

PROPERTY ASSESSED CLEAN ENERGY (“PACE”) BASICS

PACE is a financing option. There are other types of financing options available.

PACE Financing Basics:

- ❖ PACE is a financing program. The homeowner agrees to repay the financed amount on their annual property tax bill.
- ❖ PACE Program Administrators are private companies that administer the program. All Program Administrators under the Florida Resiliency and Energy District have been approved and are provided oversight through the Florida Development and Finance Corporation.
- ❖ A PACE financing option will increase the annual property tax bill.
- ❖ There are administrative fees and interest associated with the PACE financing from the PACE Program Administrators which vary depending upon each Administrator.
- ❖ PACE assessments don't always show up on the first tax bill; it often shows up in the second tax cycle, so homeowners may find themselves in a situation of having to pay more (up to double) the first year to true up the impound account.
- ❖ You have three days in which to cancel the financial agreement from the date signed.
- ❖ The Certificate of Completion should not be signed until the improvement project has been completed to your satisfaction.

HOME SALES/REFINANCING:

- ❖ Homeowners must notify potential buyers that there is a PACE assessment on the property prior to sale.
- ❖ Conventional loan institutions (i.e. Fannie Mae, Freddie Mac) and some banks currently won't lend on a property unless the PACE debt is settled in full prior to closing or refinancing.

MORTGAGED PROPERTIES:

- ❖ Annual taxes paid through escrow will increase your monthly mortgage payments to cover the repayment of the PACE Financing.
- ❖ PACE financing is recorded against the property as an assessment. The tax lien is in the first position, meaning that if a homeowner goes into default, the PACE Provider gets paid before any other creditors, including the lender(s) that hold the mortgage.
- ❖ Nonpayment risks foreclosure and default on the homeowner's traditional mortgage.