



# PACE Consumer Protection Policies

## NASEO – Residential PACE Financing

January 26, 2017



PACE Consumer Protection Policies  
Version 1.0  
(Residential PACE Programs)

# PACE Consumer Protections

## *Why so Important?*

- ✓ The Obvious Reason – Consumers should come first
- ✓ Public Private Partnership
- ✓ Create confidence – PACE is a new asset class
- ✓ Address critics

# PACE Consumer Protections

## *Some Background*

### 2010 DOE Guidelines

- Underwriting basics
  - ✓ Equity, Payment History, Fixed to Property
- Goal orientation
  - ✓ Audits recommended

### 2014 PACENow Best Practices

- Based on DOE
- Community Building
  - ✓ Data Sharing

### 2015 Pocantico Compact

### 2016 WRCOG / CSDCA CPP Ver 1.0

### 2016 PACENation CPP Ver 1.0

# PACENation CPP

## *What's in them*

### 1. Eligibility & Risk

- Property types that qualify
- LTV test
- \$ amount
- Homeowner payment history

### 2. Disclosures & Documentation

- Financing terms – useful life of measures, fully amortizing, 3 day ROR
- Disclosures – KBYO
- Consequences of non-payment

### 3. Funding & Operations

- Adequate and sustainable funding source
- Operational capability across a range of function

### 4. Post Funding Homeowner Support



































- Resolve homeowner inquiries and complaints
- Assist with real estate transactions




# PACENation CPP

## *What's in them*

5. Data Security & Privacy
6. Marketing & Communications
  - Prohibited practices, e.g. no tax advice, Do-Not-Call registries
7. Protected Classes
  - Direct confirmation of terms with elders
  - Non-discrimination
8. Contractor Requirements
  - Program Contractor Participation Agreement
  - Licensing and training
  - Probation periods
  - Remediation of disputes – performance enforcement
9. Eligible Products and Measures
5. Maximum Financing Amounts
6. Reporting

# How The HERO Program Compares To Competitive Products

		HELOC	UNSECURED CREDIT
Single Purpose Financing			
Fixed Rate and Fully Amortizing			
Pricing Review			
100% Confirmation of Terms Via Live Phone Call			
Enhanced Disclosure			
Right to Void HERO Financing			
Funding Provided Only Upon Completion of Project and Homeowner Certification			
Contractor Requirements			
No Prepayment Penalty			
Pre- and Post-Funding Customer Support			
Senior Care			

 Yes    Sometimes    No

# PACE Consumer Protections

## *What's Coming*

### ✓ Revision – CPP Ver 1.1

- Leadership Council

### ✓ Revision Areas

- Products, Measures, Methodology
- Contractor performance enforcement
- Provider performance assurance