

# Pay It Forward

to Finance Future Clean Energy Solutions

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[MichiganSaves.org](https://MichiganSaves.org)



Michigan Saves<sup>SM</sup>



# Transforming Michigan's Energy Landscape

Michigan Saves is the nation's first nonprofit green bank dedicated to making energy improvements easy and affordable.

## Our Impact

From September 2010 through December 2021, Michigan Saves has supported:

**354**

million dollars

Financed in energy improvements

**1.8**

million metric tons

Reduced carbon emissions

**4,400**

full-time jobs

Supported through Michigan Saves



# Credit Enhancement Structure Residential Program

- Each lender has a loss reserve pool equal to 5 percent of the outstanding loan balance
- In a default, a lender receives 50 to 80 percent of the loan balance, depending on customer FICO score
- This structure incentivizes lenders to close loans each month to build their loss reserve
- Lenders can claim losses if they receive no customer payments for 90 days

## Benefits

- Yields better rates and terms that match the needs of clean energy market
- Allows more expansive underwriting

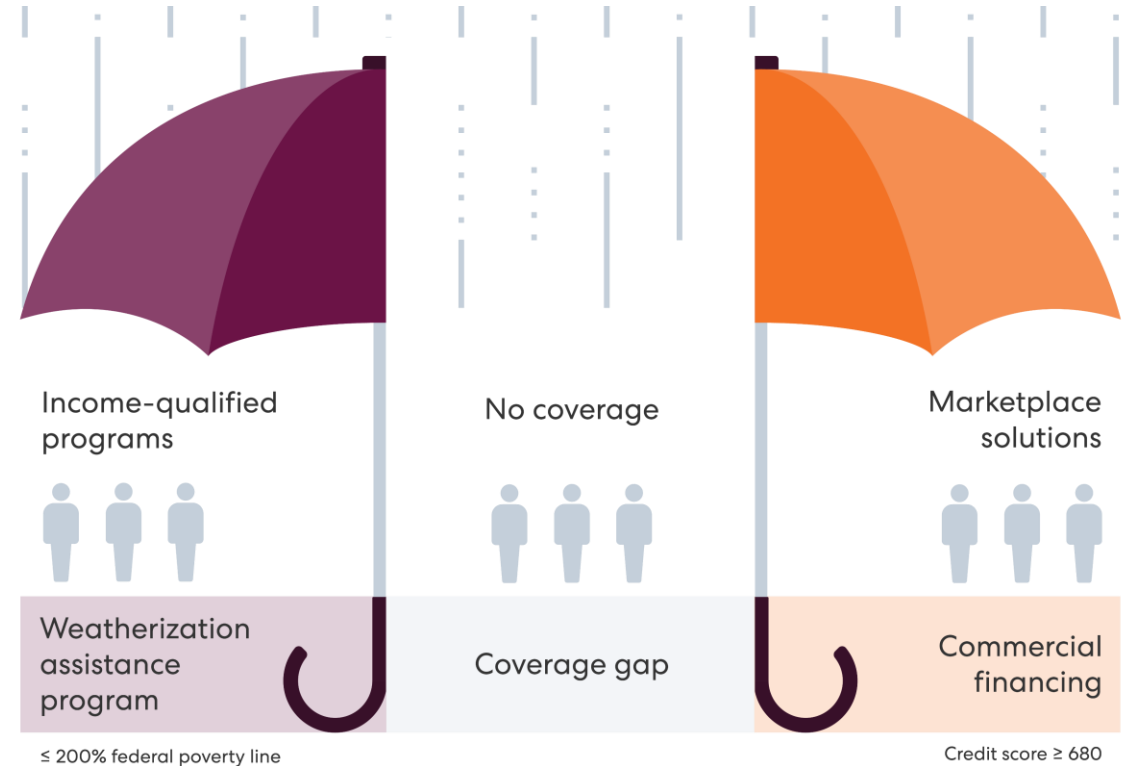
# Unsecured Loans: Accessible in Low- to Moderate-income Communities

- More than half of Michigan Saves residential financing flows toward households with the highest energy burdens



# Market Gaps Remain

- Michigan Saves is working to ensure equitable access to energy efficiency and renewable energy improvement for all residents—no exceptions



# Michigan Saves Loan and Rebate Program

- Funded by DTE
  - \$1 million over three years
- Intended for homeowners with incomes slightly above utility income-qualified program requirements
- Short-term loan and rebates structured to be cash flow positive with no initial investment



## Michigan Saves Loan and Rebate Program

Residents within DTE Energy's electric and gas service territories in Wayne and Washtenaw Counties may qualify for low-interest financing and exclusive rebates for energy improvements that save money and maximize home comfort! This special, limited-time rebate and financing program is available for certain energy-efficient equipment and upgrades, such as high-efficiency air conditioners, insulation, water heaters, furnaces, and more.

# DTE



# Program Details

- Eligibility
  - Single-family homeowner
  - Income between 200 and 300 percent of federal poverty level
  - Current on DTE utility bill
- Project
  - Up to \$7,500 in energy efficiency improvements
  - Loan term four years
  - Interest rate 5 percent
- Loan Options
  - Fixed loan of \$868 with \$6,632 rebate (\$19.99 loan payment)
  - 50/50 cost share with up to a \$3,750 loan and \$3,750 rebate (\$86.37 loan payment)

## Program Details

<b>Eligible Properties</b>	Single family (one- to- four-unit) homes with DTE Energy electric and natural gas		
<b>Eligible Improvements</b>	Energy-saving home improvements installed by a Michigan Saves authorized contractor following the completion of a comprehensive whole-home energy assessment		
<b>Financing Type</b>	Unsecured, personal loan		
<b>Maximum Project Amount</b>	\$7,500		
<b>Loan Term</b>	4 years		
<b>Interest Rate</b>	5%		

Your income level will determine the size of your loan and the rebate amount that you receive.

Number of People in the Household	Minimum Household Income	Midpoint of Household Income	Maximum Household Income
1	\$25,520	\$31,900	\$38,280
2	\$34,480	\$43,100	\$51,720
3	\$43,440	\$54,300	\$65,160
4	\$52,400	\$65,500	\$78,600
5	\$61,360	\$76,700	\$92,040

For customers within this range, the loan payment is only \$19.99 per month for four years. For customers within this range, the loan payment would not exceed \$90 per month for four years.

Michigan Saves can provide the eligible income range for households with more than five people.


## Learn More


Contact Walker-Miller Energy Services to learn more about the program and discuss eligibility. They will perform a whole-home energy assessment, prioritize your energy needs, and provide free LED light bulbs.


**Walker-Miller Energy Services**  
313-455-5492  
energysaver@wmenergy.com

The Michigan Saves Loan and Rebate Program is sponsored by DTE Energy and implemented by Michigan Saves, with administrative and technical support from Walker-Miller Energy Services and EcoWorks Detroit.

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# Implementation Model

- Customer acquisition
- Lead conversion rate
- Strategy to funnel customers who meet DTE's income-qualified programs to DTE's Energy Efficiency Assistance program (EEA)
- Performing energy audits
- Subcontractor relations





# Results

## Program Application Summary

Year of Loan	2019	2020	2021	Total
<b>Program Pipeline</b>	<b>40</b>	<b>30</b>	<b>143</b>	<b>213</b>
Completed	20	24	64	108
Denied	2	1	5	8
Withdrawn	5	5	6	16
Not Eligible	12	0	59	71
Not Interested	1	0	9	10
<b>Conversion Rate</b>	<b>50%</b>	<b>80%</b>	<b>45%</b>	<b>51%</b>

# Results

## Loan Summary

Year of Loan	2019	2020	2021	Total
Quantity	20	24	64	108
Project Cost	\$136,230	\$158,791	\$461,492	\$756,513
Original Loan Balance	\$22,319	\$28,739	\$78,530	\$129,588
Remaining Loan Balance	\$8,433	\$12,643	\$54,372	\$75,448
Repayments	10	8	15	33
Defaults	1	0	0	1
Defaulted Loan Balance	\$3,474	\$0	\$0	\$3,474

## Energy Savings Summary

Year of Loan	2019	2020	2021	Total
Electric Savings (MWh)	7	13	25	45
Natural Gas Savings (Therms)	2,680	4,346	19,087	26,112

# Lessons Learned

- Neighborhood approach and word of mouth drove demand
- Significant customer interest in big-ticket improvements, like windows
- Health, safety, and code improvements were common
- Homeowners at this income level can afford loans
  - But monthly loan payments are inconsistent
- Nontraditional underwriting criteria works when there is sound program design



# Testimonial

*“I appreciate all that your program has done for me and my family members that participated. I couldn’t thank you enough, I pray that this program continues for many years to come and you continue to bless those in need.”*

-Nickita Parker



# What's next?

- Michigan Saves will begin to revolve the loan repayments into new loans
- With clean energy accelerator funds, Michigan Saves would expand the revolving loan fund
  - Organizations must be able to provide loans, grants, rebates, or a combination of all, so that no one is overburdened by energy costs
- Michigan Saves is looking for utility or governmental partners to provide loan and/or rebate capital
  - Municipal and county governments could use federal stimulus funds



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# Thank you to our partners!

- DTE
- Walker-Miller Energy Services
- Habitat for Humanity of Huron Valley
- EcoWorks
- Slipstream
- Concord

# Our success is because of your commitment!