

§10204. Consumer underwriting and disclosure

1. Underwriting. A commercial PACE agreement entered into pursuant to a commercial PACE program must comply with underwriting requirements established by rule by the trust. Underwriting requirements established by the trust must, at a minimum:

- A. Provide that the term of the commercial PACE agreement not exceed the estimated useful life of the financed energy savings improvements; [PL 2021, c. 142, §1 (NEW).]
- B. Require that the estimated cost savings from the energy savings improvements over the useful life of such improvements achieve for the property owner a savings-to-investment ratio of not less than 1.0; [PL 2021, c. 142, §1 (NEW).]
- C. Require that the qualifying property have a debt service coverage ratio of not less than 1.0 at the time the commercial PACE agreement is entered into; [PL 2021, c. 142, §1 (NEW).]
- D. Require that the qualifying property have a loan-to-value ratio of not more than 1.0 at the time the commercial PACE agreement is entered into, calculated by dividing the total amount of debt secured by the property by the property value; [PL 2021, c. 142, §1 (NEW).]
- E. Require that the qualifying property's commercial PACE assessment-to-value ratio be no greater than 0.35; [PL 2021, c. 142, §1 (NEW).]
- F. Require proof of ownership of the qualifying property; [PL 2021, c. 142, §1 (NEW).]
- G. Require that the qualifying property:
 - (1) Be current on real estate taxes, personal property taxes and municipal sewer, sanitary and water district charges;
 - (2) Have no outstanding and unsatisfied tax or municipal sewer, sanitary or water district liens; and
 - (3) Not be subject to a mortgage or other lien on which there is a recorded notice of default, foreclosure or delinquency that has not been cured; [PL 2021, c. 142, §1 (NEW).]
- H. Require that the owner or owners of the qualifying property certify that there are no overdue payments on mortgages secured by the property; and [PL 2021, c. 142, §1 (NEW).]
- I. Require escrows for commercial PACE assessment payments when appropriate. [PL 2021, c. 142, §1 (NEW).]

[PL 2021, c. 142, §1 (NEW).]

SECTION HISTORY

PL 2021, c. 142, §1 (NEW).

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