



MICHIGAN DEPARTMENT OF  
ENVIRONMENT, GREAT LAKES, AND ENERGY

# Protecting Public Health and the Environment Through Michigan's Septic Replacement Loan Program

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# Agenda

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- **Welcome and Introduction**
- **Septic Systems in Michigan**
- **Michigan's Freshwater Resources**
- **The SRLP**
- **General Provisions**
- **Updates**
- **Looking Ahead**
- **Wrap up and Questions**

*\*\*The materials being presented do not reflect the opinions or beliefs of The National Onsite Wastewater Association*

# Septic Systems in Michigan

680,000

**+1,300,000**

810,000

800,000

1,000,000



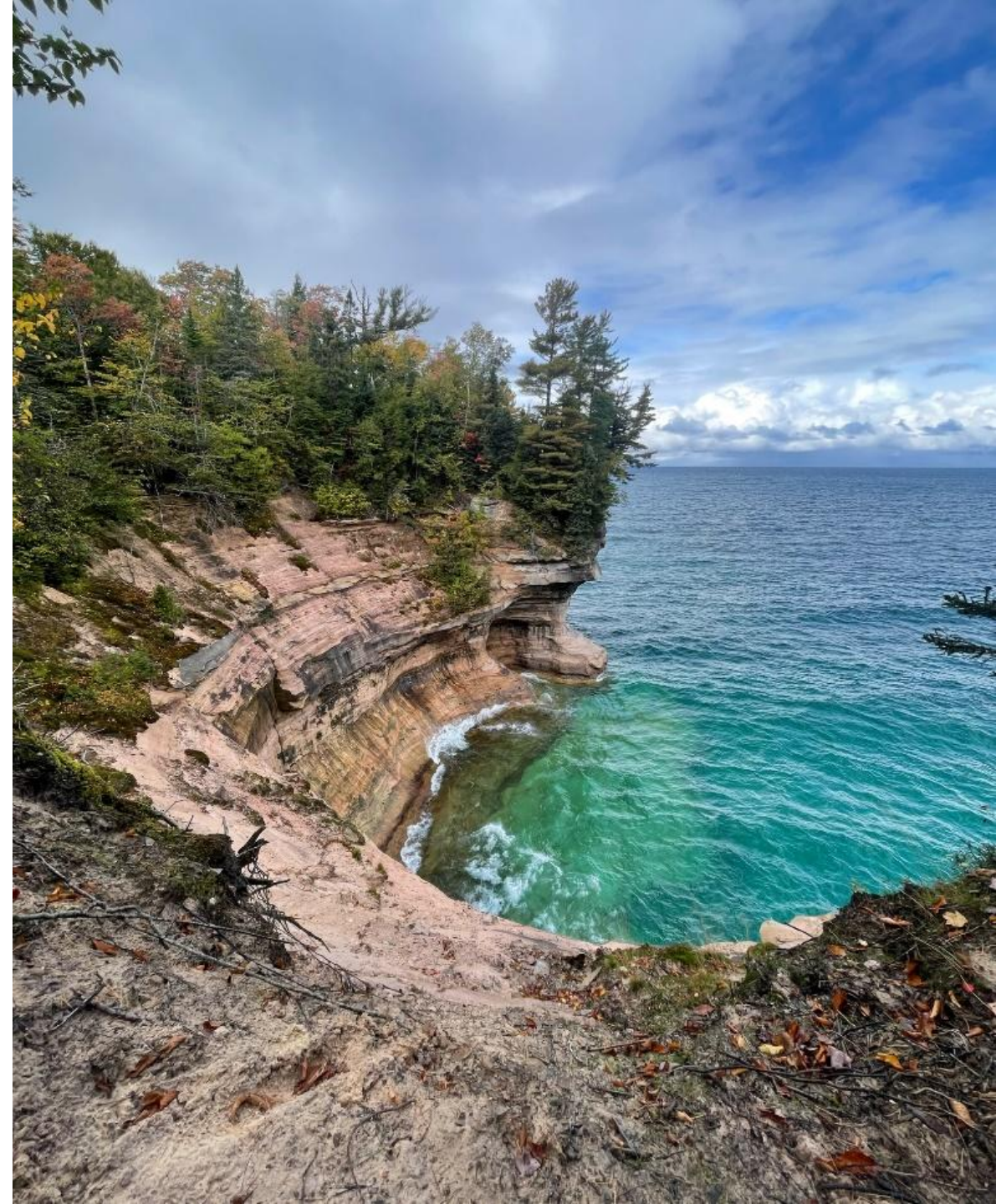
# Drinking Water in Michigan...

- 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.

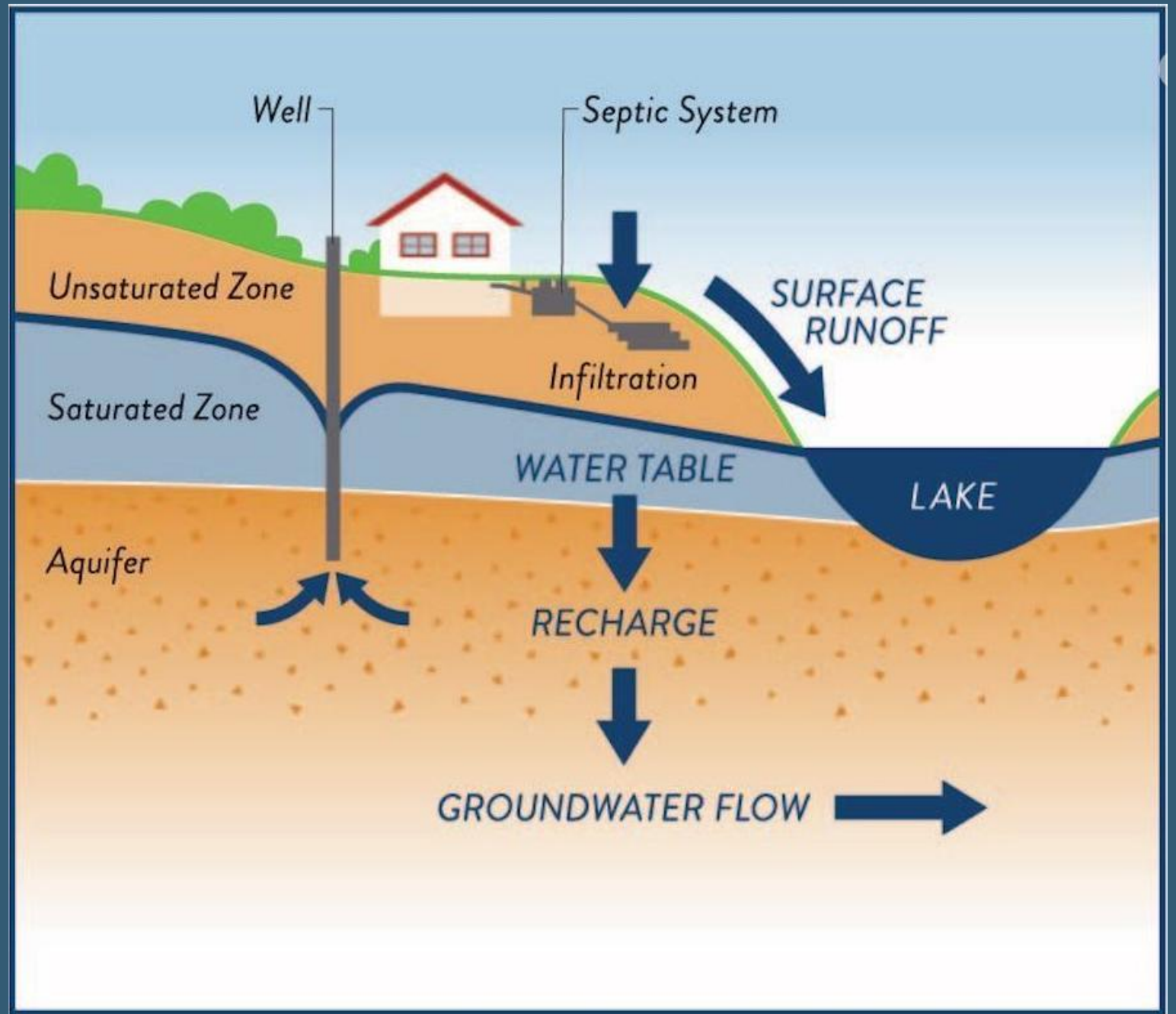


# Michigan is Home To...

- 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, 2024 Reading Time: 1 min read



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## 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 Overview



The Michigan Legislature appropriated 35 million dollars for EGLE's OWMU to develop and implement a loan program to replace failing and near-failing septic systems statewide.



EGLE has contracted with non-profit, green bank Michigan Saves for the Septic Replacement Loan Program (SRLP).



This is a two-tiered financing program with both an income based and market-based loan.

# Program Timeline



# 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
  - Minimum isolation distances to groundwater
  - Minimum isolation distances to surface water
  - Standardized design criteria
  - Protective of both public and environmental health

# General Provisions

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**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:

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**Evaluation of system**

**Design**

**Pumping**

**Installation**

# General Provisions: Eligibility

The following projects are not eligible for funding through the SRLP:

Lagoons

Drywells

Cisterns

Septic systems  
for new  
construction

System  
restoration

Replacement of  
existing  
municipal sewer  
connections

Pump-and-Haul  
systems/holding  
tanks

# Authorized Contractors

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- Any contractor wishing to participate in the SRLP must register as an Authorized Contractor through Michigan Saves.
- Michigan Saves, is currently recruiting and registering Authorized Contractors to install systems funded by the SRLP.
- 87 Authorized Contractors Statewide





# Workflow

- Starts with the homeowner
- Find 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 within 5 business days of loan approval, for EGLE QA
- 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

# Tier One: Income Qualified Loan

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- Requirements:
  - Meet the income criteria, proof of income is required
  - Credit score agnostic underwriting
- Loan structure:
  - Unsecured personal loan, no lien or collateral required
  - Loan amounts of \$1,000-\$30,000
  - Interest rate no higher than 1.00%
  - Loan terms up to ten years
  - Loan reported to credit bureaus

## 2024 Eligibility

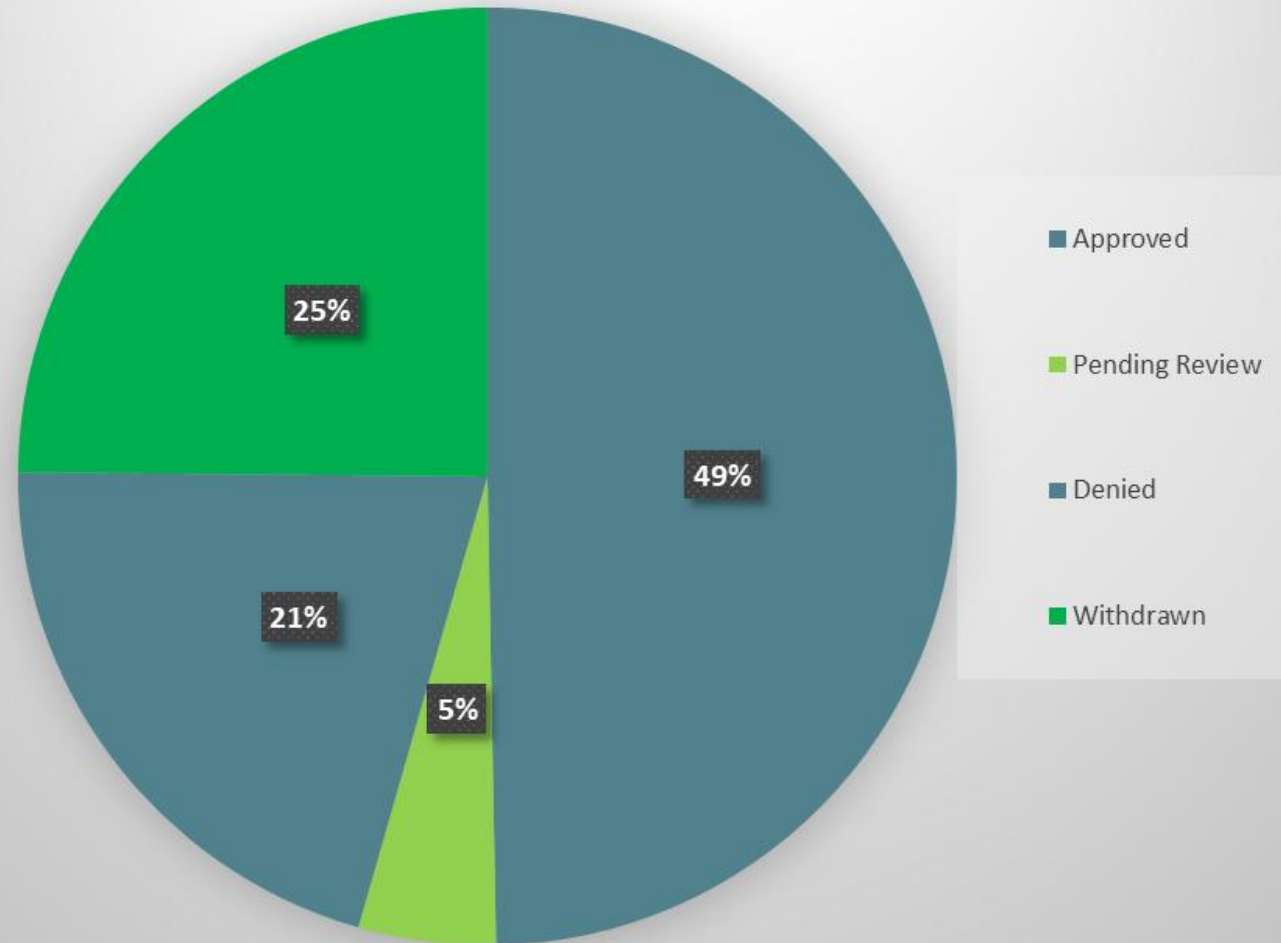
Persons in Household	Maximum Annual Household Gross Income to Qualify
1	\$29,160
2	\$39,440
3	\$49,720
4	\$60,000
5	\$70,280
6	\$80,560
7	\$90,840
8	\$101,120

# Tier Two: Market Based Loan

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- **Requirements to be considered for this tier:**
  - **Homeowners who do not qualify for tier one**
- **Traditional underwriting criteria apply**
- **Loan structure:**
  - **Unsecured personal loan, no lien or collateral required**
  - **Loan amounts of \$1,000-\$50,000**
  - **Fixed interest rates that vary by lender**
  - **Loan terms up to ten years**

Dispersal of SRLP Loan Applications



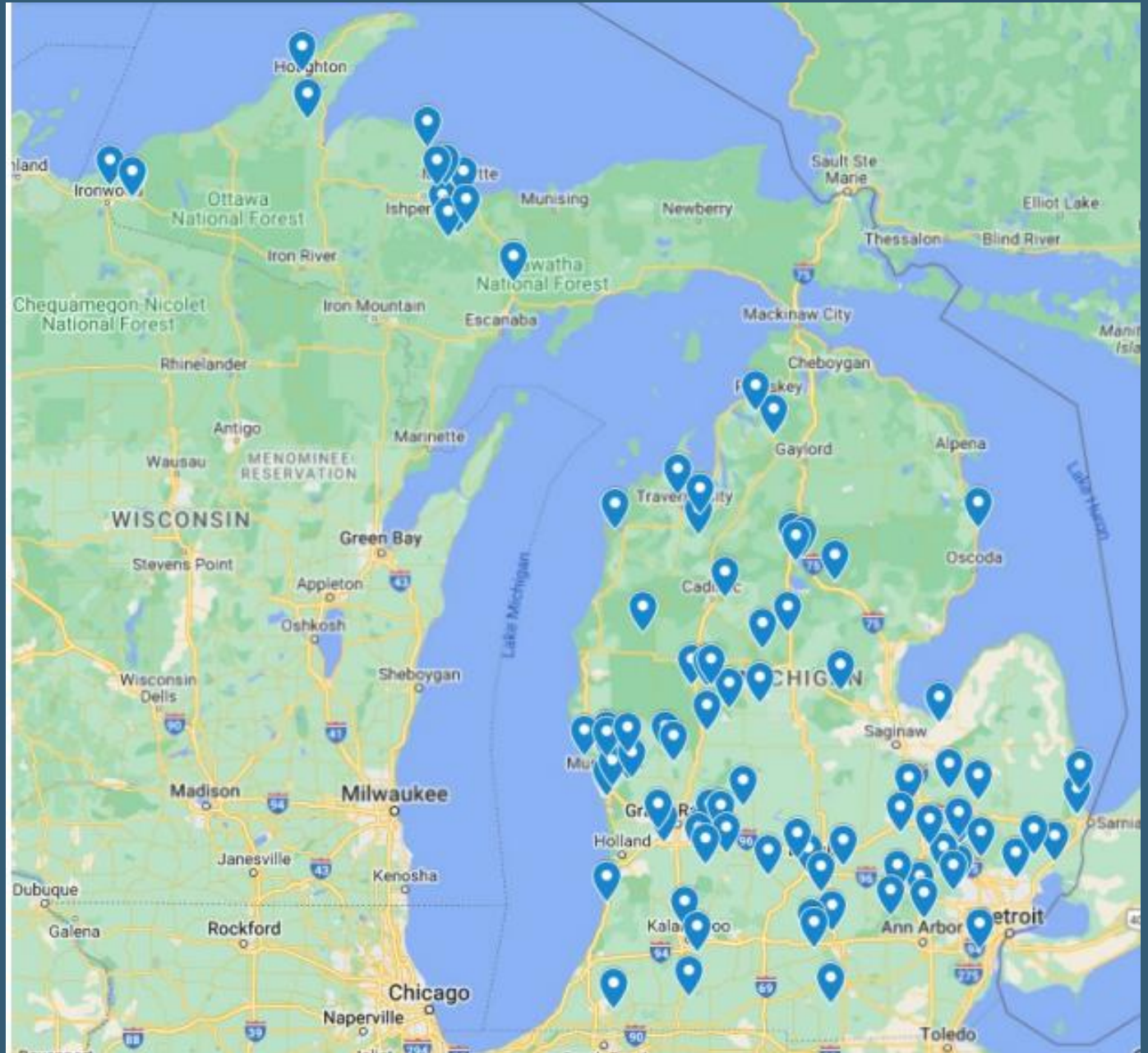
194 applications received, resulting in over 100 approved loans and 1.6 million dollars in approved funding

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# Loan Applications

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**48 systems  
installed,  
approved  
and fully funded.**



# Opportunities for Growth



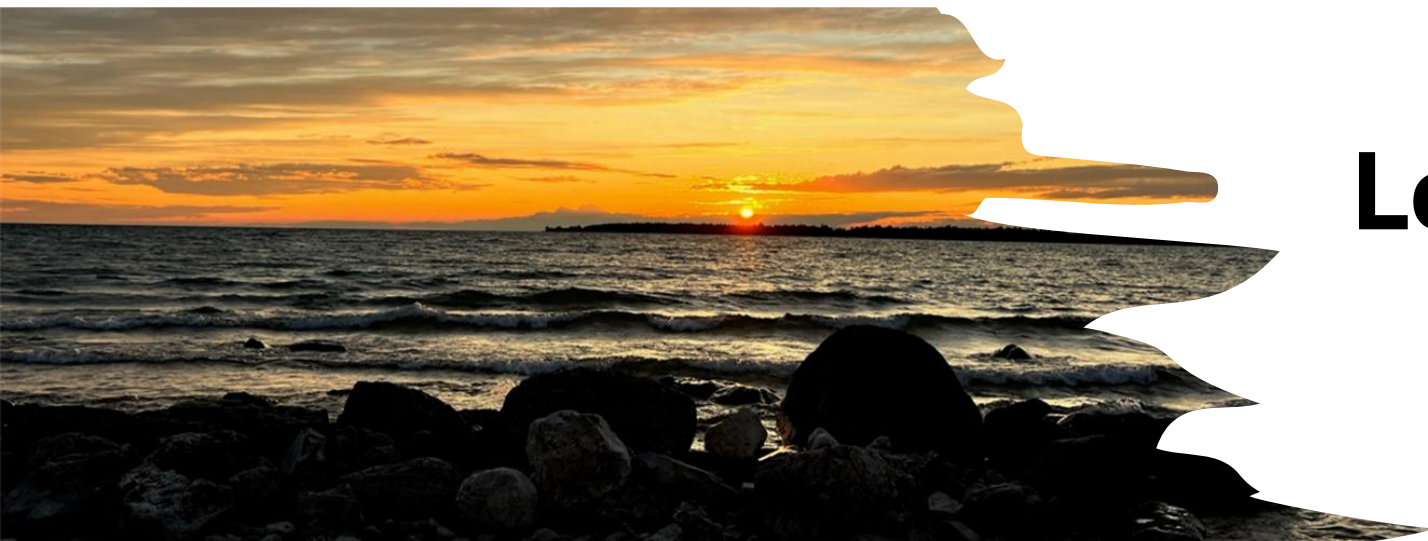
**EXPANSION TO INCLUDE  
MUNICIPAL SEWER  
CONNECTIONS**



**PRE-APPROVAL FOR TIER 1  
APPLICANTS**



**ONGOING EFFORTS FOR  
SUPPLEMENTAL FUNDING  
TO SUPPORT TIER 1  
APPLICANTS AND DENIED  
APPLICATIONS**



# Looking Ahead

# Thank you!

For more information about the SRLP visit:  
<https://michigansaves.org/septic/>

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Environment, Great Lakes, and Energy

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