



Residential Loan Program Loan Loss Reserve Fund Agreement

This Michigan Saves Loan Loss Reserve Fund Agreement (this "Agreement") is effective as of January 1, 2024, between Michigan Saves, Inc., a Michigan nonprofit corporation ("Michigan Saves"), and <<Lender>>, a Michigan credit union ("Lender") (hereinafter, collectively the "Parties").

WHEREAS, Michigan Saves and the Lender are entering into this Agreement regarding the Michigan Saves Home Energy Loan Program, Michigan Saves residential financing, Michigan Saves financing for residential homes, and the Michigan Saves home energy loan (collectively, the "Program") to provide one or more loan loss reserves for certain types of loans ("Program Loans") to be made by Lender to certain eligible borrowers;

WHEREAS, Michigan Saves desires to provide one or more loan loss reserve funds in connection with Program Loans made by Lender;

WHEREAS, Michigan Saves intends to enter into similar agreements with certain other lenders participating in the Program (the "Participating Lenders");

WHEREAS, the Parties desire to set forth in this Agreement the terms and conditions of the Reserve Fund.

NOW, THEREFORE, the Parties agree as follows:

1. Term of Agreement.

1.1 Lending Period. Program Loans may be made during the period (the "Lending Period") beginning as of the date of this Agreement and ending on the earlier of (a) the date on which Michigan Saves has contributed the Maximum Total Net Contribution (as defined in Section 3.4) to the Lender's Reserve Fund Balance in the Reserve Fund (as such terms are defined in Section 3.1) for all Participating Lenders, (b) the date on which the Lender's Remaining Allocation (as defined in Section 3.4) has been contributed to the Lender's Reserve Fund Balance, (c) the date on which, at Lender's sole discretion, Lender provides notice to Michigan Saves that lender will stop making Program Loans, or (d) **December 31, 2024** or such later date as the Parties may mutually agree to in writing.

1.2 Term of this Agreement. This Agreement shall continue in effect until the earlier of (i) the date by which each Program Loan made by the Lender during the Lending Period has been either repaid in full by the borrower or Lender has recovered its Eligible Losses (as defined in Section 5.1(a))

with respect to such Program Loan pursuant to this Agreement, or (ii) the date the Lender's Reserve Fund Balance has been paid to Lender in accordance with Section 4.2.

2. Program Loans.

2.1 Requirements. Only Program Loans meeting the criteria specified in the Michigan Saves Residential Loan Program: Requirements for Lenders (the "Requirements"), which is attached as Appendix A and incorporated into this Agreement, are eligible for recovery from the Reserve Fund. Lender agrees to comply with the Requirements and follow the Program procedures described in the Requirements. Notwithstanding anything to the contrary in this Agreement, Lender is not responsible to determine that Program Loans meet the Eligibility Measures criteria included in Appendix A. Michigan Saves may modify the Requirements and its contents from time to time by modifying the Requirements on the Michigan Saves website, provided that Michigan Saves gives thirty (30) calendar days' notice to the Lender's contact person for purposes of the Program. Any Program Loans shall be originated by Lender in conformity with the Requirements. A Program Loan determined by the Contractor to meet the Eligible Measures criteria specified in Appendix A is eligible for Reserve Fund recovery. A later determination that a Program Loan does not meet the Requirements will not affect Lender's right to recovery from the Reserve Fund with respect to that loan.

2.2 Promotion of Program Loans. Lender will use reasonable efforts to educate appropriate staff concerning Program Loans.

2.3 Underwriting and Loan Administration.

(a) Underwriting. Program Loans must satisfy the minimum underwriting criteria specified in the Requirements. Lender has sole responsibility for underwriting decisions and legal compliance with respect to the Program Loans it makes. Lender agrees that for each Program Loan it makes it will investigate and evaluate the creditworthiness of the applicant in a manner consistent with its customary practice for an unsecured loan in the amount proposed without the benefit of a loss reserve.

(b) Loan Administration. The Lender will receive all loan payments and will service each Program Loan until it is paid in full. The Lender will follow its normal collection procedures with respect to any delinquent Program Loan. Lender shall maintain such records with respect to the Program Loans as it customarily maintains with respect to other loans it makes of a similar nature.

(c) Consent to Information Sharing. Lender shall require each borrower under a Program Loan to sign a Certificate of Completion provided by Michigan Saves, which is attached as Appendix B and incorporated into this Agreement, which allows Lender to share information about the account with Michigan Saves as specified in the Requirements.

2.4 Monthly Reporting of New Program Loans and Portfolio Status.

(a) Monthly Report. Within five (5) business days after the end of each month, Lender shall provide to Michigan Saves an itemized report as outlined in the Requirements (the "Monthly Loan Report"), which shall include a status report for all outstanding Program Loans, including borrower name(s), the origination date, the original balance, loan term and interest rate, current balance, date payment due during the month, amount due during the month, amount received during the month and if applicable the date loan repaid in full (if repaid during that period) or the days the loan is past due at the end of the month.

(b) Review and Confirmation. Michigan Saves shall have the right to review and confirm the existence of and documentation for any Program Loan included in a Monthly Loan Report.

3. The Reserve Fund.

3.1 Reserve Fund. Michigan Saves agrees to designate a reserve on the Michigan Saves balance sheet, which may be made up of one or more reserves as specified below, (collectively, "Reserve Fund") for the benefit of Lender and such other Participating Lenders as Michigan Saves may enter into agreements with from time to time. Michigan Saves will designate a portion of the Reserve Fund as the reserve fund balance available to Lender on the terms of this Agreement ("Lender's Reserve Fund Balance"). Lender's Reserve Fund Balance will be adjusted and administered as provided in this Agreement and shall be solely for the benefit of Lender as described in this Agreement. Lender's Reserve Fund Balance will be not be used for the benefit of any other lender. Lender will not have any rights to the reserve fund balances of other Participating Lenders.

3.2 Additions to Lender's Reserve Fund Balance. The initial Lender's Reserve Fund Balance shall be made up of one or more reserves, in accordance with the criteria specified in Appendix C, depending on the loan type and conditions provided by Michigan Saves. There will be separate reserves within the Reserve Fund for Program Loans in energy loans (depending on credit scores), lead paint abatement, and septic replacement. For example, the initial Lender's Reserve Fund Balance shall Ten Thousand Dollars (\$10,000.00) for energy Program Loans with borrower's credit scores greater than 600. For such energy Program Loans with borrower's credit scores greater than 600, the initial \$10,000 shall serve as an advance on the five percent (5.0%) contribution to the Lender's Reserve Fund Balance for the first Two Hundred Thousand Dollars (\$200,000.00) of such Program Loans. During the Lending Period and after Lender has made Program Loans totaling \$200,000 principal amount in the aggregate for such Program Loans, within five (5) business days of receipt of the Monthly Loan Report, Michigan Saves will (a) increase the Lender's Reserve Fund Balance by an amount equal to the amount specified in Appendix C of the principal amount of all new Program Loans listed in the monthly loan report (for such Program Loans in addition to the first \$200,000 aggregate principal amount), as applicable. If the aggregate outstanding payoff amount of such Program Loans (the "Aggregate Outstanding Payoff Amount") does not first exceed \$200,000.00 at the end of the Lending Period pursuant to Section 1.1, the Reserve Fund shall be rebalanced to an amount equal to the percentage

specified in Appendix C of the Aggregate Outstanding Payoff Amount for such Program Loans. Michigan Saves shall have no obligation to make additional contributions to the loss reserve for such Program Loans originated after the expiration of the Lending Period or after the Maximum Total Net Contribution (defined below) has been reached. For the avoidance of doubt, each type of Program Loans (energy loans (depending on credit scores), lead paint abatement, and septic replacement) within the Lender's Reserve Fund Balance will be made up of one or more reserves and be subject to the criteria specified in Appendix C, including the initial contribution amount to the Lender's Reserve Fund Balance for the first Two Hundred Thousand Dollars (\$200,000.00) of such Program Loans and each reserve shall be increased by an amount equal to the contribution percentage specified in Appendix C.

3.3 Reductions to Lender's Reserve Fund Balance.

(a) Losses Paid to Lender. The Lender's Reserve Fund Balance shall be reduced by any and all amounts paid by Michigan Saves to Lender for Eligible Losses pursuant to Section 5 of this Agreement, provided, however, Michigan Saves may adjust the Lender's Reserve Fund Balance for Eligible Losses that are over ten (10) years old so that such Eligible Losses that are over ten (10) years old do not reduce the Lender's Reserve Fund Balance.

(b) Amortization of Program Loans. Each month, based on the Monthly Loan Report, the loss reserve for each type of Program Loans shall be adjusted in accordance with the criteria specified in Appendix C and Section 3.2 of the Aggregate Outstanding Payoff Amount minus Eligible Losses paid by Michigan Saves.

(c) Repayment of Program Loans. Whenever a Program Loan is repaid in full at maturity or upon early repayment in full, the Lender shall notify Michigan Saves in writing in the Monthly Loan Report. If a Program Loan made during the Lending Period has been repaid or prepaid, then the Lender's Reserve Fund Balance shall be reduced in accordance with the criteria specified in Appendix C and Section 3.2 of the repayment amount of the Program Loan which has been repaid or prepaid (to the extent not previously included Aggregate Amortization Amount pursuant to Section 3.3(b)).

3.4 Maximum Total Net Contribution. The aggregate contributions of Michigan Saves to the Lender's Reserve Fund Balance for all Participating Lenders over the term of this Agreement, net of any repayment to Michigan Saves pursuant to Section 3.3(b), Section 3.3(c) or Section 5.6, and net of losses paid to Lender pursuant to Section 3.3(a), shall in no event exceed the "Maximum Total Net Contribution". The Maximum Total Net Contribution shall be determined by Michigan Saves and Michigan Saves shall notify Participating Lenders of the Maximum Total Net Contribution at least annually. Michigan Saves will run an analysis of financed projects that have funds allocated in each Lender's Reserve Fund Balance at least annually. If it is determined that the Reserve Fund will be fully allocated ("Full Allocation"), Michigan Saves will notify each Lender at least six months in advance of the anticipated date of Full Allocation (the "Full Allocation Date") and identify their remaining allocation of the Maximum Total Net Contribution (the "Lender's Remaining Allocation") available for

contributing to the Lender's Reserve Fund Balance for loans in process and future loan origination since the end of the month of the Lender's most recent Monthly Loan Report preceding such notice. Michigan Saves will maintain available funds to enable it to contribute up to the Maximum Total Net Contribution according to the terms of this Agreement, and, until the Full Allocation Date. In addition, the Lender's Reserve Fund Balance as of the Full Allocation Date shall not be subsequently reduced by Section 3.3(b) or 3.3(c).

3.5 Re-evaluation. The Parties agree that the terms and conditions of the Reserve Fund have been established pursuant to certain assumptions agreed to by the Parties concerning loan performance and default. Actual loan losses may be different than what the Parties anticipate. If it appears to the Parties after two years of administration of the Program and funding of the Reserve Fund that in fact the losses on the Program Loans are fewer in number or less in amount than were projected by the Parties at the time of the execution of this Agreement, the Parties may, but are not required to, agree upon a reduction in the amount of contribution that must be made by Michigan Saves to the Reserve Fund upon origination of each Program Loan.

4. Administration of the Reserve Fund.

4.1 Administration. Michigan Saves shall administer and invest the Reserve Fund (which includes Lender's Reserve Fund Balance) in accordance with the terms of this Agreement. Michigan Saves shall account for the Reserve Fund as a separate line on its balance sheet and shall maintain appropriate records related to that portion of the Reserve Fund which is the Lender's Reserve Fund Balance. Michigan Saves shall provide written confirmation to the Lender of the designation and amount of the Reserve Fund and the Lender's Reserve Fund Balance. The moneys designated by Michigan Saves as the Lender's Reserve Fund Balance within the Reserve Fund shall be held in a Michigan Saves depository or investment account at an institution to be selected by Michigan Saves. Contributions made to the Reserve Fund on account of Lender shall be held jointly with contributions made on account of all Program Loans. The Lender's Reserve Fund Balance will be used solely for the purposes provided in this Agreement and the Requirements. Interest or other earnings on the Reserve Fund shall accrue to and be payable to Michigan Saves each calendar quarter. Michigan Saves will maintain records and accounts on the Lender's Reserve Fund Balance and commission an annual independent audit of its financial statements, which will all be available for reasonable inspection by the Lender. Michigan Saves will provide Lender with a monthly report of the balances of the Reserve Fund and the Lender's Reserve Fund Balance. Lender shall not have any lien on or pledge on any amount in the Reserve Fund (which includes the Lender's Reserve Fund Balance) or the proceeds thereof. Lender shall not be entitled or have any rights to the reserve fund balances of other Participating Lenders.

4.2 Payment upon Suspension of Operations. If Michigan Saves suspends all business operations for a period of thirty (30) days or more, then if Michigan Saves so elects or if Lender so requests in writing, Michigan Saves will make a "Final Payment" in cash to Lender. For purposes of this

Agreement, Michigan Saves shall be considered to have suspended all business operations if and only if (a) Michigan Saves has filed a Certificate of Dissolution with the State of Michigan to dissolve itself, (b) the Board of Directors of Michigan Saves has been disbanded or has resolved to liquidate or dissolve Michigan Saves, (c) Michigan Saves has filed for bankruptcy, or (d) the Board of Directors of Michigan Saves has adopted and implemented a resolution mandating the cessation of all business operations. Michigan Saves shall give written notice of any such occurrence to Lender within five (5) business days of such event. That Final Payment will constitute a full and final satisfaction of all further obligations of Michigan Saves to Lender under this Agreement. The "Final Payment" shall be equal to the Lender's Reserve Fund Balance after all adjustments required by this Agreement have been made. Following the Final Payment, the Lender shall continue to track the Program Loans and the use of the Final Payment with respect to such Program Loans. When the Lender's last Program Loan has either been repaid or the Lender has recovered its Eligible Losses, then Lender shall refund to Michigan Saves (or its successors or assigns) any remaining amount of the Final Payment that was not used to pay Eligible Losses on Program Loans.

5. Recovery from the Reserve Fund.

5.1 Eligible Loss.

(a) Calculating Eligible Losses. Lender shall be entitled to payment from the Lender's Reserve Fund Balance on unrecovered losses on a Program Loan only after the loan is at least ninety (90) days delinquent and only if Lender has exercised its best efforts to collect the Program Loan or bring the Program Loan current in a manner consistent with its practices for other unsecured loans that are not Program Loans. Lender may claim from the Lender's Reserve Fund Balance as unrecovered losses an amount equal to the Recovery Percentage multiplied by the unpaid principal on the Program Loan which it is legally entitled to (the amount equal to the Recovery Percentage multiplied by such sum shall be individually an "Eligible Loss" and collectively the "Eligible Losses"). As a result, Lender shall retain responsibility for a percentage of each delinquent Program Loan equal to one hundred percent minus the Recovery Percentage (the "Retention Percentage"). For example, if the Recovery Percentage is 75% then the Retention Percentage is 25%.

(b) The Recovery Percentage. The "Recovery Percentage" for Program Loans shall be to borrowers with credit scores greater than 600 shall be 75% and the Retention Percentage shall be 25% and the "Recovery Percentage" for Program Loans to borrowers with credit scores less than 600 shall be 85% and the Retention Percentage shall be 15%, as specified in Appendix C. The borrower's credit score must be based on either VantageScore 3.0 or 4.0, or FICO Score 2 or 9 and subject to the requirements specified in Appendix A, and the Lender shall not use any other credit-scoring models without the prior written consent of Michigan Saves.

5.2 Claim for Recovery from Lender's Reserve Fund Balance. To claim an Eligible Loss and receive reimbursement from the Reserve Fund, the Lender shall submit to Michigan Saves within three hundred sixty-five (365) days of a Program Loan delinquency a form provided by Michigan Saves,

which is available at <https://www.cognitofirms.com/michigansaves1/invoiceforclaimagainstloss> and incorporated into this Agreement, that includes (a) a written schedule itemizing the Eligible Loss claimed (the applicable Recovery Percentage multiplied by the unpaid principal) and certifying that it is for a Program Loan that is at least ninety (90) days delinquent, (b) a certification that the Lender has exercised its best efforts to obtain recovery against the borrower, and (c) a copy of the first Monthly Report from Lender that reported such Program Loan issued pursuant to Section 2.4 above.

5.3 Loss Recovery. Whenever Lender makes a claim consistent with the terms of this Agreement for an Eligible Loss from the Lender's Reserve Fund Balance as provided above, Lender shall be entitled to payment of the Eligible Loss up to but not in excess of the amount of Lender's Reserve Fund Balance (if and only if Lender's Reserve Fund Balance at that time is a positive number) at the time that such claim for an Eligible Loss is presented to Michigan Saves.

5.4 Timing of Payment. If the Lender makes a claim consistent with the terms of this Agreement for an Eligible Loss from the Lender's Reserve Fund Balance, Michigan Saves shall make payment to the Lender to the extent provided above, no later than fifteen (15) business days following the end of the month in which the claim is made.

5.5 Payments Limited to Reserve Fund. The aggregate liability of Michigan Saves to Lender shall not under any circumstances exceed the Lender's Reserve Fund Balance, as adjusted and administered as provided in this Agreement. The Lender does not have any additional recourse against Michigan Saves for Eligible Losses in excess of the Lender's Reserve Fund Balance at the time in accordance with the terms of this Agreement. The Lender acknowledges and agrees that its losses on Program Loans may exceed the funds available in the Lender's Reserve Fund Balance. This Agreement is not a guarantee of the full amount of Program Loans. Except as explicitly provided in this Agreement, Michigan Saves is under no obligation to further contribute to or supplement the Lender's Reserve Fund Balance.

5.6 Subsequent Collection Activities. Lender agrees to use its standard process to collect any delinquent Program Loan, even after it has collected from the Lender's Reserve Fund Balance with respect to such Program Loan provided that Lender will not take into account the payment from the Lender's Reserve Fund when pursuing collection activities against a borrower. In the event a borrower resumes repayment of its Program Loan for a period of ninety (90) days, Lender shall return the payment previously received from Michigan Saves within thirty (30) days and such returned amount shall be added to Lender's Reserve Fund Balance. For any recovery on a Program Loan based on a settlement with a borrower, net of expenses, Lender shall retain an amount equal to the applicable Retention Percentage of such net recovery and an amount equal to the Recovery Percentage of such net recovery shall be paid within thirty (30) days of such settlement to Michigan Saves and added to the Lender's Reserve Fund Balance.

6. Privacy and Information Security.

6.1 Confidentiality. Michigan Saves will use personally identifiable financial information provided in each Monthly Loan Report and other information provided by Lender for program management and evaluation purposes only, and will require all staff, affiliates, agents, and designees to treat the information as confidential unless otherwise required by law. Michigan Saves will disclose information in an anonymous form (with all personally identifiable information removed) only to the extent permitted by applicable laws and regulations (for example, where the consumer has consented). Michigan Saves agrees that it will not disclose any nonpublic personal information to any third party or use any nonpublic personal information it obtains from Lender, except as described in this Section 6.1 and consistent with all applicable laws and regulations. “Nonpublic Personal Information” shall mean personally identifiable financial information, and any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived using any personally identifiable financial information, and as otherwise more specifically defined in Title V of the Gramm-Leach-Bliley Act. The obligation of Michigan Saves under this paragraph shall survive the termination of this Agreement.

6.2 Security Program. It is the intent of the Parties to protect the privacy and confidentiality of nonpublic personal information of the Lender's customers obtained by Michigan Saves during the performance of this Agreement, and to comply with all regulations related to privacy, including but not limited to Title V of the Gramm-Leach-Bliley Act and the respective Privacy of Consumer Financial Information regulations issued by the National Credit Union Association (NCUA) and the Federal Deposit Insurance Corporation (FDIC), in each case to the extent applicable. Michigan Saves agrees to maintain the confidentiality of nonpublic personal information of the Lender's customers as required by applicable laws and regulations, and specifically agrees to implement appropriate measures designed to meet the objectives of (1) NCUA Rules and Regulations Part 748 and its Appendices A and B, and (2) the Interagency Guidelines Establishing Information Security Standards.

6.3 Security Breach Disclosure. As soon as possible, Michigan Saves shall fully disclose to Lender any breach in security resulting in unauthorized intrusions into its systems that may materially affect Lender or its members or customers. Michigan saves shall report to Lender when such intrusions occur, the effect on Lender, and corrective action taken to respond to the intrusion.

6.4 Disposal of Confidential Information. Michigan Saves acknowledges that it is subject to Part 682 of Title 16 of the Code of Federal Regulations (16 CFR 682), the FTC's Disposal of Consumer Report Information and Records Rule. Michigan Saves agrees to implement policies and procedures designed to protect against unauthorized or unintentional disposal of consumer information and disposal of such information in accordance with the provisions specified in 16 CFR 682.3(b)(1) and 682.3(b)(2), including any revisions of those regulations.

7. General Terms and Conditions.

7.1 Liability Limitation. Neither the State of Michigan, Michigan Saves, nor any officer, director, employee, agent or agency of the State of Michigan or Michigan Saves shall be liable or responsible for any action taken or omitted by the State of Michigan or Michigan Saves hereunder in good faith and in the reasonable belief that such action taken or omitted is authorized or within the discretion or rights or powers conferred by this Agreement. Neither the State of Michigan nor Michigan Saves shall be under any obligation or duty to perform any act which would involve it in expense or liability or to advance any of its own money unless expressly provided herein. Michigan Saves and the State of Michigan shall be fully protected in acting upon any notice, consent, statement, opinion or other paper or document provided by Lender.

7.2 Dispute Resolution. Any dispute related to this agreement shall first be submitted for nonbinding mediation before a third party neutral person. In the event any such mediation proceeding does not resolve this matter within forty five (45) days of the date it is submitted for mediation, then the Parties agree that such dispute shall be resolved by binding arbitration pursuant to the commercial arbitration rules of the American Arbitration Association. Such arbitration shall be conducted in Ingham County, Michigan by an arbitrator mutually agreed upon between the Parties, except that if they are unable to agree upon the selection of a single arbitrator within twenty five (25) days of the date the above referenced forty five (45) day mediation period expires, then such arbitration shall be conducted by three arbitrators, one selected by Michigan Saves, one selected by the Lender, and the third selected by the arbitrators chosen by Michigan Saves and the Lender. The award rendered by the arbitrators shall be final and binding upon the Parties hereto, without appeal, and the cost of arbitration shall be apportioned as the arbitrators deem appropriate. Judgment on the award may be entered in any court of competent jurisdiction. No party shall have the right to commence or maintain any lawsuit or legal proceeding concerning a dispute hereunder until the dispute has been addressed by the arbitrators in accordance with the arbitration provisions of this paragraph and any lawsuit or legal proceeding may be maintained only in connection with enforcing the award rendered in the arbitration proceeding. Notwithstanding the foregoing, Michigan Saves shall not be deprived of its right to obtain injunctive or other equitable relief under this letter agreement in order to enforce the confidentiality provisions set forth above, without first resorting to the mediation and/or arbitration procedure set forth above in this paragraph.

7.3 Expenses. The expenses incurred by each party hereto incident to the execution, delivery and performance by each party under this Agreement, unless expressly provided herein, shall be paid for by each party.

7.4 Amendment. This Agreement may be amended at any time and from time to time by one or more writings executed by all Parties hereto.

7.5 Notices. All notices shall be delivered or mailed, certified mail, to:

| | |
|--------------------------|-----------------------------|
| Kait Wyckoff | <<contact name>> |
| Director of Operations | <<title>> |
| Michigan Saves | <<organization>> |
| 230 N. Washington Square | <<street address>> |
| Suite 300 | <<city>>, <<state>> <<ZIP>> |
| Lansing, MI 48933 | |

7.6 Severability. In case any one or more of the provisions in the Agreements are invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall be not be affected thereby.

7.7 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Michigan.

7.8 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto were upon the same instrument.

7.9 Independent Parties. This Agreement shall not be deemed to constitute the Parties as partners or joint venturers, nor shall any party be deemed to constitute the other party as its agent.

7.10 Successors and Assigns. This Agreement shall be binding on the Parties' successors and assigns provided that this Agreement shall not be assigned by Lender without the prior written consent of Michigan Saves.

[signatures appear on the following page]



Michigan Saves®

The Nation's First Nonprofit Green Bank

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as a sealed instrument by their respective authorized officers or representatives as of the date and year first above written.

MICHIGAN SAVES, INC.

By: _____

Print name: _____

Its: _____

Hereunto duly authorized

<<LENDER>>

By: _____

Print name: _____

Its: _____

Hereunto duly authorized

Appendix A

Michigan Saves Residential Loan Program: Requirements for Lenders



Michigan Saves[®]

The Nation's First Nonprofit Green Bank

Michigan Saves Residential Loan Program:

Requirements for Lenders

Purpose

Under the Michigan Saves Residential Loan Program, financial institutions volunteer to offer the Michigan Saves Loan, an unsecured personal loan product for homeowners backed by a loss reserve from Michigan Saves (referred to hereafter as a Michigan Saves Loan). To participate, authorized lenders are required to enter into a separate Michigan Saves Loan Loss Reserve Fund Agreement and meet certain program requirements, and by doing so, lenders receive concomitant program benefits. The purpose of this document is to describe these requirements and benefits.

Background

The Michigan Saves Organization

Staffed by Public Sector Consultants, Michigan Saves is a nonprofit organization dedicated to accessible, equitable, and just investments in energy efficiency and clean energy to support healthy and thriving communities. Michigan Saves has primarily facilitated investments in clean energy improvements, however, has expanded eligible measures to include other health and safety improvements such as lead paint remediation and failing septic replacements. To do this, Michigan Saves leverages third-party capital with innovative credit enhancement mechanisms, works closely with energy efficiency and renewable energy system contractors, coordinates with similar programs in the state and across the country, and monitors the program to track results and ensure success.

For more information and updates on Michigan Saves, including financing options for other customer types, visit www.MichiganSaves.org.

Summary of Michigan Saves Residential Loan Program

Under the Michigan Saves Residential Loan Program, the primary marketing vehicle and initial point of contact for customers will be a network of Michigan Saves authorized contractors. Customers can

choose an eligible measure either from a list developed by Michigan Saves (à la carte eligible measures option) or recommendations made by a certified professional experienced with home energy audits (audit-based full response option). See the Residential Program Offerings Summary for more details about the Michigan Saves program offerings and qualifying improvements.

Once customers have selected the qualifying home improvement(s) they wish to have installed in their home, they will be given the option of applying for the Michigan Saves Residential Loan. The Michigan Saves Residential Loan is an unsecured personal loan starting at \$1,000, up to \$30,000 (with higher loan maximums set by the lender), with a maximum interest rate of 7.0 percent for qualified borrowers with credit scores 640 and greater. Lenders are encouraged to approve loans with credit scores less than 640 and may select their own maximum loan amount, term, and interest rate upon written agreement with Michigan Saves. Additionally, lenders may secure solar equipment with a Unified Commercial Code (UCC) filing with authorization from Michigan Saves. Michigan Saves may adjust the maximum rate semi-annually or more frequently if market conditions change. The loan term is one year for every \$1,000. Terms must extend up to 120 months for loans greater than \$5,000. Some lenders may offer terms up to 300 months. For loan terms greater than 120 months, one year for every \$1,000 must be offered (up to the maximum term set by the lender). Borrowers may select shorter terms and there is no pre-payment penalty. Michigan Saves Residential Loans are made directly by authorized lenders. Loan applications are taken by the Michigan Saves Loan Application Center via the Web or phone or directly by the lender with authorization from Michigan Saves. Customers make loan payments to the lender or through authorized utilities, if available. Michigan Saves is offering a credit enhancement to lenders in the form of a loan loss reserve. Loans must satisfy Michigan Saves' criteria to be considered Michigan Saves Residential Loans eligible for consideration in the reserve fund described below.

Program Requirements for Lenders

To become a Michigan Saves authorized lender and offer the Michigan Saves Residential Loan, lenders must enter into a separate Michigan Saves Loan Loss Reserve Fund Agreement and satisfy the program requirements outlined below. Michigan Saves reserves the right to amend these requirements at its discretion from time to time by notifying authorized lenders of the amendment.

These requirements include standards for a loan to be eligible for inclusion in the loan loss reserve program. The program and these requirements do not restrict in any way a lender's loans outside of the program. Each lender independently determines what interest rate, terms, and maximum loan amount to offer, subject to the program's requirements. Each lender makes its own underwriting decisions and is responsible for legal compliance for every loan it makes.

Loan Type and Amount

Michigan Saves Residential Loans must be unsecured personal loans between \$1,000 and \$30,000. A loan maximum greater than \$30,000 may be set by the lender. Borrowers may apply for multiple loans.

Eligible Properties and Improvements

Michigan Saves Residential Loans can only finance eligible, energy-saving and health and safety home improvements in single-family residences. Homes that are occupied by a family member of the owner rather than the owner, and secondary homes used for recreational purposes, are also eligible. Owners (not renters) of single-family and multiple-family residences with one to four units are eligible for funding. Properties under land contract are eligible for funding at the lender's discretion. Eligible home improvements are limited to those identified by Michigan Saves authorized contractors. For more information about the process or improvements that these contractors are authorized to offer customers, please see the *Michigan Saves Home Energy Loan Program: Eligible Upgrades and Installation Summary*.

Loan Application Process

We expect that many homeowners will learn about the Michigan Saves Loan Program from contractors authorized by Michigan Saves. Authorized contractors and lenders may promote the Michigan Saves Loan through marketing material (see the Promotion and Marketing section below). However, regardless of the flow of contact between a customer and authorized contractors and lenders, the loan application process remains the same. (See Michigan Saves Process Flowchart for a flow chart depicting how customers enter the program, work with contractors, and obtain financing.)

The following steps outline the loan application process:

Step 1: Customer works with a Michigan Saves authorized contractor to identify qualifying energy-efficiency improvements. A list of authorized contractors is available at www.MichiganSaves.org. A customer can choose from the Michigan Saves à la carte eligible measures or audit-based full response program options (described above).

Step 2: The customer submits the loan application through the Michigan Saves Loan Application Center (via the Web or phone) or directly to one of the Michigan Saves authorized lenders. The contractor can walk the customer through this submission process at the customer's request. Within minutes of completing the application, applicants are told whether they are approved (see the Loan Origination section below for more detail).

Step 3: The contractor works with the approved customer to finalize the work plan based on the customer's needs and approved loan amount.

Step 4: The contractor installs the equipment according to the work plan and the contract with the customer. If an energy audit was performed or if air sealing or weatherization measures were

installed, a “test-out” procedure would also be conducted to ensure that the improvements were installed properly. As necessary, the work plan can be modified to address any health and safety issues identified during the installation process or the test-out procedure.

Step 5: After installation and, as applicable, the test-out procedure, the contractor obtains the customer’s signature on a certificate of completion provided by Michigan Saves and submits the signed certificate to the lender through Michigan Saves’ online reporting platform, the National Green Energy Network (NGEN). This triggers payment to the contractor (see the Loan Closing and Servicing section below for more detail).

Step 6: The customer repays the loan via direct billing by the lender unless a utility serves as the billing agent under an agreement with the authorized lender.

Interest Rates

Michigan Saves Residential Loans have a fixed rate with no prepayment penalty and must not exceed the Federal Reserve prime rate for qualified borrowers with credit scores 640 and greater, though authorized lenders may offer lower interest rates. Interest rates for borrowers with scores less than 640 must not exceed the Federal Reserve prime rate plus 300 basis points. Michigan Saves intends to review the maximum interest rate semi-annually in light of market conditions at the time (or more frequently if conditions change) and reserves the right to adjust the maximum interest rate for future loans.

While lenders are encouraged to offer consistent interest rates as much as possible, they may update interest rates monthly by notifying Michigan Saves by the 20th of the previous month so that pricing changes may be programmed into the centralized loan application software on the first business day of the following month.

Length of Loan

For loans up to \$4,999, a loan term of 12 months for every \$1,000 must be offered, and for loans \$5,000 and more, a loan term of 120 months must be offered. Some lenders may offer terms up to 300 months. For loan terms greater than 120 months, one year for every \$1,000 must be offered (up to the maximum term set by the lender). Borrowers can select shorter terms. To encourage deeper retrofits, the loan product offers longer terms for larger loan amounts to reduce monthly payments.

Credit Enhancement

Michigan Saves is providing a credit enhancement for Michigan Saves Loans made by authorized financial institutions. For each eligible loan made by an authorized lender, Michigan Saves will contribute to a loan loss reserve fund an amount equal to the percentage defined in each lender’s loss reserve agreement of the loan amount. Michigan Saves will document a separate loss reserve fund balance for each authorized lender and track cumulatively on its balance sheet. Each lender’s

reserve fund balance will be used solely for the benefit of the lender to which it belongs. Michigan Saves will provide an advance on the percentage contribution to each authorized lender's loss reserve as defined within the lender's loss reserve agreement.

Lenders will have access to their loss reserve fund when a loan is at least 90 days delinquent. The recovery percentage for loans is 75 percent of the unpaid loan principal.

Michigan Saves will run an analysis of financed projects that have funds allocated in each lender's reserve accounts on an annual basis (or sooner). When it is determined that the loss reserve will be fully allocated, Michigan Saves will notify each lender six months in advance of the maximum reserve funds available for that lender's pending and future loans.

Each lender's credit enhancement is limited to that lender's reserve fund balance and is not a loan guaranty. See the Michigan Saves Loan Loss Reserve Fund Agreement for exact terms and conditions of the loss reserve. Lenders will be required to sign this agreement to participate in the program. If there is any conflict between these requirements and the Loan Loss Reserve Fund Agreement, the Loan Loss Reserve Fund Agreement will control.

Loan Origination

Michigan Saves has contracted with a lending support service provider to serve as the Michigan Saves Loan Application Center, which includes performing the following functions:

- Verifying that the contractor performing the work being financed by the loan is Michigan Saves authorized
- Helping potential borrowers select a loan provider from authorized lenders, which will include quickly identifying among all authorized lenders (1) those with which the borrower already has a financial relationship and (2) those from which the borrower is eligible to get a loan
- Facilitating satisfaction of the loan requirements of the selected lender, including new member/customer enrollment, new account establishment, and funding of account(s)
- Confirming compliance with Michigan Saves program requirements and any other more stringent standards set by authorized lenders
- Communicating loan approval immediately (within minutes or even seconds) upon receiving the loan application submission via Web or phone
- Providing an email to the customer and contractor with the customer's loan decision as well as the name and address of the lender to which they must send the Michigan Saves Certificate of Completion to receive payment
- Transmitting loan applications electronically to the appropriate financial institution for processing

Note: Lender should be aware that some of the sales that will be financed with Michigan Saves Loans will have been initiated by a contractor and, therefore, subject to the Michigan Home Solicitation Act.

For these sales, the customer has a right to cancel any time prior to midnight of the third business day after the date of the sale.

Loan Closing and Servicing

Once loan origination is complete, the lender will close the loan electronically or by mail if necessary. Payment to the contractor will not occur until the work is completed and the borrower has signed a Michigan Saves Certificate of Completion. This certificate will certify that the borrower is satisfied with the completed work and consents to share certain information with Michigan Saves. The contractor will submit the signed form through NGEN, which will route the document to the appropriate lender, triggering payment to the contractor.

The lender will service the loan. However, if a Michigan Saves authorized lender and the borrower's utility agree, the utility can serve as the servicing agent.

Lenders may make reasonable accommodations to borrowers in the interest of keeping loan agreements current as possible. Such accommodations may be arranged at the lender's discretion for borrowers facing financing hardship and may include:

- Deferred first payment
- Skip-A-Payment
- Interest-only payments
- Principal-only payments
- Waived late fees

Communication and Payment Upon Completion

As the authorized contractors are the entry point for new program loans, every effort should be made to communicate with applicants and contractors, close loans, and disburse funds quickly.

Communication to the contractor and Michigan Saves regarding loan applications and/or jobs will occur in NGEN unless otherwise specified by Michigan Saves.

Michigan Saves highly recommends that lenders adopt an internal process where loans are either booked or pre-signed when the loan application is received, before the work is started in order to disburse funding quickly after the certificate of completion is received.

Below is an outline of milestones, communication, and expected timelines. Lender should follow up with interested parties within two days if you are not receiving what is needed to proceed.

1. Loan application received: review within one business day
 - a. If denied, adverse action letter mailed to applicant(s) within 30 days

- b. If pending lender review, first contact to applicant(s) within one business day to obtain documentation (if needed) to make application determination (e.g., proof of income)
 - i. If no response within two business days, inform contractor through NGEN discussion feature
 - c. If approved, first contact to applicant within two business days to obtain membership documentation (if needed), review loan closing, and pre-sign or book loan
 - i. If no response within two business days, inform contractor through NGEN discussion feature
 2. Certificate of completion received: review within two business days. Verify signatures, final loan amount, and contractor information.
 - a. Disburse payment to contractor within two business days upon receipt of certificate of completion unless this infringes on the homeowners right to rescind under the Michigan Home Solicitation Act (customer has a right to cancel any time prior to midnight of the third business day after the date of the sale). Communicate any questions with Michigan Saves and/or contractor through the NGEN discussion tool if this is not possible.

Promotion and Marketing

The lender will assist in marketing the Michigan Saves Loan to potential customers, including referring to the loan product as the Michigan Saves Loan and including the Michigan Saves logo and approved language on any marketing materials, website, and social media. A brand standards guide and marketing tool kit, including rack cards, billing inserts, and other promotional pieces, are available to all authorized lenders.

Contractor Reserves

Authorized lenders may not offer contractor reserves or other incentives or rewards to contractors that encourage authorized contractors to promote one authorized financial institution over another. Lenders may compete by offering special incentives to customers, such as a reduced rate, coupon, or other offers. Lenders may advertise services to contractors, such as accepting a lower credit score, or rapid payment once the certificate of completion is received. Lenders are encouraged to pay contractors electronically once the loan is closed.

Fees

As a prerequisite to program participation, lenders are required to enter into a separate agreement with a central lending support service provider chosen by Michigan Saves. The lender shall pay

Michigan Saves a loan application fee for each for customer application, regardless of the loan decision. The application processing fee shall be \$18 per online application and \$15 per phone application that is taken by the lender, which will be billed monthly by Michigan Saves. Michigan Saves may increase or decrease the loan application fee with notice to the lender pursuant to the terms and conditions of the lender services agreement. Authorized lenders shall also pay all applicable fees during the loan application, origination, and closing, including but not limited to credit reports, documents fees or other charges incurred by the lender in processing and closing the loan.

To maintain and monitor the network of contractors promoting the financing, Michigan Saves is assessing authorized contractors a fee of 2.49 percent of the loan value, upon loan closing. Lenders withhold the contractor fee from payment sent to contractors and then sends fees withheld to Michigan Saves on a monthly basis with the monthly report.

The certificate of completion and the contractor agreement contain language to which the contractor signs that grant the lender permission to withhold the 2.49 percent fee for Michigan Saves.

Reporting

All authorized lenders are required to submit a monthly report with the following fields:

Unique Lender Loan ID Number

MI Saves Contractor ID

MI Saves Contractor Name

Loan Date (mm/dd/yyyy)

Borrower Last Name

Borrower Phone (xxx-xxx-xxxx)

Borrower Street Address (number, street, apt. no., city)

Borrower ZIP Code

Original Balance (\$0.00)

Interest Rate (%)

Term (Mos.)

Repaid in Full (Date)

Charge Off (Date)

Credit Score

Past Due (Days)

Current Balance (\$0.00)

Contractor Fee Withheld (\$0.00)

Program Code

Loan Disbursement Date (if different than the Loan Date above)

Reports must be submitted as a comma separated values (.csv) document within five days following the end of the month. Loans that are not reported to Michigan Saves within 60 days of loan closing will not be considered program loans and **will not** be eligible for recovery through the loss reserve.

Due to the confidential customer information included within reports, please use our online portal to submit them securely. **DO NOT EMAIL REPORTS.** To submit the report securely, follow these steps:

- Go to www.MichiganSaves.org.
- Click on **Contractor/NGEN Login** in the upper right of the screen.
- Log in using the username and password assigned by Michigan Saves.
- Click on the **Upload Loan File** button.
- Choose the appropriate date for the report and click browse to find the report saved as a .csv file on your computer. Click **Continue**.
- Ensure that each of the fields matches the field name in your report. Click **Submit**. It may take a few minutes to import the data.

Underwriting Criteria and Loan Product Summary

To be eligible to participate in the program, Michigan Saves Loans must satisfy minimum underwriting standards established by Michigan Saves. These standards, along with the other loan product details described above, are outlined in the following table. Each lender sets its own underwriting criteria within these guidelines and makes its own decision about which loans to approve.

| Loan Product Details | Structure/Minimum Standards |
|-----------------------|--|
| Loan type | Unsecured (solar may have UCC filing with permission from Michigan Saves) |
| Eligible improvements | Energy-saving home improvements recommended by a Michigan Saves–authorized contractor. |
| Loan amounts | \$1,000 to \$30,000. A loan maximum greater than \$30,000 may be set by lender |
| Loan term | For loan amounts up to \$4,999, 12 months per \$1,000. For loan amounts \$5,000 to \$30,000, lengths up to 120 months. Borrowers can select shorter terms. Some lenders may offer up to 300 months. For loan terms greater than 120 months, 12 months per \$1,000 (up to the maximum term set by the lender). |

| Loan Product Details | Structure/Minimum Standards |
|--|--|
| Loan rates | <ul style="list-style-type: none"> Not to exceed the Federal Reserve prime rate for borrowers with credit scores greater than or equal to 640 For borrowers with credit scores less than or equal to 639— not to exceed the Federal Reserve prime rate plus 300 basis points <p>Lenders may offer lower interest rates. Fixed-rate with no prepayment penalty.</p> |
| Eligible properties | Single-family (1–4 unit) homes, primary residence, secondary home |
| Eligible borrowers | <ul style="list-style-type: none"> Property owner (holds the mortgage, deed to property, or landlord) Family member of owner that occupies the home Other borrowers, including those who have a land contract, may be considered at the lender’s discretion |
| Credit scores—accepted credit scoring models include those who use a base scoring range between 300 and 850, such as FICO® and VantageScore (versions 3.0 and later). | |
| Minimum credit score | Minimum 640 (if there are multiple borrowers, the higher score, regardless of income, must be used for qualification). Lenders have the option of approving loans with credit scores less than 640 and may select their own maximum loan amount and term. |
| Bankruptcy | No bankruptcies in the last twelve months. Applies to all chapters of bankruptcy. The twelve-month period begins from date of discharge. |
| Foreclosure and repossession | None in the last twelve months (nothing opened, must be settled). |
| Unpaid collection accounts and open charge offs | Final decision deferred to the lender for open accounts exceeding \$1,000, excluding medical collections. |
| Judgments and tax liens | Must be paid or in repayment. |
| Lenders make all final underwriting decisions. Loans may be approved, declined, or subject to further review if underwriter determines that credit score or other factors are inconsistent with actual credit profile. | |
| Income verification requirements | |

| Loan Product Details | Structure/Minimum Standards |
|---|---|
| Proof of income | <p>Income verification may be requested when the highest borrowers' credit score is:</p> <ul style="list-style-type: none"> • Less than or equal to 639 • Between 640-679 and the amount requested is greater than \$30,000 • Between 680-719 and the amount requested is greater than \$40,000 • Greater than or equal to 720 and the amount requested is greater than \$75,000 <p>In all cases, lender may waive income verification or request verification if it is determined that credit scores or other factors are inconsistent with the actual credit profile.</p> |
| Salaried employment income | <ul style="list-style-type: none"> • One pay stub with YTD earnings dated within 30 days of the application. |
| Retirement income | <ul style="list-style-type: none"> • Award/benefit letter for SSI or pension showing income amount, payment frequency, and start and end dates OR • A copy of a bank statement showing direct deposit of retirement income. |
| Self-employment income | <ul style="list-style-type: none"> • Two most recent federal income tax returns (first two pages of 1040) plus Schedule C, if applicable. |
| Other income (if applicable) | <ul style="list-style-type: none"> • When income other than primary income is being used to qualify for the loan, such as rental, alimony, or investment income, verification is required. |
| Debt to Income Ratio | |
| Total monthly obligations | <ul style="list-style-type: none"> • Any loan that has a remaining term of less than six months may be excluded from the calculation. • When a tradeline is deferred, use 1% per month (except student loans). Lenders may contact applicants to obtain the actual monthly payment for deferred mortgage or real estate tradelines at their discretion. |
| Total monthly obligations to total monthly income | <ul style="list-style-type: none"> • All qualifying credit scores—50% or less. • When debt-to-income exceeds 50% and credit score is 680 and greater, final decision is deferred to the lender. |
| Escalating debt | <ul style="list-style-type: none"> • All qualifying credit scores—no more than five tradelines opened in last 12 months. • When three or more new tradelines opened in last 6 months, final decision is deferred to the lender. |

Program Requirements Checklist

This checklist is provided to assist lenders in complying with the Michigan Saves Residential Loan Program Lender Requirements. Using the Michigan Saves Loan Application Center will ensure that the loan product, underwriting, and application process requirements are met. Lenders that accept loan applications directly (i.e., not through the application center) must ensure all of the following requirements are met.

Loan Product

Offer a loan product that meets the following guidelines:

1. _____ Unsecured loan
2. _____ Amount greater than \$1,000
3. _____ Fixed maximum interest rate of 7.0 percent (lender can offer a lower rate)
4. _____ Term of at least twelve months for every \$1,000; terms extend up to 120 months for loans of \$5,000 and more. Some lenders may offer terms up to 300 months. For loan terms greater than 120 months, one year for every \$1,000 must be offered (up to the maximum term set by the lender). The borrower can opt for a short term
5. _____ No prepayment penalty
6. _____ Properties eligible are single-family homes up to four units and secondary homes
7. _____ Eligible borrowers include the property owner or family member of owner that occupies the property

Underwriting Standards

8. _____ Credit score is 640 or higher (lenders have the option of offering loans to borrowers with credit scores less than 640)
9. _____ No bankruptcy, foreclosure, or repossessions in the last twelve months
10. _____ Lender makes final determination for borrower(s) with more than \$1,000 in unpaid collection accounts or open charge offs, excluding medical collections
11. _____ Judgments and tax liens must be paid or in repayment
12. _____ If income verification is required, use the following:
 - Salaried employment income: One pay stub with YTD earnings dated within 30 days of the application
 - Retirement income: Award/benefit letter for SSI or pension showing income amount, payment frequency, and start and end dates or a copy of a bank statement showing direct deposit of retirement income
 - Self-employment income: Two most recent federal income tax returns (first two pages of 1040) plus Schedule C, if applicable

- Other income (if applicable): When income other than primary income is being used to qualify for the loan, such as rental, alimony, or investment income, verification is required
13. _____ Total monthly obligations to monthly income ratio of 50 percent or less. Any loan that has a remaining term of less than six months may be excluded from the monthly obligation calculation. When revolving accounts do not show a minimum payment, use the greater of 3 percent per month or \$10.

Application Process

14. _____ Verify that the contractor performing the work being financed by the loan is a Michigan Saves authorized contractor (check latest contractor contact sheet provided within the Michigan Saves online portal)
15. _____ Notify the borrower of the requirement to provide consent for lender, contractor, and utility company to disclose to Michigan Saves relevant customer-specific information about the improvements made, financing provided, and pre- and post-installation energy savings. (This authorization is signed by the customer as part of the certificate of completion.)
16. _____ Communicate loan decision immediately (within minutes or even seconds) upon finishing the loan application process
17. _____ Provide the contractor with the lender's name and address so that the contractor can send the certificate of completion

Loan Closing

18. _____ Close loan electronically or by mail if necessary
19. _____ Release funding (minus the contractor fee) to contractor electronically, or by mail if necessary, upon receipt of Michigan Saves Certificate of Completion, which includes signature of both contractor and borrower

Reporting

20. _____ Submit lender monthly report to Michigan Saves by the fifth business day following the end of the month
21. _____ Remit application and withheld contractor fees to Michigan Saves monthly

Appendix B

Certificate of Completion



Residential Certificate of Completion

Customer Certification

Notice to Customer: Please sign this certificate when the work is completed to your satisfaction

Completion of Work

I certify that each property improvement, financed through a Michigan Saves Authorized Lender and listed on the Michigan Saves Specification Sheet, has been satisfactorily completed in accordance with the contract and cost estimate provided me by the Michigan Saves Authorized Contractor listed below.

I understand that the acceptance of the materials used and the work performed, and the selection of the contractor, is my responsibility. I further understand that neither Michigan Saves Inc., and its respective directors, employees, affiliates, agents, designees, and subcontractors employed in the management of the Michigan Saves Home Energy Loan Program, nor the Authorized Lender, guarantee the performance, quality, or workmanship of the property improvements. All carbon offset credits and economic benefit related to such carbon offset credits, if any, arising from the property improvements described herein shall belong to Michigan Saves, Inc.

Release of Information

Michigan Saves has received and will receive information related to the work performed on my property and will use that information to serve customers more efficiently and effectively. Michigan Saves may collect information related to the work performed on my property and may share that information with the United States Department of Energy or the State of Michigan, for reporting purposes. All parties, who may receive such information, will treat the information as confidential unless otherwise required by law. Notwithstanding anything to the contrary:

1. I authorize my contractor and my lender to share information with Michigan Saves, including contract information, data on work performed and equipment installed, information regarding my loan, and other information relating to or arising from participation in the Michigan Saves Home Energy Loan Program.
2. I understand that an agent of Michigan Saves may contact me to evaluate the program, including asking me to complete a customer satisfaction survey and/or conducting an on-site inspection at my home to assess the installation of the property improvements. The satisfaction survey and on-site inspection are voluntary.
3. Michigan Saves will not release any of my personal identifying information for marketing or other purposes without my express written consent and will not sell my information to third parties. For all uses other than program management or reporting, Michigan Saves will only release information in an anonymous and aggregated form with all personal identifying information removed.

Customer Signature

Print Name

Date

Contractor Certification

I, the undersigned contractor, certify that: (1) The customer signed this certificate after final completion of the property improvements, and all signatures on this certificate are genuine; (2) In consideration of the disbursement of payment, I hereby waive and release the right to claim a lien for labor, services, or materials furnished to the customer with regard to the property improvements; (3) The property improvements were installed in accordance with Michigan Saves program guidelines and applicable laws, regulations, and ordinances including, but not limited to, the Michigan Building Code; (4) I have complied with the requirements of Michigan's Construction Lien Act; and (5) All equipment removed through this program has been disabled, and to the best of my knowledge, recycled or disposed of in accordance with local, state, and federal laws, codes, and ordinances. I take full responsibility for being aware of any applicable laws, codes, or ordinances associated with proper disposal of refrigerants, electronics, and other hazardous wastes.

Contractor Representative Signature

Print Name

Title

Company Name

Contractor ID #

Date Work Completed

Contractors – Please create a specification sheet within the online contractor portal and attach this certificate of completion to the specification sheet. Submit the specification sheet and certificate of completion to Michigan Saves to initiate the loan closing process.

Appendix C

Reference Guide

| Section(s) | Item | Credit >=600 | Credit <=599 |
|------------------|----------------------------------|--------------|--------------|
| 3.2 | Initial Lender's Reserve Balance | | |
| | Energy Program | \$10,000 | \$30,000* |
| | Lead Paint Abatement | \$10,000 | |
| | Septic Replacement | \$10,000 | |
| 3.2 | Contribution Percentage | 5% | 15% |
| 5.1 (a), 5.1 (b) | Recovery Percentage | 75% | 85% |
| 5.1 (a), 5.1 (b) | Retention Percentage | 25% | 15% |

*Upon written acceptance that Lender will participate and offer loans to this portfolio of borrowers
