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
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

<table>
<thead>
<tr>
<th>Feature</th>
<th>HERO</th>
<th>HELOC</th>
<th>UNSECURED CREDIT</th>
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<tbody>
<tr>
<td>Single Purpose Financing</td>
<td>✔</td>
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<tr>
<td>Fixed Rate and Fully Amortizing</td>
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<td>Pricing Review</td>
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<td>100% Confirmation of Terms Via Live Phone Call</td>
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<td>Enhanced Disclosure</td>
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<td>Right to Void HERO Financing</td>
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<td>Funding Provided Only Upon Completion of Project and Homeowner Certification</td>
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<td>Contractor Requirements</td>
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<td>No Prepayment Penalty</td>
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<td>Pre- and Post-Funding Customer Support</td>
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<td>Senior Care</td>
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U: Yes  S: Sometimes  N: No
✓ Revision – CPP Ver 1.1
  • Leadership Council

✓ Revision Areas
  • Products, Measures, Methodology
  • Contractor performance enforcement
  • Provider performance assurance