

# MICHIGAN ENERGY REVOLVING LOANS

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FINANCING FOR PASSIVE SOLAR  
SYSTEM PROJECTS

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## APPLICATION

- Family Farms
- Non-Profits 501(c)(3)
- Educational Institutions



**Rick Snyder, Governor**

Michigan Strategic Fund

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# **FINANCING FOR PASSIVE SOLAR SYSTEMS**

## **What is a Passive Solar System?**

A passive solar system is a structure which can extend the growing season to ten to twelve months without additional supplemental heat or light. A recent on-farm research project by 12 private farms and Michigan State University has shown that passive solar systems can generate gross and net sales at a rate which would make a loan repayable in 1 – 4 years.

## **Are You Eligible?**

- Family Farms
- Non-Profits 501(c)(3)
- Educational Institutions

The program is limited to the funding of passive solar systems and approved equipment. Systems already installed are ineligible.

## **When Can You Start Your Project?**

Applicants can start work once the loan agreement is signed by the Michigan Strategic Fund. **Only project-related costs that are incurred and paid for after the loan execution may be included in the loan request.**

Applicants assume all financial risk should the Michigan Strategic Fund (MSF) not approve the application or if all loan documents are not executed.

If the loan is not approved or executed, the Michigan Strategic Fund is not responsible for reimbursement of any costs.

## **How Much is Available?**

Please call for latest funding availability. At a minimum loan amounts should be **at least \$5,000 with a maximum of \$15,000** and limited to materials, supplies and equipment costs only.

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

This solicitation is open until the funding has been utilized. Applications will be reviewed by an advisory committee, and awarded based on project merit and applicant creditworthiness. The Michigan Strategic Fund (MSF) reserves the right to close the solicitation period at any time.

## **Criteria for Loan Approval**

Applicants must meet minimum credit standards. Credit standards are not solely based upon FICO scores and may consist of a face-to-face interview to determine knowledge and interest in passive solar systems.

Loan recipients will also be required to attend a passive solar system workshop if they have not done so in the past and will be required to submit quarterly reports related to production including crops grown, yields, and other horticultural, energy and economic information.

## **Interest Rate**

Interest on approved loans is fixed at 4% for a maximum of 4 years.

## **Repayment Terms**

Only interest payments will be collected on disbursed loan funds for the first six (6) months starting from the loan agreement date. Thereafter, loan repayments are made in equal semi-annual installments of principal and interest concluding not later than 4 years after the agreement date. There is no penalty for early repayment.

## **Loan Security Requirements**

A promissory note, loan agreement and security agreement are required to secure the loan. The security interest can be personal, and/or materials, supplies and equipment purchased with loan funds.

## **How Are Funds Disbursed?**

The funds are available on a reimbursement basis. Loan disbursements will be made upon the submission of the vendor's invoice as well as the other required loan deliverables. Loan disbursement will be with 50% at the time of order and the remaining balance upon receipt of the equipment, supplies and materials. Proof of payment is required within 30 days of each loan disbursement.

# THE APPLICATION

**How Do You Apply?** A copy of the loan application is available for downloading as an Adobe Acrobat Portable Document Format (PDF) or Microsoft Word document at:

[www.michiganadvantage.org/PSS](http://www.michiganadvantage.org/PSS)

**Your application must be complete before processing can begin.** For incomplete applications, information must be received within a specific time or the application will be returned unprocessed. Applications are deemed complete if they include all necessary documentation to verify eligibility and compliance with all the requirements as discussed below:

<b>Application Package Items</b>	
1.	Completed and signed loan application
2.	Copy of quote/estimate of the equipment, supplies and material costs
3.	W-9 Form
4.	Last 3 Years of Signed Tax Returns and Schedule F
5.	Financial Balance Sheet & Income Statement
6.	Copy of Land Owner/Applicants Driver's License
7.	Cash flow projections for loan term
8.	NEPA compliance form (See Attachment)
9.	Business Plan
10.	Certificate of Good Standing (Call LARA 517-241-6470)
11.	Articles of Incorporation < <a href="http://www.dleg.state.mi.us/bcs_corp/sr_corp.asp">http://www.dleg.state.mi.us/bcs_corp/sr_corp.asp</a> >

## Where Do I Submit My Application?

Send your application package to:

Michigan Strategic Fund  
Attn: Loan Program  
300 N. Washington Square  
Lansing, MI 48913

## Who Do I Call?

For funding availability & application requirements:

Terri Novak  
(517) 930-3170

[novakt@michigan.gov](mailto:novakt@michigan.gov)

To discuss project related technical issues:

Adam Montri  
(517)-355-5191 Ext. 1407

[admontri@msu.edu](mailto:admontri@msu.edu)

\*Advisory Committee staff will review your loan application. It may be necessary to arrange a site visit to discuss your project and loan request. Additional information may also be requested.

# APPLICATION FOR THE MICHIGAN ENERGY LOAN FUND

## 1) APPLICANT INFORMATION

Applicant:		
Mailing Address:	City:	Zip:
On-site Address:	City:	Zip:
County:		
Contact Person <sup>1</sup> :	Title:	
E-mail:	Phone:	Federal id #:
DUNS No.: <sup>2</sup>	Total Project Cost:	Loan Amt:

## 2) PROJECT INFORMATION

- a) Describe your current farming operation and your proposed project. Please include how many years you have been farming, total acres in production, if you own or rent the land that the hoophouse will occupy, number of employees, what you grow and where you market your products.
- b) Describe your experience using any season extension technologies. Also include any trainings (conferences, classes, workshops, or programs) you have been a part of related to passive solar systems (i.e., hoophouses, high tunnels, passive solar greenhouses, unheated greenhouses). If you currently use any passive solar systems, please include the current total square footage of production space.

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<sup>1</sup> Please provide if the contact person is different from the applicant.

<sup>2</sup> Please provide your DUNS number if available. A DUNS number is provided by the Dun & Bradstreet Credibility Corp. and will be needed before funds can be disbursed. Please refer to the following website to set up your DUNS number: [www.smtallbusiness.dnb.com](http://www.smtallbusiness.dnb.com).

c) How will a passive solar system fit into your overall farm business plan, increase your farm viability, or in others ways contribute to your farm operation? Include your projected payback period calculations, timeline and attach your passive solar business plan.

d) Describe your procedures for keeping farm financial records. What methods or tools do you employ? What insights have you gained and how have you used them? Include any experience with enterprise budgeting.

e) Describe your experiences in education and outreach, and your views on how farmers can best communicate their knowledge to peers. What activities have you engaged in and what was your role? What sorts of activities are you most and least comfortable with? Also, include any experiences with consumer education.

- f) I am able to attend a 2 day passive solar system training at the Michigan State University Student Organic Farm (Holt/East Lansing) covering construction, production, crops selection, soil management, marketing, and economics of passive solar system production. **Yes/No**
- g) I am willing and able to share my economic, energy and production data with the MEDC/MDA/MSU for the passive solar system for the length of my loan in the form of quarterly reports (templates and trainings will be provided for this record keeping and reporting). **Yes/No**

### 3. PROJECT SCHEDULE

Tentative project Start date:
Tentative project completion date:

### 4. PROJECT BUDGET

Total Project Costs (include all installation costs):
Loan Amount Requested (include only materials and equipment):

### 5. WHERE DID YOU HEAR ABOUT OUR PROGRAM?

Please tell us where you heard about our loan program.

- Website
- MEO, MDA, MSU or MEDC Presentation
- Literature at Trade Show or Workshop
- Other (please specify) \_\_\_\_\_

### 6. CERTIFICATION

To the best of my knowledge and belief, the information in this application is correct and complete.

Name of Authorized Representative:		
Title:		
Signature of Authorized Representative:		
Date:	Phone:	Email: