30,773,571
Gladwin County	45	\$2,008,135
Gogebic County	5	\$87,939
Grand Traverse County	536	\$6,717,007
Gratiot County	96	\$1,869,738
Hillsdale County	94	\$1,450,386
Houghton County	47	\$576,106
Huron County	122	\$1,618,139
Ingham County	2,655	\$31,728,066
Ionia County	331	\$5,544,018
Iosco County	55	\$697,040
Iron County	3	\$87,351
Isabella County	76	\$1,466,155
Jackson County	567	\$10,675,027
Kalamazoo County	1,981	\$25,513,830
Kalkaska County	101	\$1,344,600
Kent County	5,054	\$57,436,856
Keweenaw County	21	\$140,749

County	Loan Quantity	Loan Value
Lake County	31	\$467,485
Lapeer County	686	\$8,056,320
Leelanau County	122	\$1,837,029
Lenawee County	476	\$5,812,337
Livingston County	2,004	\$31,907,203
Luce County	2	\$84,362
Mackinac County	30	\$510,063
Macomb County	5,271	\$56,258,910
Manistee County	99	\$1,359,381
Marquette County	180	\$2,391,281
Mason County	83	\$1,376,738
Mecosta County	145	\$1,934,257
Menominee County	6	\$130,030
Midland County	134	\$2,214,553
Missaukee County	44	\$744,660
Monroe County	541	\$6,261,172
Montcalm County	256	\$3,829,954
Montmorency County	40	\$519,426
Muskegon County	1,081	\$11,645,667
Newaygo County	193	\$2,458,869
Oakland County	7,282	\$95,914,656
Oceana County	76	\$914,011
Ogemaw County	102	\$1,368,991
Ontonagon County	2	\$48,954
Osceola County	77	\$1,201,951
Oscoda County	20	\$427,673
Otsego County	171	\$2,317,831
Ottawa County	1,382	\$18,131,628
Presque Isle County	34	\$480,405
Roscommon County	84	\$1,145,392
Saginaw County	277	\$4,310,746
Sanilac County	153	\$2,214,093
Schoolcraft County	6	\$176,563
Shiawassee County	382	\$5,953,710
St. Clair County	764	\$8,980,432
St. Joseph County	307	\$3,694,555
Tuscola County	196	\$2,748,775
Van Buren County	375	\$5,106,997
Washtenaw County	1,847	\$30,754,018
Wayne County	6,955	\$88,152,410
Wexford County	83	\$1,548,633
Total	51,986	\$676,670,252