

A Deep Dive Into Michigan's Septic Replacement Loan Program

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Michigan Saves®

The Nation's First Nonprofit Green Bank

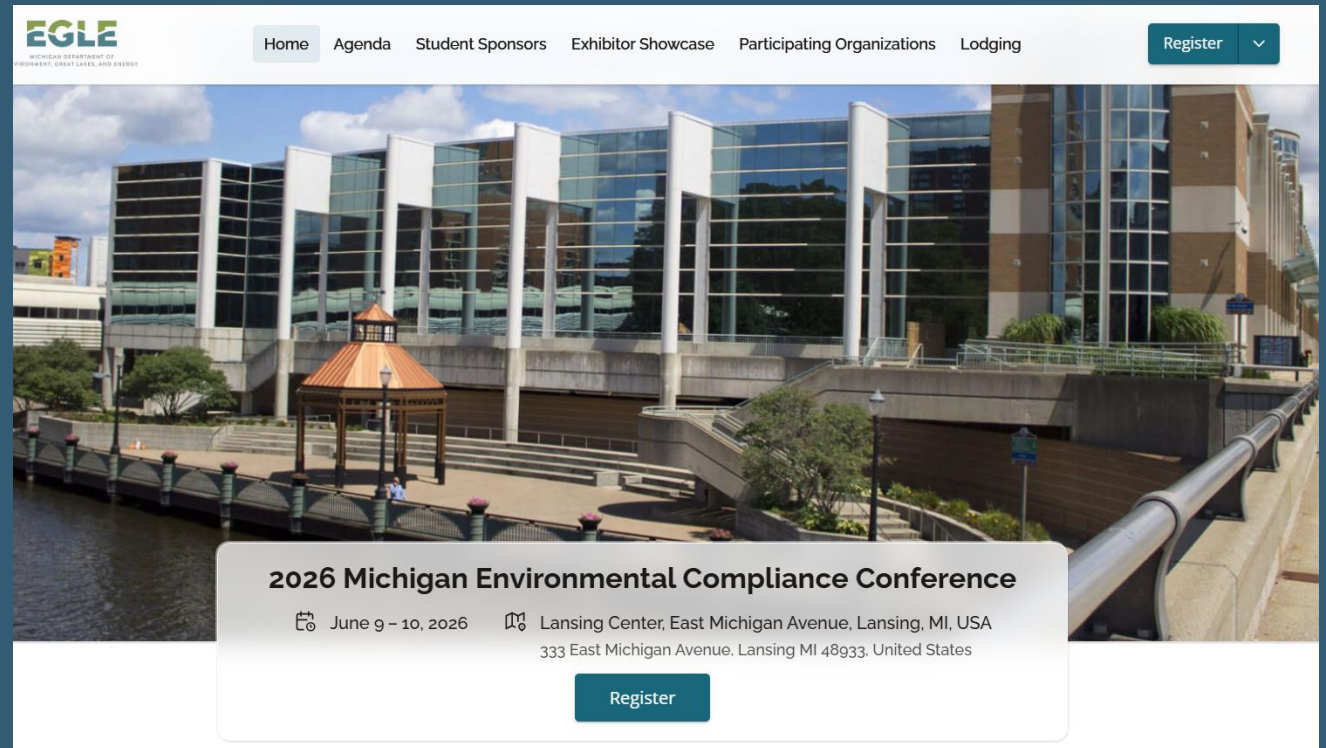


MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY



Agenda

- Welcome and Introduction
- Basis and Background
- Michigan Saves
- Pre-Launch
- Program Progress
- Updates
- Looking Ahead
- Wrap up and Questions



Basis and Background

Septic Systems in Michigan

680,000

+1,300,000

810,000

800,000

1,000,000



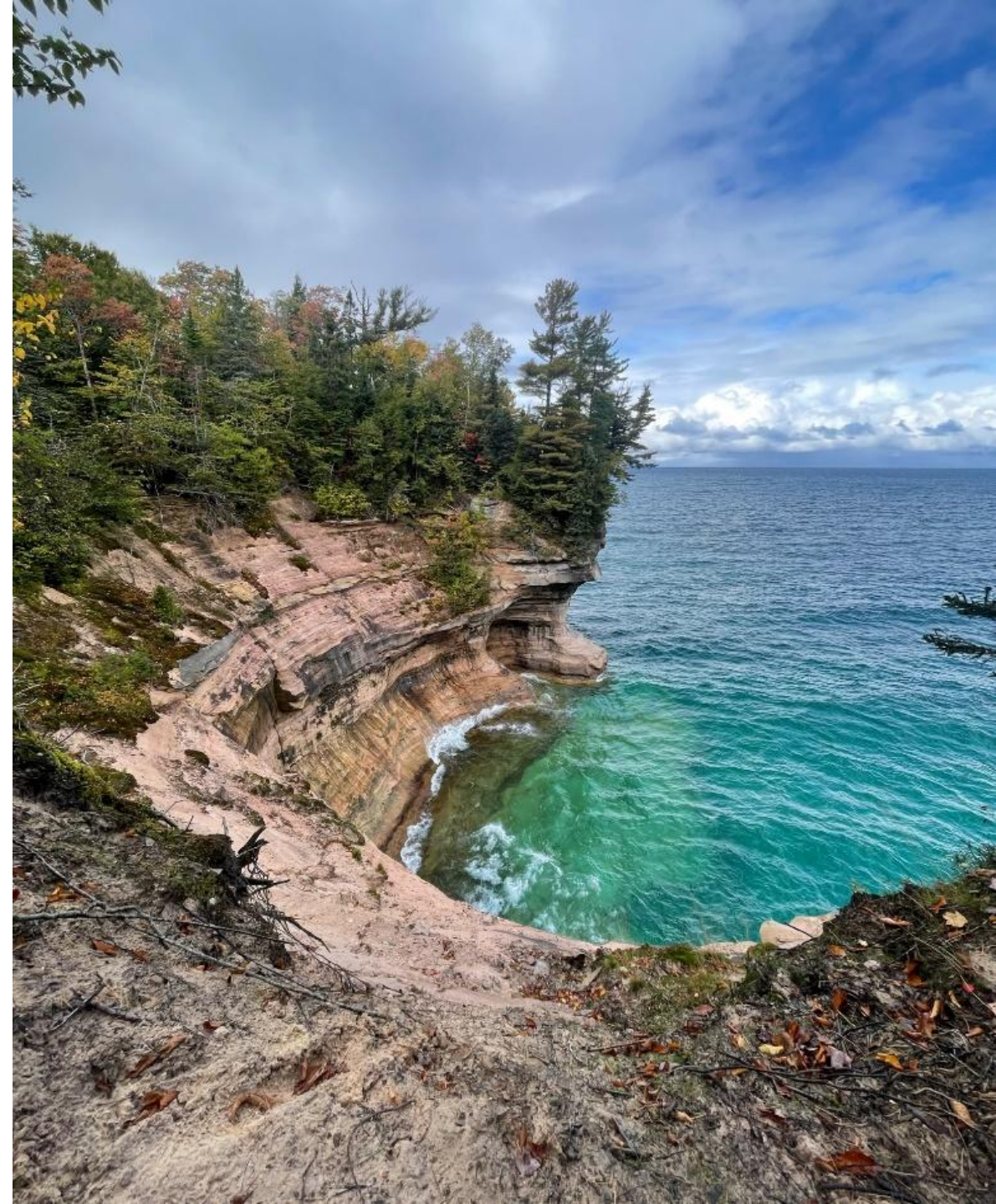
Drinking Water in Michigan...

- 1.2 million wells in Michigan
- An estimated 45% of all Michigan residents rely on wells for their drinking water
 - Many small and mid-sized community water supplies utilize wells
 - 25% of the Michigan residents are served by private wells.

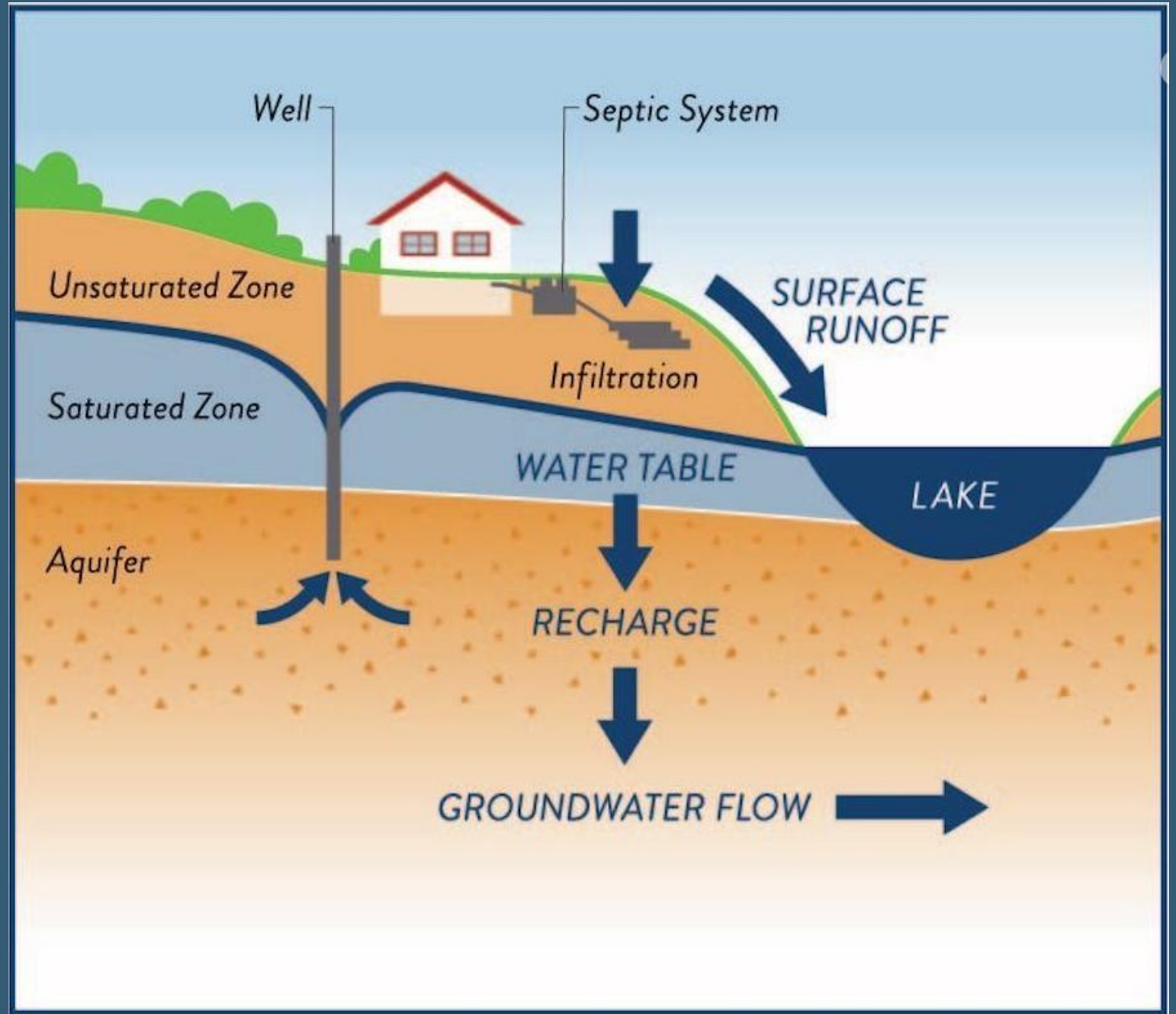


Michigan is Home To...

- 4 out of 5 Great Lakes
- 6.5 million acres of wetlands
- 11,000 inland lakes
- Over 76,439 miles of rivers
- 1,200 public and private beaches



Septic Systems and The Water Cycle



**Properly designed,
installed, and
maintained septic
systems protect
people and the
environment**



Failing Septic Systems

- Failing septic systems pose risks to both public and environmental health.
- Pollution of groundwater and drinking water aquifers, lakes, rivers, streams
- 20% of systems in MI estimated to be failing



Funding Septic Systems

ABA BANKING JOURNAL

From the American Bankers Association

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Survey: One in four Americans have less than \$1,000 in savings

August 20, 2024Reading Time: 1 min read



the ascent

A MORTGAGE SERVICE

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The Ascent > Knowledge > Banking

New Survey Shows: Most Middle-Class Americans Are Struggling to Save Money. How Do You Compare?

Published on July 5, 2024

By: Ben Gran

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Most American adults don't have enough savings to pay an emergency \$1,000 expense

BY JANE THIER

February 1, 2024 at 2:33 PM EST



Without requisite savings, 35% of respondents said they'd borrow the money, either from friends and family, a personal loan, or putting it on a credit card.

Program Timeline



Transforming Michigan's Energy Landscape

Michigan Saves is the nation's first nonprofit green bank dedicated to accessible, equitable, and just investments in energy efficiency and clean energy improvements

Our Impact

From September 2010 through December 2023, Michigan Saves has supported:

550

million dollars

Financed in energy improvements

3.1

million metric tons

Reduced carbon emissions

11,000

full-time jobs

Supported through Michigan Saves



General Provisions



Unsecured, personal loan for individuals owning residential dwellings.



Sites with a documented failing, near-failing, non-existent septic system, or similarly inadequate system will be eligible for replacement under the SRLP.



Replacement systems must be evaluated, permitted, and installed in accordance with program minimum standards.

General Provisions

Eligible costs for SRLP projects include:

Evaluation of system

Design

Pumping

Installation

Flexible Financing

Tier 1

Requirements:

- Meet the income criteria

Loan structure:

- Unsecured personal loan, no lien or collateral required
- **Interest rate of 1.00%**
- Loan terms up to ten years
- Loan reported to credit bureaus

— 2026 Income Eligibility*

Persons in Household	Maximum Annual Household Gross Income to Qualify
1	\$47,880
2	\$64,920
3	\$81,960
4	\$99,000
5	\$116,040
6	\$133,080
7	\$150,120
8	\$167,160

*Other financial indicators from your credit report are also used to determine eligibility

Flexible Financing, continued

Tier 2

Requirements:

- Homeowners do not qualify under tier 1

Loan structure:

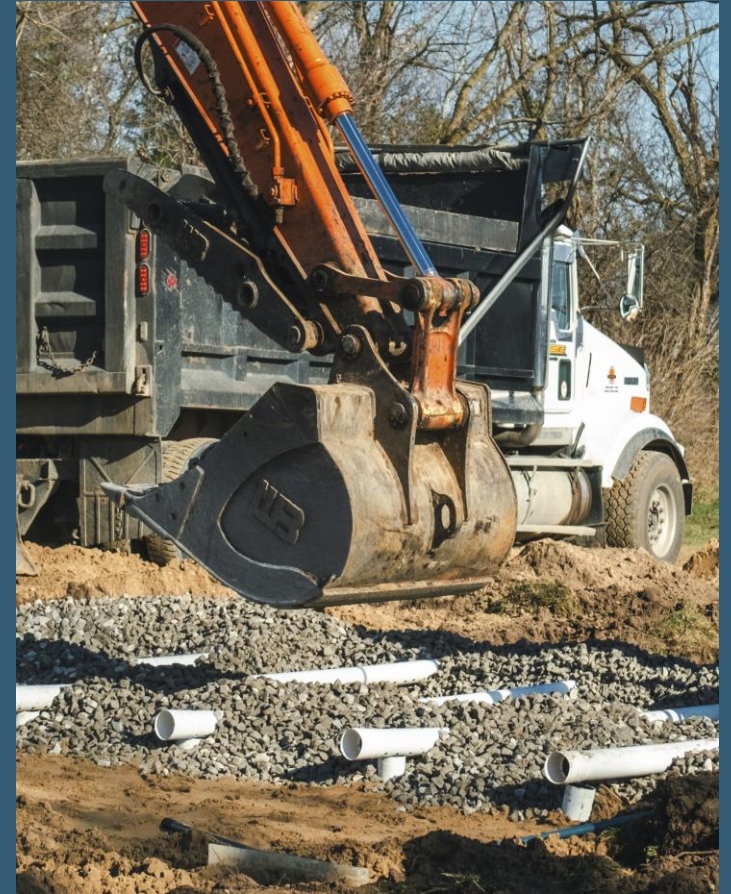
- Unsecured personal loan, no lien or collateral required
- Fixed interest rates that vary by lender
- Loan terms up to ten years

Michigan Saves Authorized Lenders:

- Genisys Credit Union
- LAFCU
- Lake Michigan Credit Union
- TRUE Community Credit Union

Loan Application Process

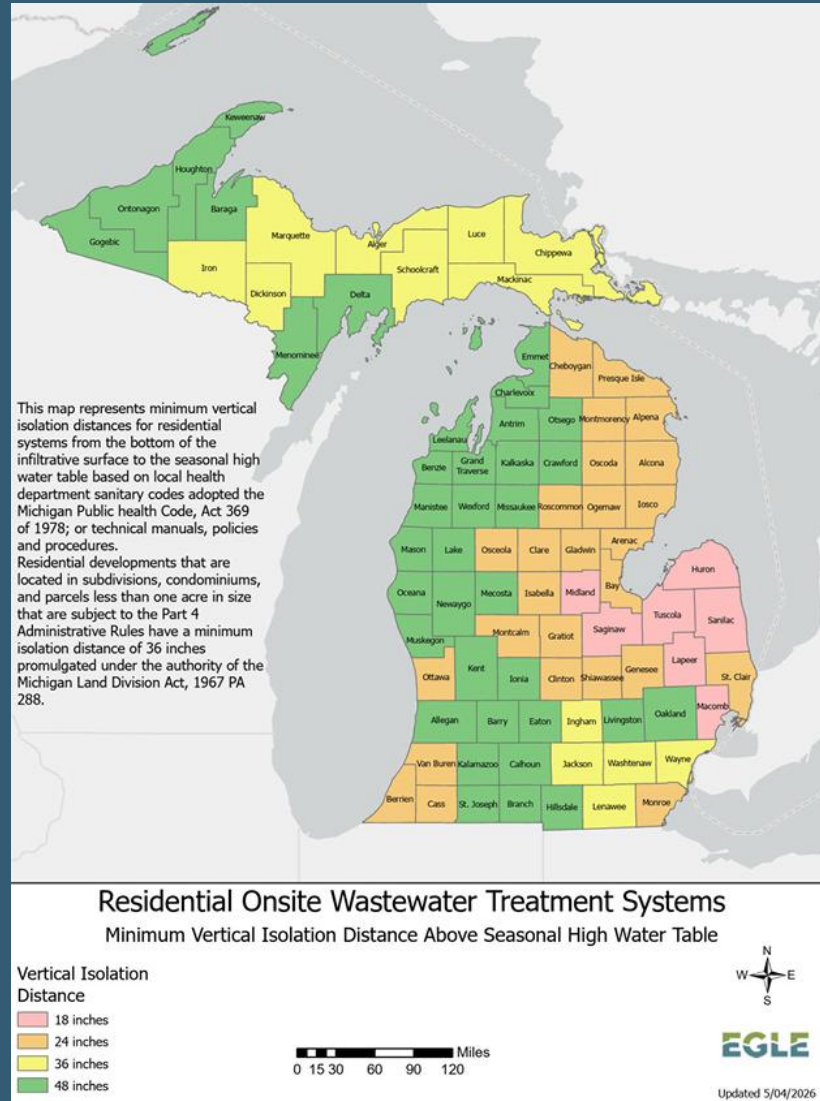
- Homeowner applies for loan online at:
 - <https://michigansaves.defidirect.com/Application/MISAVES>
- Loan application will automatically determine Tier eligibility
- Homeowner should be applying for their loan **after permit has been issued**



Pre-Launch

Onsite Regulatory Structure in Michigan

- LHDs have authority under Public Health Code to adopt regulations for residential single and 2-family homes.
- 46 Individual or district LHDs
- LHDs sign a contact with EGLE through a comprehensive agreement with DHHS for all local public health services.
- EGLE has program oversight through a 3-year accreditation program



46 separate sanitary codes in Michigan with Different Requirements

- Definitions of what constitutes a failing septic system
- Construction standards and inspection requirements.
- Vertical separation to water table, ranging from 18 inches to 48 inches
- Horizontal separation to surface water, ranging from 50 feet to 100 feet
- Requirement for native soil to meet site suitability, ranging from no soil to 24 inches.
- Some allow for advanced technology some do not

Different Codes = Different, highly variable levels of treatment and levels of protection of public health and the waters of the state

Program Minimum Standards

- Residential onsite wastewater systems all designed, evaluated and installed according to local sanitary codes
- EGLE developed, with LHD stakeholders and input, Program Minimum Standards for the SRLP
- Protective of both public and environmental health

Overview

Divided into two design categories based on soil and site conditions

- Minimum isolation distances to groundwater
- Minimum isolation distances to surface water
- Standardized design criteria



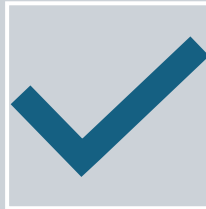
Approved Proprietary Treatment Technologies



EGLE sent an invitation for design manual submission and review in April of 2024



5 Manufacturers submitted design manuals specific for the SRLP



The list of approved manufacturers and the approved design manuals are available on EGLE's website



Outreach and Education



6 Virtual Webinars

**8 Virtual Trainings
held for Authorized
Contractors**

**32 Statewide
Conference
Presentations**

**29 Individual LHD
Meetings/
Community Events
attended**

**2 National
Conference
Presentations**

Authorized Contractors

- Any contractor wishing to participate in the SRLP must register as an Authorized Contractor through Michigan Saves.
- 191 Authorized Contractors Statewide

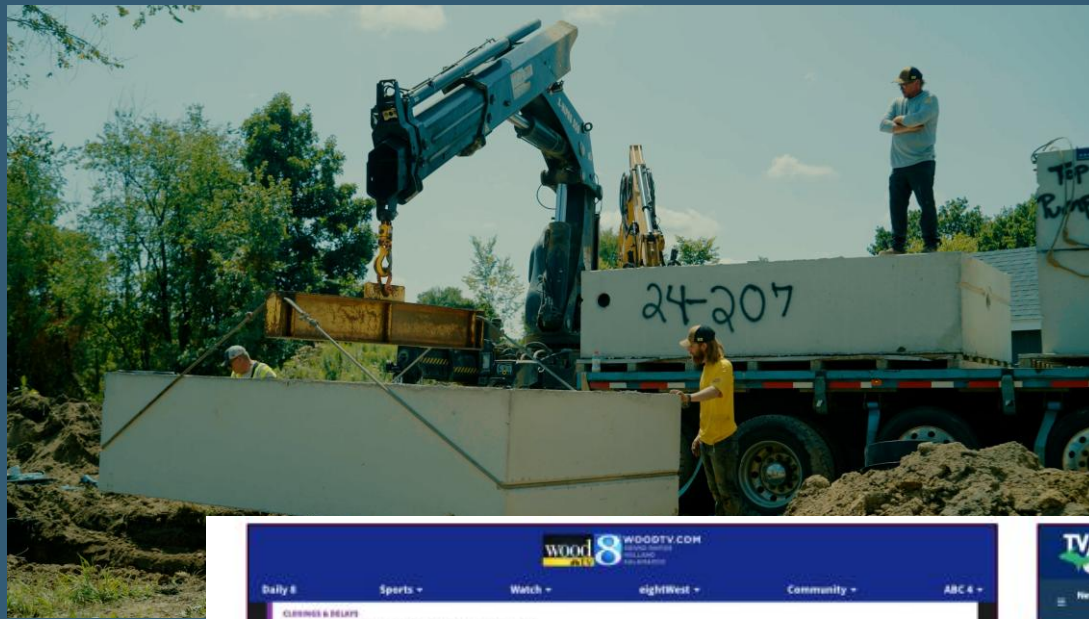


A photograph of a construction site. In the foreground, a large, rectangular, light-colored concrete or metal structure is being lowered into a deep, rectangular pit. A yellow crane arm is visible above the structure. To the right, a blue truck with the number '24-20' on its side is parked. Two workers are visible: one on the left wearing a yellow safety vest and a blue cap, and another on the right wearing a yellow shirt and a baseball cap. The background shows a wooded area with trees and a tripod-mounted surveying instrument.

Authorized Contractor Requirements

- Registered and in good standing with the State of Michigan Corporations Division
- Maintain minimum levels of insurance as outlined in program guide
- Maintain registration or certification with local health departments, where applicable
- Disclose history of disciplinary actions by local health departments
- Attendance at required training(s)
- Read and agree to terms and conditions outlined within the Michigan Saves Contractor Agreement and Implementation Guide, including the Michigan Saves' vendor fee, which is 2.49 percent of the financed amount

Marketing Strategy



WOOD 8 WOODTV.COM
GRAND RAPIDS, MICHIGAN
WOOD 8 NEWS
WOOD 8 TV

Daily 8 Sports Watch eightWest Community ABC 4

CLOSINGS & DELAYS
There are currently 2 active closings. Click for more details. X

MICHIGAN EGLE program to offer low-interest loans to homeowners to replace septic systems

By Matt Sammons
Posted: May 21, 2024 / 1:07 AM EDT
Updated: May 21, 2024 / 1:57 AM EDT

SHARE

GRAND RAPIDS, Mich. (WOOD) — No homeowners want to deal with a blown septic tank, and no one wants wastewater creeping into their homes or wells. That's why the Michigan Department of Environment, Great Lakes and Energy is partnering with Michigan Saves, the state's first nonprofit green bank, to launch a new program to help homeowners get ahead of the problem.

The **Septic Replacement Loan Program** will provide low-interest financing options up to \$50,000 to homeowners across the state looking to replace their septic systems.

"Through the initiative, EGLE and Michigan Saves aim to protect Michigan's water resources and safeguard the well-being of its residents," the agency [said in a statement](#).

Anne Mitchell, who will manage the new program for EGLE, says a sudden septic failure can pose big problems for the majority of Michigan homeowners.

TOP STORIES ON WOODTV.COM

- School closing prediction for Friday, Dec. 13
School Closing Prediction - 3 hours ago
- After nearly dying, GR native sets sights on NFL
Grand Rapids - 4 hours ago
- Warmer with Rain Early Next Week
GR - 5 hours ago
- Chilly Friday with some sunshine
Released - 5 hours ago
- Private Sin: How a church protected child molesters
Target - 2 days ago

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Closings and Delays
2 Weather Alerts in Effect

Residents can apply for loan through state for septic replacement



SECOND
By Emily Kierulff
Published: May 21, 2024 at 12:42 PM EDT
X F O

MICHIGAN (WHEM) - Michigan homeowners can now apply for a loan to replace failing or near-failing septic systems after the Michigan Department of Environment, Great Lakes, and Energy (EGLE) partnered with Michigan Saves to finance the loans.

The financing is through the Septic Replacement Loan Program (SRLP), which provides low-interest financing options for loans up to \$50,000.

A failing septic system can back up wastewater into homes and poses serious health and environmental risks, like the contamination of surface water and drinking water resources.

Launch: May 21, 2024

EGLE

Workflow

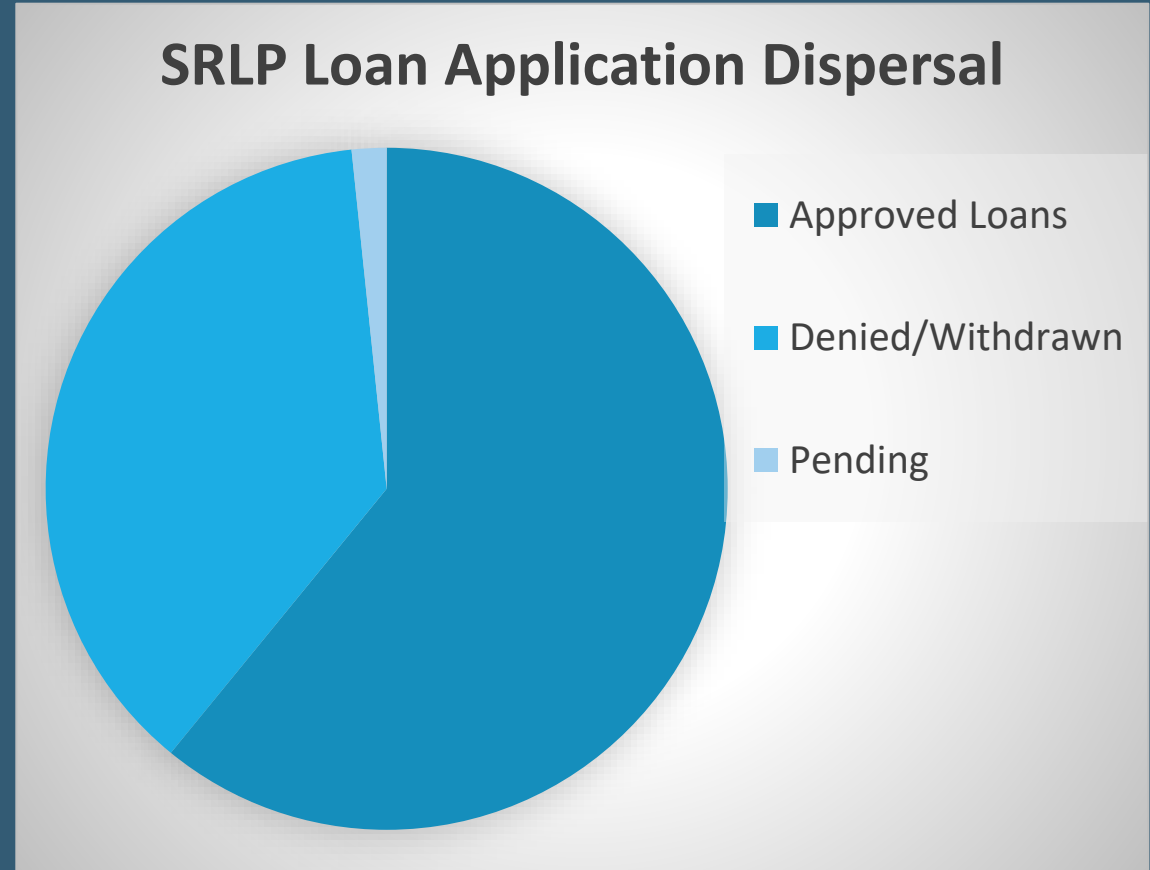
- Homeowner finds Authorized Contractor
- LHD issues permit in alignment with Program Minimum Standards based on site conditions
- Contractor issues bid
- Homeowner applies for loan based on bid
- LHD Permit is uploaded by authorized contractor for EGLE review and approval
- Loan is approved, system is installed in accordance with permit
- After LHD final inspection, Authorized Contractor uploads all required documents, completes and uploads the Certificate of Completion with homeowner
- Contractor is paid, homeowner begins loan repayment

Permit Review

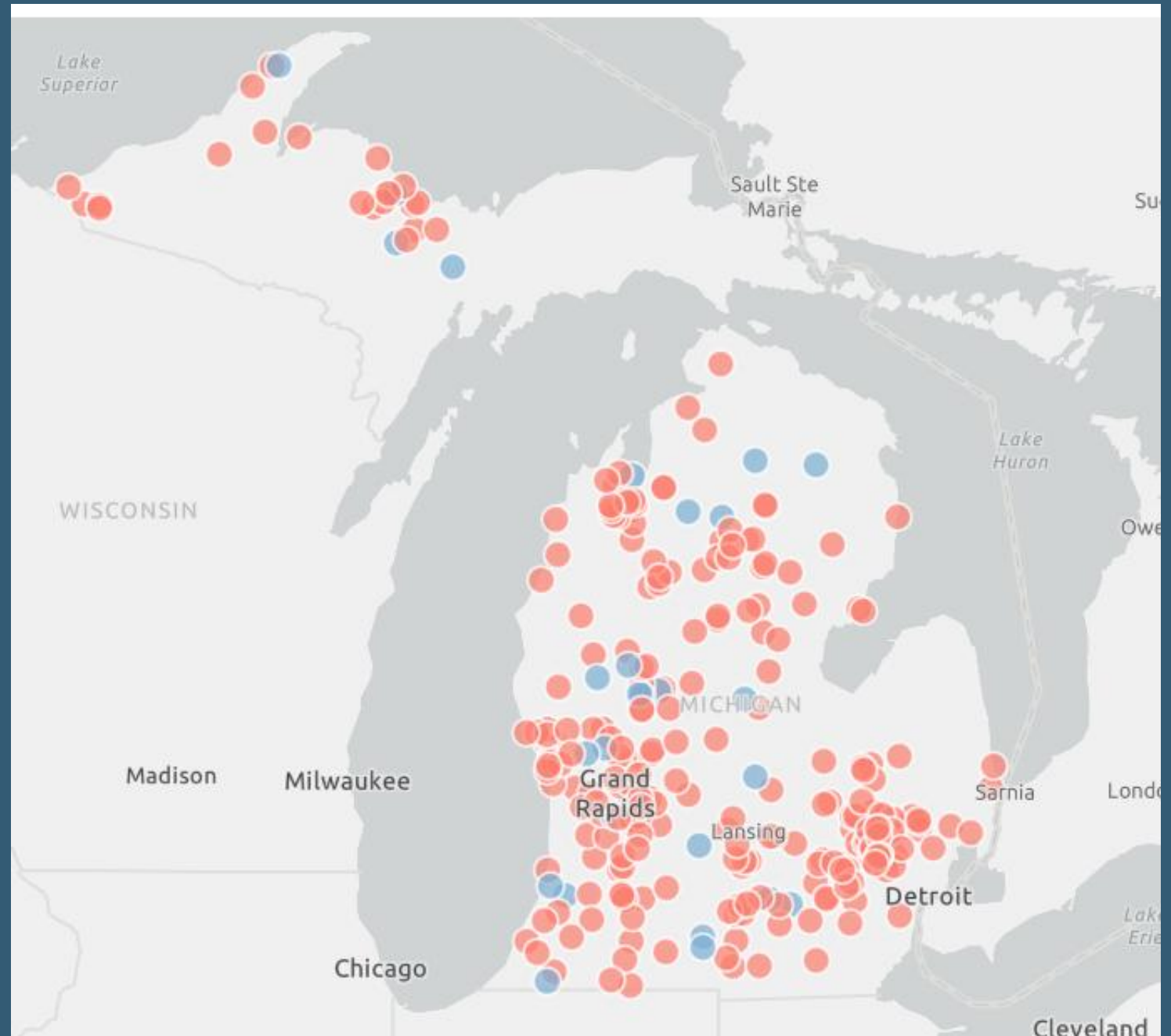
- All permits are reviewed and approved by EGLE prior to installation
- 24 LHDs have designed SRLP Permits that have been reviewed
- Revisions requested through NGEN and contractor works directly with LHD to update the permit
- Common revision requests:
 - 1. Risers and Secondary Safety Devices
 - 2. Providing soil data

Loan Applications

Over 600 applications received, resulting in 375 approved loans and over 6.5 million dollars in approved funding



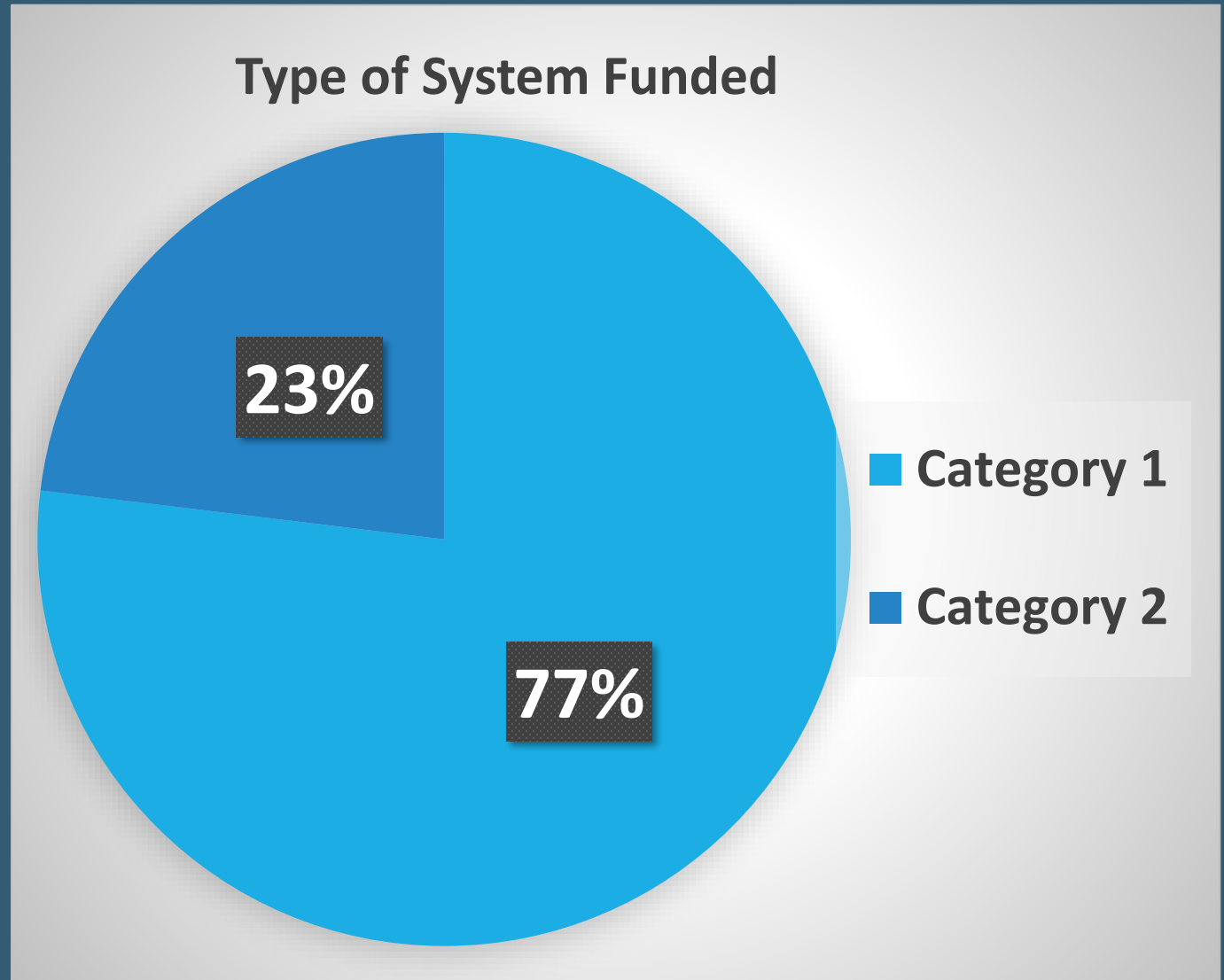
**Over 300
Systems
installed,
inspected, and
fully funded**



Category 1 VS Category 2

Category 1: There is a minimum of 18" of non-mottled, including 6" below the topsoil horizon.

Category 2: Performance based systems may be considered when the site evaluation has determined that there is less than 18" of non-mottled, naturally occurring soil.



Program Expansion



**EXPANSION TO
INCLUDE MUNICIPAL
SEWER
CONNECTIONS:
NOVEMBER 15, 2024**



**PRE-APPROVAL FOR
TIER 1 APPLICANTS**



EXPANDED TIER 1 ELIGIBILITY

2026 Program Goals

1. Increase Authorized Contractor Network by 25 percent (25%)
2. Exceed 3 million dollars in approved Tier 1 funding
3. Continue to seek and implement supplemental grant funds for Tier 1 applicants



Helpful Resources

For more information about the program, and to apply for a loan, visit:

MichiganSaves.org/Septic

Find your contractor at:

MichiganSaves.org/Find-A-Contractor

For Program Minimum Standards, EGLE Webinars, and LHD forms, visit:

Michigan.gov/EGLE/About/Organization/Drinking-Water-and-Environmental-Health/Onsite-Wastewater-Management/Septic-Replacement-Loan-Program



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The Nation's First Nonprofit Green Bank

517-484-6474

info@michigansaves.org

- **Using NGEN**
- **General questions**
- **How to become an authorized contractor**
- **Starting your first job**
- **Customers' questions about loans and tiers**
- **Marketing materials**



MICHIGAN DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

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Anne Mitchell MPH, REHS

- **Program minimum standards**
- **Permit compliance**

Thank you!



Michigan SavesSM

EGLE