



FREQUENTLY ASKED QUESTIONS

GENERAL

What is Michigan Saves Business Energy Financing?

This program helps Michigan businesses reduce costs by financing energy efficient lighting, heating and cooling systems, insulation, refrigeration, equipment, and more. Businesses make the upgrades with the help of our authorized contractors and we provide affordable financing of \$2,000 to \$150,000 through our lending partner, Ervin Leasing.

Why should I participate?

- Lower operating costs and improved cash flow.
- Quick ROI, sometimes in less than a year. And we can try to structure the deal so your monthly payment is offset by your energy savings.
- Time is money in a small business. We have someone to walk you through the process and provide fast, hassle free credit approval. We can get you ready to save...fast.

What are typical improvements?

- Replacing T12 fluorescents with T5 fluorescents or LEDs.
- Install ECM motors in reach-in and walk-in coolers.
- Install anti sweat heater controls.
- Install vertical night covers on open deck coolers.
- Replace door gaskets on walk-in coolers.
- Add air sealing and insulation to the building envelope.

How do I participate?

Go to www.michigansaves.org or send an e-mail to Todd O'Grady, Michigan Saves Project Coordinator, at tograd@nichigansaves.org or call 734-494-2126. Michigan Saves will walk you through the process. From finding a contractor to utility rebates and federal tax incentives, we can help you package it all together so you get the most savings.

Who is involved? What is Michigan Saves? Who is Ervin Leasing?

- Business Energy Financing is a partnership between Michigan Saves and Ervin Leasing.
- Michigan Saves is a nonprofit organization dedicated to making energy improvements easy and affordable. Michigan Saves has financing programs available for homeowners and businesses across the state and screens a network of contractors and other professionals that conduct energy audits and install high-efficiency building improvements and equipment. Ervin Leasing handles all aspects of the leasing process, from the application to servicing. Ervin Leasing was established in 1978 and is a privately held national equipment lease and finance company headquartered in Ann Arbor.





Eligibility

What types of properties are eligible?

Buildings that are owned or occupied by businesses or nonprofit organizations located anywhere in the state of Michigan are eligible for Michigan Saves Business Energy Financing, subject to credit review by Ervin Leasing.

Does the borrower need to be the property owner?

Not necessarily, although it is preferred that the borrower be the building owner. The pre-qualification process will help determine whether the tenant is a good candidate for the financing.

What types of improvements or equipment are eligible for financing?

A Michigan Saves authorized contractor can help you identify the right set of improvements for your business that qualify for financing. There are **two options**:

1. Get an energy audit and then pick from recommended improvements. Your auditor will present a package that reduces your business's energy consumption by an estimated 20% or more; and **if you are in the food industry (restaurant, grocery or convenience store, or wholesaler), reaching 20% savings will qualify you for a special incentive (\$2,000) from Michigan Saves.**
2. Simply choose from an à la carte list of measures that include high-efficiency HVAC, lighting, refrigeration, cooking and food storage equipment, and other appliances (list available at www.michigansaves.org).

Is an assessment or energy audit required? Can it be included in the amount financed?

- An energy audit is not required. You may choose from an à la carte list of pre-qualified measures without an assessment.
- Energy audits will, however, help you prioritize your investments and ensure that they will result in real savings. The cost of the energy audit may vary from free (promotional rates) to several thousand dollars based on the scope and the energy auditor/contractor. In addition, an energy audit is required to document the 20% energy savings for the \$2,000 incentive from Michigan Saves (available only to food industry).

Can I use my own contractor?

Michigan Saves makes it easy to process authorized contractors and easy for your own contractor to become authorized. Whichever you choose, you can work with people you are most comfortable with. Michigan Saves screens energy auditors and contractors to ensure they have applicable license, credentials, and insurance, and understand the financing process. If you are already working with or know a contractor, they can become authorized by Michigan Saves by filling out an application at www.michigansaves.org.





Financing Process and Terms

What are the minimum and maximum amounts that can be financed?

Financing of \$2,000 to \$150,000 is available. We will also try to structure the financing so that the savings are equal to or greater than your monthly payment.

What finance rates and terms are available?

A **promotional rate of 3.9%** is available, subject to available funding.

Standard finance terms are 24, 36, 48, and 60 months. Non-standard terms are available to qualified applicants in unique situations. Contact your Michigan Saves authorized contractor for special quotes or unique situations.

What type of financing is available?

Capital leases with a \$1.00 purchase option at the end of the term are available. Depending on the lease agreement, the business owner would take title at the start or end of the lease. Leasing can offer many benefits, such as conserving capital and potential tax advantages.

How much money does the customer have to pay up front? What fees are charged to customers?

One advance payment, equivalent to the first month's lease payment, is due at the time the lease is executed. A one-time documentation fee of \$250 is also paid at that time. Payment instructions will be provided.

How do I submit a financing application? What needs to be included in the application?

Your contractor will walk you through the process and provide the one-page credit application along with a quote. The completed application can be faxed to Ervin Leasing (the toll-free number on the application). For applications larger than \$75,000, additional documentation (two years of tax returns or financial statements) may be requested after the initial application review by Ervin Leasing.

How long does it take for a credit decision?

Most applications are processed within 8 hours. Transactions larger than \$75,000 and challenging applications may require up to 2 business days to process.

Who pays the contractor? Can payments be made to more than one contractor?

Ervin Leasing pays the contractor directly after it has confirmed with you that work has been completed. Payment can be made to multiple contractors, as necessary, and is made by Electronic Funds Transfer.





Rebates and Other Incentives

What is the \$2,000 Michigan Saves incentive? Does my business qualify?

Subject to available funding, Michigan Saves offers \$2,000 incentives to businesses in the food industry that cut their energy consumption by 20% or more. Details on this:

- This is available to restaurants, convenience and grocery stores, and food wholesalers (not agricultural producers).
- An energy audit to document the projected 20% energy savings is required. Your auditor should complete a reservation form for the incentive after the audit has been completed.
- Business Energy Financing must be used to qualify.
- The incentive check is paid by Michigan Saves to the business owner after the project is completed.
- The incentive can be combined with other incentives such as utility rebates.

What other rebates and incentives are available?

There are numerous incentives available for businesses to make energy efficiency improvements. These include rebates from your natural gas and electric utility, federal energy efficiency tax credits for commercial buildings, and other programs available through the U.S. Department of Agriculture, and other organizations. Michigan Saves can help you access the available incentives for your project so you can maximize your savings and spend your time running your business.

More Information

How do I learn more?

- For additional information, go to www.michigansaves.org (click on Business Energy Financing) or contact Todd O'Grady, Michigan Saves Project Coordinator, at 734-494-2126 or togrady@michigansaves.org.

