

ENERGY EFFICIENCY AND RENEWABLE ENERGY (EERE) LOANS FOR MICHIGAN BUSINESSES

The Michigan Strategic Fund (MSF), through the Michigan Energy Office (Energy Office), is offering small businesses, currently located in Michigan, financial assistance for energy efficiency upgrades and renewable energy project implementation. This effort is directed at businesses that are seeking to manufacture, upgrade and/or install clean energy technologies.

Businesses must have projects that:

- Are 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 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.

WHEN CAN PROJECTS BEGIN?

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

Applicants assume all financial risk should the MSF, 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 MSF, federal government, and/or state is not responsible for reimbursement of any costs

HOW MUCH IS AVAILABLE?

Two (2) million dollars 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 September 30, 2014 or 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 will be required to submit quarterly reports related to project energy use, payback and other economic information including production data and job creation.

INTEREST RATE & RELATED PROGRAM

fees 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. Interest on approved loans is fixed at 6% for a maximum of 4 years or 4% 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 semi-annual installments of principal and interest concluding not

LOAN SECURITY REQUIREMENTS

A promissory note, loan agreement and security agreement 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. The Michigan Strategic Fund may 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 for downloading as an Adobe Acrobat Portable Document Format (PDF) file at:
http://www.michiganbusiness.org/cm/Files/Energy_Office/MSF-EERE-Loan-Agreement.pdf

WHAT IS THE LINK TO THE APPLICATION?

After reading and understanding the program guidelines in its entirety, applicants may begin the application process online at: **http://www.michiganbusiness.org/cm/Files/Energy_Office/EERE-Private-Loan-Application.docx**.

WHO TO CONTACT?

For more information, contact the Michigan Economic Development CorporationSM Customer Contact Center at 517.373.9808

Revolving Loan Fund regions

