

## **The Energy Efficiency and Renewable Energy Loans for Michigan Businesses**

The Michigan Agency for Energy (MAE), through the Michigan Energy Office (Energy Office), is offering small businesses, currently located in Michigan, loans for qualified energy efficiency upgrades and renewable energy projects.

Projects must be:

- Ready-To-Go no later than 30 calendar days of the loan agreement effective date;
- Reduce energy consumption by at least 20% (building retrofits);
- Equipment purchases for general- and advanced-manufacturing of commercially available products (retooling); and
- Contribute to a reduction in greenhouse gas emissions.

### **Are You Eligible?**

Eligible borrowers can be any Michigan Small business currently located in Michigan with 500 employees, or less, that are either a partnership, unincorporated association, corporation, limited liability company, limited partnership, governmental agency, not-for-profit or any combination thereof can apply. Other factors may apply, see Criteria for Loan Approval, below.

### **When can projects begin?**

Applicants can start work once the loan agreement is signed by a Michigan Department of Licensing and Regulatory Affairs (LARA) representative. **Only project-related costs that are incurred and paid for after LARA's loan execution may be included in the loan request.**

Applicants assume all financial risk should the LARA, federal government, and/or state not approve the application or if all loan documents are not executed. If the loan is not approved or executed, the LARA, federal government, and/or state is not responsible for reimbursement of any costs.

### **How much is Available?**

One million five hundred dollars (1.5M) in loan funds are available for eligible projects. Loan requests should be between \$50,000-350,000, and limited to supplies, materials and equipment costs only. All awarded projects must comply with associated federal and state requirements.

### **When Should You Submit Your Application?**

This solicitation is open until all available funds are exhausted. Applications for funding will be reviewed on a first-come, first-served basis and will be evaluated by a review committee for project merit and applicant creditworthiness. The Energy Office reserves the right to close the solicitation period at any time.

### **Criteria for Loan Approval**

Applicants must meet minimum credit standards determined by the Energy Office. Credit standards are not solely based upon FICO scores and may consist of a face-to-face interview. All awarded projects must comply with associated federal and state requirements. Applicants will be required to submit quarterly reports related to project energy use, payback and other economic information including production data and job creation. A loan guarantee is required.

**Interest Rate & Related Program Fees**

Interest on approved loans is between 2%-4%, fixed, with a loan guarantee. A non-refundable application fee (between \$250 - \$1,000, pending on loan amount request) is required upon submission of the loan application; and a processing and commitment fee of 2% of the principle amount of the loan is due at signing.

**Repayment Terms**

Loan repayments are due in equal monthly installments of principal and interest. Loan terms are negotiable. No penalty for early repayment.

**Loan Security Requirements**

A promissory note, loan agreement, security agreement and loan guarantee are required to secure the loan. The security interest will include both personal and tangible items purchased with loan funds and other additional collateral may be required. Loans require a first priority mortgage and/or security position on assets.

**How Are Funds Disbursed?**

Funds are available on a cost reimbursement basis. Loan disbursements will be made upon the submission of the vendor's invoice and proof of payment.

**Where is a copy of the Loan Agreement?**

A copy of the complete loan agreement with all exhibits is available at:

[http://www.michigan.gov/documents/energy/MAE\\_EERE\\_Loan\\_Agreement\\_520816\\_7.pdf](http://www.michigan.gov/documents/energy/MAE_EERE_Loan_Agreement_520816_7.pdf)

**What is the Link To the Application?**

Energy Loan Application is available at:

[http://www.michigan.gov/documents/energy/EERE-Private-Loan-Application\\_520962\\_7.pdf](http://www.michigan.gov/documents/energy/EERE-Private-Loan-Application_520962_7.pdf)

**Who to contact?**

**Applicants may submit questions to Robert Jackson regarding this loan program by email at [jacksonr20@michigan.gov](mailto:jacksonr20@michigan.gov) or by phone at (517)284-8333.**