

# PACE

## FOR BANKING PROFESSIONALS

PROPERTY ASSESSED CLEAN ENERGY

### PACE BASICS

PACE is a financing mechanism for energy efficiency and renewable energy projects, that provides property owners with benefits that typical lending institutions may not be able to offer. PACE capital can be provided for 100% of a project's hard and soft costs at low interest rates with terms up to 20 years. PACE financing is repaid as an assessment on a property's tax bill, so a delinquent balance has senior claim to other liens. If a property is sold before the PACE term is completed, it automatically transfers to the new owner along with the savings from the energy project.

### INCREASED DEBT SERVICE COVERAGE RATIO

Many properties use PACE to install solar panels or upgrade obsolete heating/cooling equipment to save money on utility costs. This decreases the building's operating costs, which increases the Debt Service Coverage Ratio. PACE makes good financial sense for the building owner, and therefore, the existing mortgage holder.

### INCREASED CASH FLOW

PACE financing terms extend up to 20 years, which means repayments can be amortized throughout the cumulative useful life of most projects. This allows for annual energy savings to exceed the annual PACE payments, increasing cash flow to the property owner and raising net operating income. Positive cash flow enhances the property owner's ability to pay an existing mortgage or other existing expenses.

### INCREASED COLLATERAL VALUE

Commercial real estate value is typically based on net operating income (NOI). As NOI increases, so does the value of the mortgage holder's collateral. Many energy efficiency and renewable energy upgrades also increase the resale value of the property, and the existing collateral value.

### EXISTING INDUSTRY ENGAGEMENT

Depending on the project, PACE may offer an opportunity for local banks to provide construction term financing or other bridge capital. There are also prospects in the secondary markets and securitization realm.

PACE is accepted as a valid and effective financing tool within the banking industry, which is reiterated on a regular basis as mortgage holders consistently give their consent to PACE projects. As of October, 2016, over 120 lending institutions have given consent, from regional financiers to the largest national banks. For a complete listing, please visit [pacenation.us/mortgage-lenders](http://pacenation.us/mortgage-lenders).

### BENEFITS OF PACE

PROPERTY OWNER  
IS CASH FLOW POSITIVE

ENHANCES PROPERTY  
OWNER'S ABILITY  
TO PAY DEBT

INCREASES VALUE  
OF COLLATERAL

LENDER CONSENT  
REQUIRED

CONSTRUCTION  
TERM FINANCING  
OPPORTUNITIES



PACENation is the national, nonprofit advocate for PACE financing. We provide leadership, data, support and resources for the growing marketplace.

[www.pacenation.us](http://www.pacenation.us)

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# List of Consenting Financial Institutions, Dec 2016

141 consenting lenders to date

\*Indicates multiple consents

- America's Christian Credit Union
- A2B2 LLC
- Academy Bank
- Ally Capital
- American Agricultural Bank
- American River Bank\*
- American West Bank
- Ameriprise Financial
- Ameritas Investment Partners
- Bank of America\*
- Bank of Ann Arbor
- Bank of New York Mellon (as Trustee)
- Bank of Sullivan
- Bank of the West\*
- Bankwell
- Banner Bank
- BBCN Bank
- Berkshire Bank\*
- BMO Harris Bank
- Bremer Bank
- Bridge Bank
- Business Lenders LLC
- Byzantine Diocese of Stamford
- CAB Associates
- California Bank and Trust\*
- California Plan of Church Finance, Inc
- Cen-Cal Business Finance Group
- Chelsea Groton Bank
- Chelsea State Bank
- Chestnutz
- Cheviot Savings Bank
- Circle Bank
- Citibank
- Citizens Bank\*
- Citizens Business Bank
- City National Bank
- Connecticut Innovations
- CTBC Bank Corporation
- Department of Economic and Community Development (CT)
- Deutsche Bank\*
- Dime Bank
- District of Columbia Housing Authority
- Eagle Bank
- Exchange Bank\*
- Fairfield County Bank
- Farm Credit East
- Fifth Third Bank\*
- First Bank of Boulder\*
- First Bank of Lake Forest
- First Citizens Bank & Trust
- First Community Bank\*
- First Mountain Bank
- First National Bank of Boulder\*
- First Niagara Bank
- First Republic Bank\*
- First Utah Bank
- Five Star Bank
- Flatirons Bank of Boulder
- Folsom Lake Bank
- Free and Clear
- Genworth Life Ins. Co
- Golden Pacific Bank
- Great Western Bank
- Greater Sacramento Development Corp.
- Guaranty Bank and Trust\*
- Hanmi Bank
- Helaba Landesbank Hessen-Thüringen
- Heritage Bank of Commerce
- HSH Nordbank
- JP Morgan Chase\*
- Layne Foundation
- Lehman Brothers
- Liberty Bank
- Litchfield Bancorp
- M&T Bank
- Marion Haddad
- McCoy Ventures LLC
- Mechanics Bank
- Mercedes Benz Financial Services
- Metropolitan Life Insurance (and as LIHTC Investor)\*
- Michigan Business Connection LLC
- Monson Savings Bank
- Mortgage Calmwater Capital
- Mutual of Omaha
- National Iron Bank
- New Resource Bank\*
- NorthEast Community Bank
- Northwest Mutual Insurance
- NUVO Bank
- NY State Teachers' Retirement System
- Oritani Bank
- Pacific Alliance Bank
- Pacific Premier Bank
- Pacific Union 7th Day Adventists (Parker Mortgage & Investment Co.)
- People's National Bank
- Peoples United Bank
- PeoplesBank of Massachusetts
- Plumas Bank
- Preferred Bank
- Premier Valley Bank
- Presbyterian Church Investment & Loan Program, Inc.
- ProAmerica
- Prosperity Bank
- Protective Life Insurance
- Prudential Insurance

