



PACE Consumer Protection Policies

Version 2.0

(Residential PACE Programs)

OVERVIEW

Property assessed clean energy (“PACE”) programs enable a much broader range of homeowners to implement energy efficiency, renewable energy, and water efficiency upgrades that increase the value, functionality, and sustainability of their homes. Such upgrades (“Measures”) make homes less costly to operate and more comfortable to live in, while simultaneously reducing energy and water consumption. Without PACE Programs, many homeowners would have no, or costlier, access to these Measures.

Residential PACE Programs (“PACE Programs” or “Program”), including the government authorities sponsoring and administering (“Authority”) them and, where applicable, the entities who help implement them (“Partners”), provide advice, tools and resources that enable homeowners to make smart, informed and responsible choices regarding such Measures¹. PACE Programs must be responsible for ensuring that the advice, tools and resources are appropriate and accurate, which means that care must be taken with homeowners before, during and after the origination of Program financing. Consumer protections that serve homeowners must be a core value of PACE Programs and Partners.

PACE Programs should implement consumer protection policies (“Policy” or “Policies”) that address the following areas: (1) Eligibility and Risk; (2) Disclosures and Documentation; (3) Funding; (4) Operations; (5) Post-Funding Homeowner Support; (6) Data Security; (7) Privacy; (8) Marketing and Communications; (9) Protected Classes; (10) Registered Contractors; (11) Eligible Products; (12) Pricing; (13) Reporting; (14) Closing & Funding; and (15) Policy Revision & Certification.

¹ In this document, “Partner” refers to the government authority in all cases where a Program does not include a third party non-government partner. The term Partners also does not apply to Municipal PACE Programs (e.g. Programs that are owned, operated, administered and publicly funded by the local government authority). These Policies apply only to residential properties, as defined by state law. These Policies do not apply to commercial properties.

Partners shall comply with all provisions set forth herein, unless some or all of the subject areas appearing in this Policy are otherwise covered by, or in conflict with, state law, in which case applicable state law shall control.

PACENation encourages Authority(ies) and state governments to adopt these Policies in order to ensure that all Partners are held to high standards, and that such standards are contemporaneously applied and commonly adhered to across all Programs. These Policies are a critical component of PACENation's vision for our work in maturing the PACE industry.

1. ELIGIBILITY AND RISK

Policy Summary: The Program blends credit risk considerations together with statutory requirements and administrative policy objectives to develop specific risk and eligibility criteria for participation in the Program. These criteria take into account the unique risk profile that PACE financing presents to enable qualifying homeowners to access it. While this process will exclude unqualified homeowners and properties, special consideration has been given to develop inclusive standards. The criteria examine four key attributes of every financed project: (1) the real property on which the Measures will be installed (“Property”); (2) the encumbrances presently recorded against the Property; (3) the attributes of the Measures to be installed; and (4) the homeowner’s mortgage and property tax payment history.

- 1.1. Properties. Consistent with its goals, the Program shall make PACE financing available to all existing residential housing stock within the political boundaries of the Program. Applicable law governs the eligibility criteria for Properties and not all properties may be eligible for PACE, including: (i) commercial properties, (ii) new properties under construction, or (iii) properties that cannot be subject to an assessment or levy. The Program or Partner will examine the Property for compliance with the criteria set forth in applicable law. If requested in good faith by a homeowner whose Property has been found ineligible, the Program or Partner may undertake a “second look” eligibility review of the applicant’s Property, re-examining the specific attributes of the Property in question and confirming or modifying the original determination.
- 1.2. Encumbrances. The encumbrance profile of Properties is an important element in determining whether or not they qualify for Program participation. Accordingly, unless otherwise allowed by applicable law, Properties eligible for Program financing will have the following attributes:²
 - 1.2.1. All mortgage-related debt on the Property may not exceed 90% of the Property’s fair market value (“FMV”), or assessed value if market value data is unavailable or unreliable, at the time of approval;
 - 1.2.2. Reliability of the Program FMV model shall be verified through an accepted, regular and statistically significant confirmation process demonstrating that the Program’s routine valuation methodology considers multiple reliable automated valuation model (AVM) sources and that the FMVs determined by the Program are within the range of such AVM sources.

² Some of the subsections of this Section 1.2 may be modified on a state-by-state and/or Authority-by-Authority basis.

- 1.2.3. Subject to applicable state law, the financing may not exceed an amount equal to (A) (i) twenty percent (20%) of the FMV of the Property, up to the first seven hundred thousand dollars (\$700,000) of the Property's FMV, plus (ii) ten percent (10%) of the remaining value of the Property above seven hundred thousand dollars (\$700,000) minus (B) any PACE assessments on the Property. The term "financing" used in this Section 1.2.3 means a contractual assessment or special tax levied by a PACE program, which includes the amount financed for the Measures, all financed fees and capitalized interest.
 - 1.2.4. The total mortgage-related debt on the underlying Property plus Program financing may not exceed the FMV of the Property; and
 - 1.2.5. The total amount of any annual property taxes and assessments (including but not limited to all PACE, or other local assessments/special taxes) shall not exceed five percent (5%) of the Property's FMV, determined at the time Program financing is approved.
- 1.3. Eligible Measures. The Program provides financing for a broad range of eligible products and projects permanently-affixed to the Property, the details of which are set forth in Section 11. The Program is not available to finance ineligible products and projects, which comprise anything not specified in Section 11, subject to an appeal and review of specific measures on a case by case basis by the Partner and/or Program. While the Program is responsible for confirming compliance with the Section 11 requirements, it is not responsible for determining post-installation energy performance, savings or efficacy of such products or projects. The Program relies on applicable law, data and ratings from the U.S. Department of Energy, the Environmental Protection Agency and/or other federal and state government agencies or reputable third parties in determining what constitutes an eligible Measure.
- 1.4. Homeowners. PACE Program assessments typically appear as line items on property tax bills and homeowners repay their financing when they pay their property tax bills. The mortgage and property tax payment history of the homeowner of record is, thus, an important factor in determining that homeowner's eligibility to participate in the Program. Accordingly, at the time of application, applicants must satisfy the following criteria in order to be eligible for Program financing:³
- 1.4.1. The applicant is the homeowner of record;
 - 1.4.2. Property tax payments for the assessed Property are current. Additionally, the

³ Some of the subsections of this Section 1.4 may be modified on a state-by-state and/or Authority-by-Authority basis.

homeowner must certify that there has been no more than one late payment for the shorter of (i) the previous three years, or (ii) since the present homeowner acquired the Property;

- 1.4.3. The homeowner is current on all mortgage debt, and has been late on such payments no more than once during the 12-month period preceding funding;
- 1.4.4. The applicant has not had any active bankruptcies within the last seven years; provided, however, that this criterion can be met if a homeowner's bankruptcy was discharged between two and seven years before the application date, and the homeowner has had no past due payments (mortgage and non-mortgage) for more than 60 days in the most recent 24 months;
- 1.4.5. The homeowner has no outstanding or unsatisfied involuntary lien(s) recorded against the Property in excess of \$1,000;
- 1.4.6. The homeowner has no delinquent federal or state obligations greater than \$1,000;
- 1.4.7. The homeowner has reported to the Program any and all as-yet unrecorded encumbrances on the Property and their full amounts, including any contractual assessments or special taxes levied by a PACE Program, and those encumbrances will be included in any calculations of the total amount of debt secured by the Property;
- 1.4.8. For purposes of Sections 1.4.3. and 1.4.5., if accurate and complete information to determine compliance with a requirement of one or more of these provisions cannot be reasonably obtained by the Partner, and if at least one homeowner has a FICO score of 700 or more (based on a report from one or more national credit bureau(s)), then the Partner may regard as satisfied the requirements of such Sections. Note, however, that the outstanding or unsatisfied involuntary lien amount may under no circumstances be in excess of \$5,000;
- 1.4.9. There may be no pending Notice of Default on the property and no more than one recorded Notice of Default for the shorter of (i) the previous two years, or (ii) since the present homeowner acquired the Property;
- 1.4.10. Homeowners must report monthly household income and debt obligations at the time of application. Partners will collect and evaluate income and debt data to develop income-based financing criteria and provide written policy recommendations to PACENation no later than December 31, 2017. PACENation will then work with member Programs, Authorities, and Partners to develop appropriate income-based financing standards. Notwithstanding the foregoing, for Programs that do not include a third-party non-government Partner, compliance with this Section 1.4.10. will be voluntary.

2. DISCLOSURES & DOCUMENTATION

Policy Summary: Documentation for Program participants should ensure compliance with these Policies and must be clear, easy to understand, complete, and fair to all parties. The reader must have an unambiguous understanding of every right, risk and obligation associated with the Program's financing. At a minimum, the Program shall disclose traditional financing terms ("Disclosures" e.g., interest rates, financing term, payment amounts, right to cancel) in a form substantially similar to those set forth in Attachments A1, A2, and A3.

- 2.1. Document Timing. Before commencement of any Program-financed project, a homeowner needs to: (i) submit an application; (ii) receive approval of the Measures from the Partner; and (iii) execute documentation covering the terms and disclosures summarized in this Section. Following installation of the Measures, a homeowner needs to: (i) execute an acknowledgement that the installation of the Measures has been completed satisfactorily; and (ii) receive a final summary of costs and payments. Delivery to, and execution of all such documentation by, the homeowner is the responsibility of the Partner.
- 2.2. Terms. Terms that must be included in the Program's Disclosures are: (i) the amount financed including the cost of the installed Measures, together with Program fees and capitalized interest, if any; (ii) the repayment process and schedule; (iii) the payment amounts; (iv) the term of the financing (that does not exceed the useful life of the Measures); (v) the rate of interest charged (such rate to be fixed and not variable); (vi) a payment schedule that fully amortizes the amount financed; (vii) the nature of the lien or obligation created upon recordation; (viii) the Measures to be installed; (ix) the right to withhold approval of payment until the project is complete; (x) the three day right to cancel the financing; and (xi) any other relevant state specific rights, notices, or requirements (e.g. in California, Section 5899.2 rights for solar leases). It is the responsibility of the Partner to prepare, deliver and arrange for execution of documents reflecting such terms.
- 2.3. Disclosures Policy. Disclosures ensure that homeowners are aware of and understand key Program financing terms and risks that appear in the Program's documentation. Partners must confirm delivery to, and receipt by, homeowners of these Disclosures, and obtain written acknowledgement that homeowners have read and understand them. If such written Disclosures are provided electronically, they must be provided in compliance with the Electronic Signatures in Global and National Commerce (ESIGN) Act. The following are key Disclosures of the Program provided by Partners in a financing summary substantially similar to the form attached hereto as Attachment A1:

Model Financing Estimate.

Disclosures	Description
Term of financing	The maximum time period of the financing.
Amount financed	The total amount financed, including the installed cost of the Measures, Program fees and capitalized interest, if any.
Annual payment amount	The amount due each year, even if paid in semi-annual installments or through impound payments.
Annual interest rate/APR	The effective interest rate after taking into account all fees and capitalized interest.
Measures financed	The Measures installed.
Mortgage risks	The risk that the homeowner may need to pay off the PACE assessment at the time of sale or refinance.
Right to cancel	The three day right to rescind the financing.
Prepayment	The right to prepay the Program financing with clearly defined penalties, if any. Any pre-payment – partial or full – results in re-amortization.
Tax benefits	Recommend that property owners consult with a tax professional regarding potential tax benefits that could apply to them.
Foreclosure	The risk of foreclosure and the foreclosure process in the event of a homeowner default.
Payment mechanics	A description of when the initial payment is due, and how the assessment payments may affect mortgage payments for homeowners with mortgage escrow accounts.
Late payments	A description of the penalties associated with making late payments.
Cost savings	A notice that any potential utility savings associated with the Measures financed by the Program are not guaranteed, and will not reduce the assessment payments or total assessment amount.

The following comprise additional key Disclosures of the Program provided by Partners.

Disclosures	Description
Program overview	A document or section of a document that provides a comprehensive summary of the Program, including a summary of a homeowner’s rights and obligations.
Tax lien status	A notice disclosing assessment’s status as a tax lien.
Property tax repayment process	Description of the property tax payment process and the line item for repayment of the Measures that the Program financed.
Privacy	A notice describing the privacy policies of the Program.
Federal disclosures	Applicable federal disclosures in the Program application.

2.4. Confirmation of Terms. For all Program financing applications, Partners must confirm live by telephone with the homeowner applicant, each Program financing term listed in (a)-(l) of this Section 2.4. below, prior to the delivery of Program financing documents to the homeowner applicant. Such telephonic confirmation will be recorded, and will be made available to the homeowner applicant upon request. A voicemail message does not satisfy the requirement of Program financing term confirmation under this Section 2.4. When confirming terms of a Program financing with a homeowner, the Partner will request the homeowner to describe generally the Measures being financed using the Program financing, and will ascertain that the homeowner understands:

- (a) The Measures installed are financed by the Program;
- (b) The total estimated annual payment, including applicable fees;
- (c) The date the first tax payment will be due;
- (d) The term of the Program financing;
- (e) The payments will be made through the homeowner’s property taxes and paid either directly to the county assessor’s office or through his or her mortgage impound account;
- (f) The assessment contract executed in connection with the Measures will be recorded and added to their property taxes that each year appear as a lien against the Property until paid, or that will become a lien against the Property if not paid;
- (g) The financial information they have provided and that they are able to meet the increased property tax payment;
- (h) Questions on tax benefits or deductibility must be directed to a tax professional;

- (i) The possibility that the obligation may (a) remain on the Property or (b) be required to be paid off if the homeowner sells or refinances the Property;
- (j) That before any assessment contract (the “Pending Project”) is executed, the homeowner must confirm that no Measures other than the Pending Project are underway, and must inform the Partner, at any time before funding of the Pending Project if homeowner has authorized any new Measures;
- (k) The dispute resolution process and procedure; and
- (l) The three-day right to cancel the financing.

3. FUNDING

Policy Summary: PACE financing is a unique form of financing that, while sharing some features of traditional financing, presents different considerations for financing capital sources and structures.

- 3.1. Interest Rates. Partners must only offer fixed simple interest rates, and payments that fully amortize the obligation. Variable interest rates or negative amortization financing terms are not permitted. Capitalized interest included in the original balance of a PACE financing does not constitute negative amortization.
- 3.2. Sustainable Funding Source. Partners must establish a sustainable source of capital for funding PACE projects separate from the Authority's general fund or budget and have access to capital markets to ensure funding for qualified projects is available on a consistent basis. A Partner must demonstrate the capacity to fund assessments that the Program and Partner anticipate originating through such Partner over a six (6) month period immediately following the Program's review of such Partner's financial statements.
- 3.3. Contractor Fees. Partners can only charge fees to Contractors offering Program financing if such Partners require that contractors absorb such obligations and not directly pass such fees on to homeowners.

4. OPERATIONS

Policy Summary: Operations refers to the staff, procedures, and systems that Partners use to deliver the Program to homeowners and provide them with ongoing support. For Partners, operational competence rests on the ability to perform well in a range of areas and disciplines, such as accounting, finance, capital markets, risk assessment, legal, compliance, government affairs, municipal engagement training, marketing and sales, contractor engagement, business development, and corporate development. While each operating unit incorporates thoughtful and highly effective consumer protections in the work it produces, Operations is the gatekeeper responsible for assuring that the Program has the people, processes, tools and technology necessary to deliver to homeowners the Program financing product, as well as the consumer protections described in these Policies.

- 4.1. Operational Consumer Protection Policies. The Program and its Partners will provide people and develop processes, tools and technology necessary to support the consumer protection measures described in detail elsewhere in this Policy, including: (i) risk and underwriting processes; (ii) terms and documentation delivery systems; (iii) documentation, maintenance and retrieval processes; (iv) disclosure development, delivery and acknowledgment receipt; (v) post-funding support for homeowners and other stakeholders such as real estate professionals; (vi) data security measures; (vii) privacy policy development and protections; (viii) marketing and communication oversight; (x) protected class data and communication processes; (xi) contractor management and engagement; (xii) eligible product database and/or list development and maintenance; (xiii) implementation of the maximum financing amounts; (xiv) key metrics reporting; (xv) closing and funding processes (including the ability to fulfill financing obligations); (xvi) examination data production; and (xvii) implementation of procedures to identify and address conflicts of interest within and associated with the Program.

5. POST-FUNDING HOMEOWNER SUPPORT

Policy Summary: A public/private partnership is at the core of the Program. This partnership carries with it elevated consumer protection responsibilities that apply to the Program with as much significance during the post-funding period as they do during the time of application and origination. Establishing a function responsible for customer care that responds to inquiries, complaints, contractor and workmanship concerns of the Measures financed is fundamental to the consumer protections that the Program provides.

- 5.1. Onboarding. Partners must develop and implement a post-installation onboarding procedure for homeowners to reinforce key characteristics of the Program, such as those highlighted in the Program disclosures.
- 5.2. Payments. Each Partner must have resources readily available to resolve any homeowner questions regarding payments. The Program requires that each Partner implement procedures for responding in a timely and complete manner to requests for partial or full prepayment, matters regarding mortgage escrow or mortgage impound accounts catch up payments, payment timing inquiries and payment amount reconciliation, among others.
- 5.3. Homeowner Recourse for Contractor Misconduct. Each Partner must have processes and procedures to receive, manage, track, and timely resolve all homeowner complaints regarding Contractor misconduct. The process and procedures shall include administrative remedies that provide for review and resolution of such homeowner complaints by an independent, neutral third party. These administrative remedies shall in no way expand or abridge any legal rights or causes of action otherwise available to the homeowner; provided, however, that the homeowner shall have no standing to pursue any claims against the Partner or the Authority with respect to such complaints until first exhausting such administrative remedies.
- 5.4. Real Estate Transactions. Partners must develop capabilities to assist homeowners who are refinancing or selling their Properties. The Partner must support real estate professionals providing services to refinance and sales transactions for properties with PACE assessments.
- 5.5. Forbearance, Modification, and Forgiveness Policies. The Partner shall develop forbearance as well as modification and forgiveness mechanisms for homeowners facing economic hardship. Further, to protect members of the military and their families, the Program shall comply with the requirements of the Servicemembers Civil Relief Act.

6. DATA SECURITY

Policy Summary: Trust is fundamental to any financing relationship, and Program financing is no exception. The public/private partnership at the center of the Program, as well as the confidential relationship homeowners have with a Program Partner mandate that any market-ready Program be in robust compliance with sturdy cyber-security standards, and in particular develop secure and tested processes that protect homeowners' nonpublic personal information at points of potential vulnerability, especially during the application process.

- 6.1. Information Systems. Each Partner is required to develop and comply with secure and tested processes to protect the nonpublic personal information of the homeowner described in Section 7 below, including:
 - 6.1.1. A cyber-security policy and protocol that, at a minimum, requires data encryption “during transmission” and “at rest,” and compliance with robust cyber-security standards.
 - 6.1.2. A protocol for access to information based upon, job function and need-to-know criteria.
 - 6.1.3. Measures that protect the security and confidentiality of consumer records and information, including, without limitation, requiring all computers and other devices containing any confidential consumer information to have all drives encrypted with industry standard encryption software.
 - 6.1.4. Monitoring and logging all remote access to its systems, whether through VPN or other means.
 - 6.1.5. Data security policies that are subject to auditing and penetration testing conducted by an independent auditor at least annually and any time a change is made that may have any material impact on the servers, security policies or user rights.
 - 6.1.6. Ensuring minimum viable configurations are in place on all servers. All firewalls should have continuous logging enabled. In addition, access control lists and audited server configurations should be used to ensure that data security is maintained.
- 6.2. Personnel. Each Partner is responsible for:
 - 6.2.1. Informing and enforcing compliance with the Program's data privacy and security policies on the part of every employee, contractor, vendor, agent, service provider, representative, and associate who is exposed to nonpublic personal information of homeowners.
 - 6.2.2. Implementing protections and controls to prevent unauthorized copying,

disclosure, or other misuse of nonpublic personal information.

7. PRIVACY

Policy Summary: The trusting and confidential relationship that exists between homeowners and the Program extends to the Partners' use of homeowner data. Compliance with the Gramm-Leach-Bliley Act as well as the establishment of clear opt-in and opt-out protocols for information sharing are the pillars of the Program's privacy policy. More broadly, the Program must protect and manage nonpublic personal information, respect the privacy of all homeowners, and implement robust controls to prevent unauthorized collection, use and disclosure of such information.

- 7.1. Privacy Policy. The Program obtains nonpublic personal information (as defined in the Gramm-Leach Bliley Act of 1999, title V, its implementing regulations, and other similar laws and regulations) from homeowners as part of the Program application process or through other homeowner touch points with the Program. Each Partner must develop a privacy policy prohibiting the Partner from unlawfully disclosing, and taking all commercially reasonable measures to protect, any nonpublic personal information. In addition, such privacy policy will cover (i) the sources from which nonpublic personal information is obtained, (ii) the Partner's use of nonpublic personal information, and (iii) a mechanism by which a consumer may opt-out of sharing information. The Partner will deliver the privacy policy to homeowners prior to the receipt of the homeowners' signed financing agreement and will provide homeowners with updates to such privacy policy.
- 7.2. Application Process. Unless otherwise expressly consented to by the homeowner all nonpublic personal information provided by a homeowner to a Partner during the application process will be only provided directly by the homeowner to the Partner. The Partners will establish processes and controls to ensure that nonpublic personal homeowner information is obtained directly from such homeowner (or his verifiable legal representative or attorney in fact) and not from a contractor or other third party.

8. MARKETING & COMMUNICATIONS

Policy Summary: Clear, informative, truthful, balanced, transparent and complete communications are essential for the Program. The stakeholders of any Program include homeowners, Contractors, the Authority(ies), government officials and staff, investors, finance partners, real estate professionals, mortgage lenders, and its Partner(s) among others. Communications or acts and practices that mislead stakeholders, add ineligible products and expenses to PACE financing or to the Program, abuse stakeholders, or otherwise fail to meet the core communication standards of appropriateness for the Program are not acceptable.

- 8.1. **Prohibited Practices.** The Program is prohibited from and prohibits the Contractors registered with the Program from employing practices that are unfair, deceptive, abusive, misleading, violate federal or state laws or regulations, provide tax advice or are inconsistent with the Program’s purpose.
 - 8.1.1. Partners and Contractors are expressly forbidden to: (i) suggest or imply in any way that PACE is a government assistance program, (ii) suggest or imply that PACE is a free program, (iii) suggest or imply that PACE does not involve a financial obligation that the homeowner must repay, (iv) use check facsimiles to dramatize the amount of PACE Program financing that would be available, and (v) present a check facsimile as if a negotiable instrument.
 - 8.1.2. Contractors are expressly forbidden to use a local government’s logo, city seal or other graphic in marketing materials or presentations in a way that explicitly communicates an endorsement of the Program by the local government unless the local government has provided explicit permission in writing to do so.
 - 8.1.3. Prohibited marketing practices also include those that are likely to add unnecessary expense to a homeowner (e.g., paying consumers for applications), that unlawfully use nonpublic personal information or that violate any other law or regulation are prohibited.
 - 8.1.4. Partners and Registered Contractors (defined below) or other permitted vendors that make marketing or sales telephone calls must not violate federal or state “Do-Not-Call” laws.
 - 8.1.5. Each Partner is responsible for developing and enforcing marketing practices that meet the approval of the Program.
- 8.2. **Permitted Practices.** Programs must adhere to all legal and regulatory requirements (e.g., telemarketing) pertaining to its advertising and marketing efforts. On the basis of providing clear and concise communication to consumers, any practice that promotes informed decision making on the part of homeowners and is not prohibited as described

in section 8.1 above is permitted. The Partner is responsible for monitoring and testing marketing materials for compliance and correcting any non-compliant materials.

8.3. Tax Advice. No Partner, Contractor or other related third party who is not a tax expert may provide tax advice to homeowners regarding Program financing; provided the Partner may indicate to the homeowner that tax benefits may be available to certain homeowners who obtain PACE financing as described in IRS Tax Topic 503 and direct homeowners to seek the advice of an expert regarding tax matters related to the Program. The Program shall monitor and test the sales practices of employees and contractors to confirm adherence to the policy set forth in this Section 8.3.

8.4. Payments in Exchange for Financing.

8.4.1. Except as provided for in Section 8.4.2, Partners are prohibited from providing any direct or indirect cash payment or other thing of material value to a Contractor (company or Affiliated Individual) in excess of the actual price charged by such Contractor to homeowners for the sale and installation of the Measures financed by the Program.

8.4.2. Partners are permitted to reimburse documented expenses to compliant Contractors for Partner-approved co-branded advertising and marketing campaigns and collateral, Partner-sourced leads, reasonable entertainment expenses, training, and training events.

8.4.3. No Partner, Contractor or Affiliated Individual may provide a direct cash payment or other thing of value to a homeowner explicitly conditioned upon such homeowner's selecting Program financing.

9. PROTECTED CLASSES & LOW-INCOME HOMEOWNERS

Policy Summary: Each Partner must ensure compliance with all state and federal laws that cover individuals in protected classes including those based on race, religion, color, marital status, gender, sexual orientation, national origin, citizenship, presence of children, disability, age, veteran status, participation in a public assistance program, or because an applicant has in good faith exercised any right under the Consumer Credit Protection Act. Heightened protections for homeowners 65 years and older, such as confirming understanding of financing terms and project specifications, is a specific requirement of the Program. Availability of the Program to low-income homeowners who otherwise meet Program eligibility criteria should be considered and protected. Unintentional non-compliance will not excuse a failure to comply with all state and federal laws regarding protected classes.

- 9.1. General. The Program requires that Partners develop controls and methods to monitor and test compliance with all state and federal laws covering homeowners in protected classes.
- 9.2. Elders. Each Partner must develop and implement a protocol to ensure that all homeowners 65 years and older understand the purpose of each Measure for which Program financing is made available, and the terms of such financing as described in Section 2.4.
- 9.3. Financing Application Access and Decisions. It is the responsibility of the Partner to provide legally unbiased access to and decisions regarding Program participation to all applicants for Program financing.
- 9.4. Low-Income Households. Each Program shall include compliance processes and procedures confirming its availability in low-income communities to homeowners who meet Program eligibility criteria that is consistent with its availability to homeowners who meet such criteria in middle- and high-income communities.

10. CONTRACTOR REQUIREMENTS

Policy Summary: Contractors and their sales persons are one of the primary means by which homeowners become aware of Program participation options. Contractors and their sales persons enter into contracts with a Partner, and are required to register with state and local licensing boards and agencies required by applicable law. Contractors are required to complete training courses, follow a code of conduct, maintain insurance, post bonds, follow marketing requirements, among other obligations, all of which are designed to assure positive and productive homeowner interaction with the Program.

- 10.1. Policies. All contractors who sell, install, or manage subcontractors who install eligible Measures will become “Registered Contractors” by executing the Partner’s Contractor Participation Agreement (the “PCPA”) and that all such contractors and all of their employees, entities, owners, partners, principals and sub-contractors (collectively, the “Affiliated Individuals”) meet the requirements of the PCPA, which include:
 - 10.1.1. Compliance with the Partner-issued code of conduct and any relevant state or local contractor code of conduct.
 - 10.1.2. Maintenance of an active license, and being in good standing, with any relevant state licensing board, as well as maintenance of insurance and an ability to meet bonding requirements;
 - 10.1.3. Execution of the PCPA only by a person who is authorized to act on behalf of, and who is responsible for the actions of, a Registered Contractor (a “Qualifying Individual”) and in compliance with any applicable licensing board requirements;
 - 10.1.4. Oversight and management of employees, independent contractors and subcontractors who provide services to Registered Contractors accessing the Program;
 - 10.1.5. Meeting all other state and local licensing, training and permitting requirements;
 - 10.1.6. Compliance with the Program’s marketing policies; and
 - 10.1.7. Requiring that Registered Contractors (i) register their Affiliated Individuals who are providing sales services related to the Program, including completing reasonable identity verification procedures and (ii) provide the Program with information regarding each Affiliated Individual conducting sales services related to the Program.
- 10.2. New Contractors. Regarding Registered Contractors new to the Program the Partner must:

- 10.2.1. Has a specified probationary period (i.e., place the new Registered Contractors on a watch list) until the new Registered Contractors have completed the required number of Measures;
 - 10.2.2. Has procedures in place, during the Registered Contractor probationary period, to provide additional quality assurance steps for Measures completed by the Registered Contractors on the watch list; and
 - 10.2.3. Has procedures in place to review Registered Contractor work to confirm satisfactory completion of projects conducted during the probationary period for which Program financing is used.
- 10.3. Contractor Management. The Partner must implement Contractor management systems and procedures that manage and track contractor training and compliance violations on an individual and company basis. The Program may not calculate and provide to any Contractor the maximum dollar amount of a PACE assessment for which a homeowner could be eligible. This prohibition is not meant to preclude the Program from providing the maximum eligible financing amount to the homeowner upon request from the homeowner.
- 10.4. Contractor Training. Each Partner shall make available contractor training regarding, at a minimum, the following: (i) the applicable contractor code of conduct terms as required by the Program, (ii) protected classes, including, without limitation, elder protection, and (iii) other consumer protection measures as required by the Program.
- 10.5. Remedial Action. Following its reasonable due process procedure, Partners will warn, suspend, terminate or take other appropriate action with respect to a Registered Contractor based on violations of the PCPA or other Program requirements, in accordance with documented procedures. Each Partner must implement processes for the review and documentation of alleged violation(s) of a Registered Contractor and, if applicable, the suspension and/or termination of such Registered Contractor (“Disciplined Contractor”). Upon the suspension or termination of a Disciplined Contractor, the suspending or terminating Partner must provide written notice (“Suspension or Termination Notice”) to the Authority. Upon the Authority’s receipt of the Suspension or Termination Notice, such Authority may inform other Authorities of such suspension or termination (as applicable). The Program does not accept Program applications provided by contractors that the Program terminated in accordance with this Section 10.5.

11. ELIGIBLE PRODUCTS

Policy Summary: The Program enables and encourages homeowners to install Measures which are designed to provide a public benefit (such as saving water and energy) in accordance with applicable law. The Program is responsible for implementing practices and controls (e.g., eligible Measures list and product confirmation processes) to ensure that financing is used only for eligible Measures, and that it is not provided for ineligible ones. Program product eligibility criteria ensure that property owners are financing Measures which are industry recognized for achieving higher levels of home energy or water efficiency, or other state specific approved Measures. The Partner shall establish a process for confirming that all Measures not only meet PACE-eligibility criteria, but also meet or exceed the specifications detailed by the Program. While the Partner is responsible for confirming compliance with the initial capacities of such products, it is not responsible for determining post-installation energy performance, savings or efficacy of such Measures.

- 11.1. Policies. Consistent with the objectives of the PACE enabling legislation, the Program must:
 - 11.1.1. Establish, maintain and make publicly available an Eligible Measure List (EML) for each Program which documents, at a minimum, the following criteria for each eligible measure: the name or description, the associated eligibility specifications (i.e. performance thresholds, certification requirements, installation criteria), and the expected useful life in years. Reference Attachment B – Sample Eligible Measures List for an example of a list conforming to these criteria.
 - 11.1.2. Define a process for adding to or modifying the EML;
 - 11.1.3. Ensure that Measures included on the EML are consistent with scope of PACE Program activities (i.e. public purpose benefits) and categories of Measures eligible for financing (e.g. energy efficiency, renewable energy, etc.) as defined by the Program governing entity (state and/or locality).
 - 11.1.4. Ensure that the eligibility specifications defined for each Measure are based upon credible third-party standards and/or certification criteria that have established by appropriate government agencies and/or nationally-recognized standards and testing organizations, including but not limited to, U.S. Department of Energy (e.g. EnergyStar and WaterSense), U.S. Environmental Protection Agency, national research laboratories, state energy offices, state/local building code divisions, International Code Council, Building Performance Institute, National Fenestration Rating Council, Solar Rating and Certification Corporation, Cool Roof Rating

Council, and Air Conditioning Heating and Refrigeration Institute;

- 11.1.5. Ensure that the useful life defined for each Measure is based on research from credible third-party sources of information, such as but not limited to the International Association of Certified Home Inspectors (InterNACHI), National Association of Home Builders (NAHB), American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), manufacturer warranty documentation, etc.; and
- 11.1.6. Require that each product is permanently affixed to the Property.
- 11.2. Custom Measure Policies. If the Program intends to permit financing of Measures not explicitly included in on the EML the Program through consultation with the Partner and Authority must:
 - 11.2.1. Establish, maintain, and make publicly available a Custom Measure application (CMA) that permits contractors and homeowners to submit measure requests for review and consideration of eligibility.
 - 11.2.2. Establish, maintain, and make publicly available CMA review and approval guidelines that clearly outline the key requirements and criteria that must be met or exceeded in order for the CMA to be approved. Reference Attachment D – Sample Custom Measure Application Approval Guidelines.
 - 11.2.3. Ensure that CMA review and approval guidelines align with policies defined in sections 11.1.2 – 11.1.4.2 herein.
 - 11.2.4. Ensure that no more than 5% of Program financing portfolio dollar amount be allocated to approved CMAs on an annual basis.
- 11.3. Ancillary Work Scope Policies. It is acknowledged that the installation of Measures may need to include ancillary work scope items (i.e. site preparation) that are not explicitly listed in the EML. Therefore, the Program must evaluate such items using the following guidelines for ancillary work scope items that are allowed to be included in the use of Program financing:
 - 11.3.1. Ancillary work scope items must be directly related and necessary to complete the installation of an eligible Measure, or set of Measures, included in the Program financed project.
 - 11.3.2. The cost of ancillary work scope items may not exceed 25% of the cost of the related eligible Measures included it the Program financed project, unless there is a reasonable basis found by the Partner to exceed the 25% limit.
- 11.4. Eligible Measure Verification Procedures. The Partner must establish procedures to verify eligible Measures as follows:

- 11.4.1. Before providing a Contractor with the notice to proceed, collect that the Measures scheduled to be installed using Program financing comprise only items appearing on the EML, or have been approved as Custom Measures.
- 11.4.2. Measure verification procedures must include the collection of sufficient key identifying information to independently verify Measure eligibility against third-party data sources (e.g. certified reference ids, manufacturer/brand names, model names, model numbers, performance ratings, etc.); self-certification of Measure eligibility from the contractor or homeowner is not sufficient.
- 11.5. Ineligible Products. Partners are prohibited from financing: (i) products that are not included on the EML, (ii) products that do not meet the eligibility specifications as defined in the EML, and/or (iii) products which have not been approved as Custom Measures.

12. MAXIMUM FINANCING AMOUNT

Policy Summary: It is in the public interest for Programs to implement a maximum financing amount (“MFA”) procedure as an operational control to prevent egregious pricing. The MFA sets the ceiling for amounts that can be financed for a particular project.

The Program’s maximum financing amount policies provide as follows:

- 12.1. The Program must develop MFAs based on market data and each Partner’s experience. In evaluating project pricing, the Partner takes into account regional factors that may contribute to the pricing of Measures.
- 12.2. The Partner will, at a minimum, establish an MFA for each product type (e.g. for central air conditioners, solar PV systems, solar thermal systems and artificial turf).
- 12.3. The Partner must establish pricing rules for eligible products to determine the maximum amount for which financing is available.
- 12.4. Each Partner must establish processes and systems for purposes of enforcing the MFA rules (as described in Section 12.3) for every project.
- 12.5. A product may only be funded for an amount that is greater than the MFA for such product if the amount exceeding the MFA is justified by reasonable standards that are validated and documented through processes and systems acceptable to the Authority.

13. REPORTING

Policy Summary: Reporting Program outcomes is essential for all PACE market stakeholders. Metrics such as Measures funded, energy and water savings, carbon avoided, jobs created, homeowner repayment and defaults, and home equity provide Programs and market participants ways to evaluate performance of our marketplace as a whole. Partners will share specific categories of information with PACENation in accordance with this Section 13.

- 13.1. PACENation Reporting Categories. Aggregated data should be collected and reported for the following categories: (i) number of homes funded, (ii) project amount funded, (iii) installed Measures, (iv) default and delinquency statistics, (v) homeowner eligibility data, (vi) estimated amount of energy savings, (vii) estimated amount of renewable energy produced, (viii) estimated amount of water savings, (ix) estimated amount of greenhouse gas emissions reductions, (x) estimated number of jobs created, and (ix) home equity.
- 13.2. Reporting Standards. All data included in the reports must be developed and collected using standardized and verified principles and methodologies for the industry. The methodologies and supporting assumptions and/or sources must be made available to PACENation by the Partner. It is the responsibility of the Partner to test and verify the data collection and reporting methods and models used. All reports shall include only aggregate data, excluding any nonpublic personal information.
- 13.3. Reporting Frequency. Partners shall share such aggregated data with PACENation on a quarterly basis or as determined by PACENation in consultation with Partners.

14. CLOSING & FUNDING

Policy Summary: The Program provides limited purpose financing to homeowners, and not general purpose financing that is common among other sources of financing. The Program has front-end (e.g., eligible Measures approval) requirements and pre-funding (e.g., completion certificates) procedures designed to confirm that Program financing is only used for eligible Measures. Such procedures are essential to protecting the integrity of the Program.

- 14.1. Installation Completion Sign-off. The Program must confirm, before funding, that the eligible Measures financed are installed, operational and in a condition that is acceptable to the homeowner and the contractor, and to require that the homeowner and the contractor attest to such by signing a document stating that all Measures have been installed to the homeowner's satisfaction and in accordance with product specifications. It is the responsibility of the Partner to confirm any such document is signed within the maximum allowable installation time as specified by the Program.
- 14.2. Permits. Homeowners seeking Program financing to obtain required permits for the installation of all Measures and provide verification thereof upon request.
- 14.3. Funding. The Program must disburse funds only for projects that are complete.
- 14.4. Recording. The Program must record the required lien recordation documentation in a manner consistent with state law.
- 14.5. Asset Verification. The Program must confirm that Measures for which Program financing has been provided have been installed and that the Partner develop and implement a randomized onsite inspection protocol which would include at least 5% of all Measures financed by the Program.

15. POLICY REVISION & CERTIFICATION

Policy Summary: PACENation shall establish a process for revising these Policies in an effort to ensure they are addressing relevant consumer protection issues as the PACE industry matures. PACENation shall facilitate, through an independent third party, the annual certification of Partners as compliant with the Policies set forth herein. This process may include PACENation members as well as non-members. This process is intended to supplement – not supplant -- the Authority’s compliance and oversight function.

- 15.1. Policy Revisions. PACENation shall establish a process for revising these Policies on an ongoing basis. As part of this process, Programs and Partners will proactively monitor and test the consumer protections delivered to homeowners, and request feedback from homeowners and contractors to identify areas of improvement. The Programs and Partners shall share their suggested revisions to these Policies with PACENation. PACENation shall publicly release updated Policies at least annually, or when otherwise necessary. Other stakeholders may also provide feedback to PACENation for consideration in the policy revision process.
- 15.2. Certification. PACENation shall develop a certification process for Partners. The process will certify Partners compliance with these Policies and define the timing, scope, and management of such certification process.
 - 15.2.1. Oversight. PACENation shall establish a committee that may include, but is not limited to, Authority(ies), and other relevant governmental bodies and non-profit organizations. The committee is responsible for management of the certification process.
 - 15.2.2. Certification Timing and Frequency. Once the certification process begins PACENation shall establish a calendar pursuant to which Partners will be certified on an annual basis. Each Partner shall cooperate in good faith with PACENation during such annual certification.

Financing Estimate

12345 Main Street, Anytown, USA 00000

Save this Financing Estimate and Disclosure to compare with your Final Payment Summary.

DATE ISSUED	01/04/2017	TERM	10 years
PROPERTY OWNERS	Joe Smith	PURPOSE	Home Improvement
	123 Blueberry Ln	PRODUCT	PACE Program
	Anytime, USA 00000	IDENTIFICATION #	USA00000000
PROPERTY ADDRESS	123 Blueberry Ln	RATE LOCK	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES, until 06/23/2017
	Anytime, USA 00000		After the expiration date interest rates and closing costs can change.

Product Cost

Product Cost Financed <i>(Including labor/installation)</i>	\$000.00	• Heating, Cooling & Ventilation - Air Conditioner
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Assessment Terms

Assessment Amount	\$000.00
Closing Costs Financed	\$000.00
Interest Rate	0.00%
Balloon Payment	\$0.00

Projected Payments

Payment Calculation	
Principal & Interest (including Closing Costs Financed)	\$000.00
Annual Assessment Administration Fee	+ 00.00
Estimated Total Annual Payment	\$000.00

Note: This financing arrangement will result in a tax assessment against your real property. The annual payment due for this assessment will be collected with other taxes that are due each year for your real property. See the "Other Considerations" section below for more information about the increased mortgage payments that your mortgage servicer may require you to make each month, if your mortgage payments include property taxes the servicer collects and pays on your behalf from an escrow (impound) account.

Financing Estimate

12345 Main Street, Anytown, USA 00000

Save this Financing Estimate and Disclosure to compare with your Final Payment Summary.

Assessment Costs

A. Administration Fees	\$000.00
One-time Program Administration Fee	\$000.00
One-time Assessment Administration Fee	\$00.00
B. Origination Charges	\$0.00
Application Fee	\$0.00
C. Services	\$0.00
Appraisal Fee	\$0.00
Credit Report Fee	\$0.00
D. TOTAL ASSESSMENT COSTS (A + B + C)	\$000.00

Closing Costs

H. TOTAL CLOSING COSTS (D + G)	\$000.00
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Calculating Cash to Close

Total Closing Costs (H)	\$000.00
Closing Costs Financed (<i>Paid from your Assessment Amount</i>)	\$000.00
Down Payment/Funds from Property Owner	\$0.00
Estimated Cash to Close	\$0.00

Other Costs

E. Accumulated Interest Charges	\$000.00
Interest Before First Payment ¹	\$000.00
F. Government Fees	\$00.00
One-time Recording Fee	\$00.00
G. TOTAL OTHER COSTS (E + F)	\$000.00

¹ Interest accrued from closing to September 2nd of the year in which you make your first assessment payment

Other Terms

Prepayment Fee	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	<i>Interest will accrue until the 2nd day of the 2nd month following payoff</i>
Annual Assessment Administration Fee	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	<i>\$00.00 (subject to change)</i>

Additional Information About this Assessment

Use this information to compare to other financing options

Total amount you will have paid over the term of the assessment	\$000.00	<i>Principal you will have paid off (excluding Interest Before First Payment).</i>
	+ \$000.00	<i>Amount of interest you will have paid (including Interest Before First Payment).</i>
	+ \$000.00	<i>Annual Assessment Administration Fees you will have paid.</i>
	= \$000.00	<i>Total you will have paid in principal, interest, and Annual Assessment Administration Fees.</i>
Annual Percentage Rate	0.00%	<i>Your costs over the assessment term expressed as a rate. This is not your interest rate.</i>
Total Interest Percentage	0.00%	<i>As a percentage of all payments you will have made.</i>

Financing Estimate

12345 Main Street, Anytown, USA 00000

Save this Financing Estimate and Disclosure to compare with your Final Payment Summary.

FINANCING PROVIDER Pace Company, Inc.: PACE Program
EMAIL info@paceprogram.com
PHONE (000) PACE-777

Other Considerations

Tax Payments and Monthly Mortgage Payments	<p>Your payments will be added to your property tax bill. Whether you pay your property taxes through your mortgage payment, using an escrow (impound) account, or if you pay them directly to the tax collector, you will need to save an estimated \$000.00 for your first tax installment. If you pay your property taxes through an escrow (impound) account you should contact your mortgage servicer to confirm how and when it will adjust your monthly mortgage payment to cover this increase to your annual property tax bill.</p>	_____ PO INITIAL
Home Sale or Refinancing	<p>I understand that I may be required to pay off the remaining balance of this obligation by the mortgage lender refinancing my home. If I sell my home, the buyer or their mortgage lender may require me to pay off the balance of this obligation as a condition of sale.</p>	_____ PO INITIAL
Estimated Cost Savings	<p>I understand that any utility bill savings I might experience as a result of any installed product(s) financed through the PACE Program will depend on my usage, utility rates, and the efficiency of such product(s). Any estimated savings are not guaranteed and will not reduce my assessment payments or my total assessment amount.</p>	_____ PO INITIAL
Tax Benefits	<p>Consult your tax advisor regarding potential tax credits, credits and deductions, tax deductibility, and other tax benefits available for the PACE Program. Making an appropriate application for the benefit is your responsibility.</p>	_____ PO INITIAL
Statutory Penalties	<p>If your property tax payment is late, the amount due will be subject to a penalty, late fees, monthly interest penalty as established by state law and your property may be subject to foreclosure.</p>	_____ PO INITIAL
Three Day Right to Cancel	<p>You, the property owner, may cancel the contract at any time on or before midnight on the third business day after the date of the transaction to enter into the agreement without any penalty or obligation.</p> <p>To cancel this transaction, you may mail or deliver a signed and dated copy of the contract with notice of cancellation to:</p> <p>PACE Program 12345 Main Street Anytown, USA 00000</p> <p>You may also cancel the contract by sending notification of cancellation by email to the following email address: cancellations@paceprogram.com.</p>	_____ PO INITIAL

Financing Estimate

12345 Main Street, Anytown, USA 00000

Save this Financing Estimate and Disclosure to compare with your Final Payment Summary.

Confirm Receipt

This confirms the receipt of the information in this form. You do not have to accept this financing just because you acknowledge that you have received or signed this form, and it is not a contract.

_____ Joe Smith	_____ Date	_____ Property Owner 2	_____ Date
_____ Property Owner 3	_____ Date	_____ Property Owner 4	_____ Date

Customer Service Toll-Free Telephone Number and Email

In the event you have a consumer complaint, questions about your financing obligations related to the contractual assessment or your contractual rights under the terms of your financing contract, you can contact either this toll-free telephone number or email address provided below and receive a response within 24 hours or one business day.

Toll-free telephone number: (000) PACE-777

Customer service email address: info@paceprogram.com

Final Payment Summary

12345 Main Street, Anytown, USA 00000

Thank you for choosing the <RESIDENTIAL PACE> Program to finance your home upgrade.

DISBURSEMENT DATE	01/04/2017	TERM	10 years
PROPERTY OWNERS	Joe Smith	PURPOSE	Home Improvement
	123 Blueberry Ln	PRODUCT	PACE Program
	Anytown, USA 00000	IDENTIFICATION #	USA00000000
PROPERTY ADDRESS	123 Blueberry Ln		
	Anytown, USA 00000		

Product Cost

Product Cost Financed <i>(Including labor/installation)</i>	\$000.00	• Heating, Cooling & Ventilation - Air Conditioner
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Assessment Terms

Assessment Amount	\$000.00
Closing Costs Financed	\$000.00
Interest Rate	0.00%
Balloon Payment	\$0.00

Projected Payments

Payment Calculation	
Principal & Interest (including Closing Costs Financed)	\$000.00
Annual Assessment Administration Fee	+ 00.00
Total Annual Payment	\$000.00

Note: This financing arrangement will result in a tax assessment against your real property. The annual payment due for this assessment will be collected with other taxes that are due each year for your real property. See the "Other Considerations" section below for more information about the increased mortgage payments that your mortgage servicer may require you to make each month, if your mortgage payments include property taxes the servicer collects and pays on your behalf from an escrow (impound) account.

Final Payment Summary

12345 Main Street, Anytown, USA 00000

Thank you for choosing the <RESIDENTIAL PACE> Program to finance your home upgrade.

Assessment Costs

A. Administration Fees (Bond-Related Costs)	\$000.00
One-time Program Administration Fee	\$000.00
One-time Assessment Administration Fee	\$00.00
B. Origination Charges	\$0.00
Application Fee	\$0.00
C. Services	\$0.00
Appraisal Fee	\$0.00
Credit Report Fee	\$0.00
D. TOTAL ASSESSMENT COSTS (A + B + C)	\$000.00

Closing Costs

H. TOTAL CLOSING COSTS (D + G)	\$000.00
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Calculating Cash to Close

Total Closing Costs (H)	\$000.00
Closing Costs Financed (<i>Paid from your Assessment Amount</i>)	\$000.00
Down Payment/Funds from Property Owner	\$0.00
Cash to Close	\$0.00

Other Costs

E. Accumulated Interest Charges	\$000.00
Interest Before First Payment ¹	\$000.00
F. Government Fees	\$00.00
One-time Recording Fee	\$00.00
G. TOTAL OTHER COSTS (E + F)	\$000.00

¹ Interest accrued from closing to September 2nd of the year in which you make your first assessment payment

Other Terms

Prepayment Fee	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	Interest will accrue until the 2 nd day of the 2 nd month following payoff
Annual Assessment Administration Fee	<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	\$00.00 (subject to change)

Additional Information About this Assessment

Use this information to compare to other financing options

Total amount you will have paid over the term of the assessment	\$000.00	Principal you will have paid off (excluding Interest Before First Payment).
	+ \$000.00	Amount of interest you will have paid (including Interest Before First Payment).
	+ \$000.00	Annual Assessment Administration Fees you will have paid.
	= \$000.00	Total you will have paid in principal, interest, and Annual Assessment Administration Fees.
Annual Percentage Rate	0.00%	Your costs over the term expressed as a rate. This is not your interest rate.
Total Interest Percentage	0.00%	As a percentage of all the payments you will have made.

Final Payment Summary

12345 Main Street, Anytown, USA 00000

Thank you for choosing the <RESIDENTIAL PACE> Program to finance your home upgrade.

Payment Schedule

Tax Year* (commencing <Month/Day>)	Total Annual Payment**	Interest Portion of Annual Payment***
2017 - 2018	\$000.00	\$000.00
2018 - 2019	\$000.00	\$000.00
2019 - 2020	\$000.00	\$000.00
2020 - 2021	\$000.00	\$000.00
2021 - 2022	\$000.00	\$000.00
2022 - 2023	\$000.00	\$000.00
2023 - 2024	\$000.00	\$000.00
2024 - 2025	\$000.00	\$000.00
2025 - 2026	\$000.00	\$000.00
2026 - 2027	\$000.00	\$000.00

* The initial Tax Year is based upon the date funds are disbursed in connection with your assessment.

** Your Total Annual Payment includes principal, interest, and Annual Assessment Administration Fee of \$00.00 (subject to change).

*** This column reflects the portion of your annual assessment payment that is allocated toward interest, including any Interest Before First Payment, if financed.

Consult your tax advisor about potential tax deductibility and any other tax benefits.

Final Payment Summary

12345 Main Street, Anytown, USA 00000

Thank you for choosing the <RESIDENTIAL PACE> Program to finance your home upgrade.

FINANCING PROVIDER Pace Company, Inc.: PACE Program
EMAIL info@paceprogram.com
PHONE (000) PACE-777

Other Considerations

Tax Payments and Monthly Mortgage Payments

Your payments will be added to your property tax bill. Whether you pay your property taxes through your mortgage payment, using an escrow (impound) account, or if you pay them directly to the tax collector, you will need to save \$000.00 for your first tax installment. If you pay your property taxes through an escrow (impound) account you should contact your mortgage servicer to confirm how and when it will adjust your monthly mortgage payment to cover this increase to your annual property tax bill.

Home Sale or Refinancing

I understand that I may be required to pay off the remaining balance of this obligation by the mortgage lender refinancing my home. If I sell my home, the buyer or their mortgage lender may require me to pay off the balance of this obligation as a condition of sale.

Estimated Cost Savings

I understand that any utility bill savings I might experience as a result of any installed product(s) financed through the PACE Program will depend on my usage, utility rates, and the efficiency of such product(s). Any estimated savings are not guaranteed and will not reduce my assessment payments or my total assessment amount.

Tax Benefits

Consult your tax advisor regarding potential tax credits, credits and deductions, tax deductibility, and other tax benefits available for the PACE Program. Making an appropriate application for the benefit is your responsibility.

Statutory Penalties

If your property tax payment is late, the amount due will be subject to a penalty, late fees, monthly interest penalty as established by state law and your property may be subject to foreclosure.

Customer Service Toll-Free Telephone Number and Email

In the event you have a consumer complaint, questions about your financing obligations related to the contractual assessment or your contractual rights under the terms of your financing contract, you can contact either this toll-free telephone number or email address provided below and receive a response within 24 hours or one business day.

Toll-free telephone number: (000) PACE-777

Customer service email address: info@paceprogram.com

PACE Financing Program™ Right to Cancel

P: ()

F: ()

E:

A: Main Street
Anytown, USA 00000

Date: **01/04/2017**
Property Owner(s): **Joe Smith**
Property Address: **123 Blueberry Ln, Anytown, USA 00000**
PACE ID: **USA00000000**
Application Date: **01/04/2017**
Expiration Date: **06/23/2017**

Your Right to Cancel:

You are entering into a contractual assessment with the (the "Authority") for Financing under the PACE Program ("Program") that will result in a lien on the property at 123 Blueberry Ln.

You may cancel this transaction, without cost, on or before midnight on the third business day after you have signed your assessment contract.

If you cancel the transaction, the Authority, within 20 calendar days after the Authority receives notice of cancellation, must take the steps necessary to reflect the fact that, if recorded, the lien on your property has been discharged and removed from the tax rolls, and the Authority must return to you any money you have given in connection with your application, not including the application processing fee. After the Authority has done the things mentioned above, you must return any money paid to you or on your behalf, whether to your contractor or any other person. All money must be returned to the address below.

Exercising this right to cancel does not affect your payment obligations to your contractor(s) and does not cancel or in any way affect any contract you may have signed with any other parties, including your contractor(s). It is your responsibility to contact any applicable contractor(s) regarding your obligations under any home improvement contract(s) that you may have signed.

If you cancel the transaction:

- You will not be charged a cancellation fee; and
- You will be refunded any money you have given, excluding application and processing fees as applicable.

Acknowledgement of Receipt

I/We hereby acknowledge reading and receiving a complete copy of this Notice of Right to Cancel.

	Joe Smith	Date	Property Owner 2	Date
	Property Owner 3	Date	Property Owner 4	Date

How to Cancel

To cancel this transaction, you may submit this form to the Authority in writing at:

Provider: PACE Program

ATTN: Right to Cancel Notification

Email: cancellations@paceprogram.com

Fax Number:

Address

You may also cancel by calling () and speaking with a PACE representative.

By signing below, you are cancelling your Financing transaction. This does not cancel any contract with any other parties, such as your contractor(s). It is your responsibility to contact any additional parties regarding your obligations under any home improvement contract(s) that you may have signed.

PACE Financing Program™ Right to Cancel

P: ()

F: ()

E:

A: Main Street
Anytown, USA 00000

I Wish to Cancel (ONLY SIGN HERE IF YOU ARE CANCELLING YOUR FINANCING)

	_____	_____	_____	_____
	Joe Smith	Date	Property Owner 2	Date
	_____	_____	_____	_____
	Property Owner 3	Date	Property Owner 4	Date

Attachment B – Sample Eligible Measures List

In addition to the measure eligibility specifications listed below, it is the sole responsibility of the contractor and property owner to meet or exceed applicable local, state, and/or federal permitting, codes, and standards. The contractor and property owner are fully and solely responsible for ensuring measures are installed in accordance with all applicable manufacturer specifications, warranty guidelines, and industry best practices. All measures are to be installed as real property that is not intended for removal over the useful life of the measure.

RENEWABLE AND ALTERNATIVE ENERGY MEASURES

MEASURES CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY IDENTIFYING ATTRIBUTES	USEFUL LIFE (YEARS)
Alternative Energy	Advanced Energy Storage System	<ol style="list-style-type: none"> System must be pre-approved as meeting the following specifications System must have obtained certification from a nationally recognized testing laboratory for one of the acceptable standards: <ol style="list-style-type: none"> UL 1973 UL Subject 9540 IEC 62842-2 IEC 62109 UL 1741 Other equivalent standard System must maintain roundtrip efficiency $\geq 63.5\%$ System must carry a minimum 10-year manufacturer warranty 	Manufacturer Name Model Name/Number Quantity	10
	Electric Vehicle Charging Station	<ol style="list-style-type: none"> Product must be certified as meeting the Underwriters Laboratory Subject 2594 Standard Testing for Charging Stations Product must be a Level 2 charger with SAE J1772 standard charging plug 	Manufacturer Name Model Name/Number Quantity	10
	Fuel Cell Power System	<ol style="list-style-type: none"> System must be certified as meeting the ANSI/CSA America FC1 standard 	Manufacturer Name Model Name/Number Quantity	15

Sample PACE Residential Eligible Measure List

MEASURES CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY IDENTIFYING ATTRIBUTES	USEFUL LIFE (YEARS)
Alternative Energy	Small Wind Turbine	1. Product must be certified by the Small Wind Certification Council as meeting the requirements of the AWEA Small Wind Turbine Performance and Safety Standard (9.1-2009)	Manufacturer Name Model Name/Number Quantity	20
Solar Electric	Solar Inverter	1. Product must be listed by California Energy Commission as SB1-compliant product	Manufacturer Name Model Name/Number Quantity	20
	Solar Panel	1. Product must be listed by California Energy Commission as SB1-compliant product	Manufacturer Name Model Name/Number Quantity	25
Solar Thermal	Solar Pool Heater	1. Product must have the OG-100 Collector Certification by the Solar Rating and Certification Corporation (SRCC)	SRCC Number Quantity	15
	Solar Water Heater	1. System must have the OG-300 System Certification by the Solar Rating and Certification Corporation (SRCC)	SRCC Number Quantity	15

ENERGY EFFICIENCY MEASURES

MEASURE CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY DESCRIPTIVE ATTRIBUTES	MAXIMUM TERM (YEARS)
Building Envelope	Air Sealing	1. Air sealing should be performed to BPI, ENERGY STAR, and/or ASHRAE 62.2 guidelines for air sealing, ventilation, and weatherization	Air Leakage Reduction Installed Area (SF)	10
	Attic Insulation	1. R-value ≥ 38 2. Product should be installed following ENERGY STAR guidelines	Installed R-Value Installed Area (SF)	25
	Cool Roof - Prescriptive	1. Product must be listed in the CRRC and/or ENERGY STAR directories 2. Low-Slope Roof ($\leq 2:12$) Efficiency: a. Aged (3 yrs.) Solar Reflectance ≥ 0.5 3. Steep-Slope Roof ($> 2:12$) Efficiency: a. Aged Solar Reflectance ≥ 0.15	Manufacturer Name Model Name/Number Installed Area (SF)	25

Sample PACE Residential Eligible Measure List

MEASURE CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY DESCRIPTIVE ATTRIBUTES	MAXIMUM TERM (YEARS)
Building Envelope	Cool Roof - Performance	<ol style="list-style-type: none"> 1. If a Cool Roof - Prescriptive roofing product is not specified, one of the following performance measures must also be implemented in the scope of work: <ol style="list-style-type: none"> a. Provide an air-space of at least 1" between the top of the roof deck and the bottom of the roofing product b. Insulate attic floor to R-value ≥ 38 c. Seal & Insulate attic HVAC duct work to R-8 and $\leq 6\%$ leakage d. Install an eligible radiant barrier (Reflectivity ≥ 0.9 and Emittance ≤ 0.1) with reflective side facing air space e. Insulate above roof deck to R-value ≥ 4 f. Install roof construction with thermal mass with a weight of at least 25 lb/ft² 	Performance Option(s) Installed Area (SF)	25
	Heat Reflective/Cool Wall Coverings	<ol style="list-style-type: none"> 1. Product must be a preapproved as meeting the following specifications 2. Product must have solar reflectance ≥ 0.5 as tested to ASTM C1549-09 standard 3. Product primary application surface must be exterior wall surfaces of conditioned buildings 4. Trim, soffit, and/or fascia may be included in work scope as secondary items, as applicable 5. Product is <u>only</u> eligible to be installed on properties located within California Building Climate Zones 4-10 and 12-15 	Manufacturer Name Model Name/Number Installed Area (SF)	20

Sample PACE Residential Eligible Measure List

MEASURE CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY DESCRIPTIVE ATTRIBUTES	MAXIMUM TERM (YEARS)
Building Envelope	Insulated Siding	<ol style="list-style-type: none"> Product must be insulated, or installed with insulated backing, with R-value ≥ 2 Product must be certified as meeting ASTM D7793 standard and listed by Vinyl Siding Institute or certified as meeting an equivalent standard Primary application surface must be exterior walls of conditioned buildings Trim, soffit, and/or fascia may be included in work scope as secondary items, as applicable 	Manufacturer Name Model Name/Number Installed Area (SF)	25
	Radiant Barrier	<ol style="list-style-type: none"> Radiant Barrier type products must be installed with reflective side facing an open air space and meet the following performance ratings: <ol style="list-style-type: none"> Reflectivity ≥ 0.9 Emittance ≤ 0.1 Radiation Control Coating type products must be installed to face an open air space and meeting the following performance ratings: <ol style="list-style-type: none"> Emittance ≤ 0.25 	Reflectivity Rating Emittance Rating Installed Area (SF)	20
	Under Floor Insulation	<ol style="list-style-type: none"> R-value ≥ 19 Product should be installed following ENERGY STAR guidelines 	Installed R-Value Installed Area (SF)	25
	Wall Insulation	<ol style="list-style-type: none"> R-value ≥ 13 Product should be installed following ENERGY STAR guidelines 	Installed R-Value Installed Area (SF)	25
Heating, Ventilation, and Air Conditioning (HVAC)	Air-Source Heat Pump	<ol style="list-style-type: none"> Product must be AHRI Certified Product must meet ENERGY STAR certification criteria Split System Efficiency: <ol style="list-style-type: none"> SEER ≥ 15 EER ≥ 12.5 HSPF ≥ 8.5 Package System Efficiency: <ol style="list-style-type: none"> SEER ≥ 15 EER ≥ 12 HSPF ≥ 8.2 	AHRI Number Quantity	15

Sample PACE Residential Eligible Measure List

MEASURE CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY DESCRIPTIVE ATTRIBUTES	MAXIMUM TERM (YEARS)
Heating, Ventilation, and Air Conditioning (HVAC)	Attic Fan	1. Product must be equipped with a thermostat control	Fan Type Quantity	15
	Biomass / Wood Stove	1. Product must be certified and listed on the EPA Certified Wood Stoves list	Manufacturer Name Model Name/Number Quantity	15
	Boiler	1. Product must be AHRI Certified 2. Product must meet ENERGY STAR certification criteria 3. Natural Gas/Propane Fueled Efficiency: a. AFUE \geq 90%	AHRI Number Quantity	20
	Ceiling Fan	1. Product must be ENERGY STAR Certified	Manufacturer Name Model Name/Number Quantity	10
	Central Air Conditioner	1. Product must be AHRI Certified 2. Product must meet ENERGY STAR certification criteria 3. Split System Efficiency: a. SEER \geq 15 b. EER \geq 12.5 4. Package Unit Efficiency: a. SEER \geq 15 b. EER \geq 12	AHRI Number Quantity	15
	Duct Replacement	1. Duct system leakage: a. Partial Replacement: \leq 15% total system nominal flow b. Full Replacement: \leq 6% total system nominal flow 2. Duct Insulation R-Value \geq 6	Replacement Type Insulation R-Value	20
	Duct Sealing	1. Ducts should be sealed with UL-181 listed duct sealing materials (mastic, foil tape, duct board, etc.)	Air Leakage Reduction Installed Area (SF)	20
	Evaporative Cooler	1. Product must be listed in California Energy Commission Appliance Efficiency Database 2. Window installed product is <u>not</u> eligible	Manufacturer Name Model Name/Number Quantity	10

Sample PACE Residential Eligible Measure List

MEASURE CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY DESCRIPTIVE ATTRIBUTES	MAXIMUM TERM (YEARS)
Heating, Ventilation, and Air Conditioning (HVAC)	Furnace	<ol style="list-style-type: none"> Product must be AHRI Certified Efficiency if equipped with ECM: <ol style="list-style-type: none"> AFUE \geq 80% Efficiency if not equipped with ECM: <ol style="list-style-type: none"> AFUE \geq 90% 	AHRI Number Quantity	20
	Geothermal Heat Pump	<ol style="list-style-type: none"> Product must be ENERGY STAR Certified Closed Loop Water-to-Air Efficiency: <ol style="list-style-type: none"> EER \geq 14.1 COP \geq 3.3 Open Loop Water-to-Air Efficiency: <ol style="list-style-type: none"> EER \geq 16.2 COP \geq 3.6 Closed Loop Water-to-Water Efficiency: <ol style="list-style-type: none"> EER \geq 15.1 COP \geq 3.0 Open Loop Water-to-Water Efficiency: <ol style="list-style-type: none"> EER \geq 19.1 COP \geq 3.4 DGX Efficiency: <ol style="list-style-type: none"> EER \geq 15.0 COP \geq 3.5 	Manufacturer Name Model Name/Number Quantity	15
	Heat/Energy Recovery Ventilator	<ol style="list-style-type: none"> Product must be certified by the Home Ventilation Institute (HVI) 	Manufacturer Name Model Name/Number Quantity	10
	Hydronic Radiant Heating System	<ol style="list-style-type: none"> System must be powered by one of the following high-efficiency heating sources: <ol style="list-style-type: none"> Boiler (AFUE \geq 85%) Gas Storage Water Heater (EF \geq 0.67) Gas Tankless Water Heater (EF \geq 0.90) Electric Heat Pump Water Heater (EF \geq 2) 	Heat Source Installed Area	15
	Mini-Split Air Conditioner	<ol style="list-style-type: none"> Product must be AHRI certified Efficiency: <ol style="list-style-type: none"> SEER \geq 15 	AHRI Number Quantity	15
	Mini-Split Heat Pump	<ol style="list-style-type: none"> Product must be AHRI certified Efficiency: <ol style="list-style-type: none"> SEER \geq 15 HSPF \geq 8.5 	AHRI Number Quantity	15

Sample PACE Residential Eligible Measure List

MEASURE CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY DESCRIPTIVE ATTRIBUTES	MAXIMUM TERM (YEARS)
	Ventilation Fan	1. Product must be ENERGY STAR Certified	Manufacturer Name Model Name/Number Quantity	10
	Whole House Fan	1. Product must be listed in California Energy Commission Appliance Efficiency Database	Manufacturer Name Model Name/Number Quantity	20
Lighting	Lighting Control	1. Product must be listed in the California Energy Commission Appliance Efficiency Database. 2. Eligible control types include: a. Automatic Time-Switch b. Daylight/Photo- Sensor c. Dimmer d. Occupant/Motion/Vacancy Sensor	Manufacturer Name Model Name/Number Quantity	20
	Lighting Fixture	1. Product must be ENERGY STAR Certified	Manufacturer Name Model Name/Number Quantity	20
Pool Equipment	Automatic Pool Cover	1. Product must be UL certified as meeting ASTM F1346 Standard Performance Specification	Manufacturer Name Model Name/Number Installed Area	10
	Electric Heat Pump Pool Heater	1. Product must be listed in California Energy Commission Appliance Efficiency Database 2. COP ≥ 4.5	Manufacturer Name Model Name/Number Quantity	10
	Gas Pool Heater	1. Product must be listed in California Energy Commission Appliance Efficiency Database 2. Thermal Efficiency ≥ 83%	Manufacturer Name Model Name/Number Quantity	10
	Pool Pump	1. Product must be ENERGY STAR Certified 2. Single Speed Pump Efficiency: a. EF ≥ 3.8 3. Multi-Speed Pump Efficiency: a. EF ≥ 3.8 for most efficient speed	Manufacturer Name Model Name/Number Quantity	10
Water Heating	Electric Heat Pump Storage Water Heater	1. Product must be ENERGY STAR Certified 2. Efficiency: a. EF ≥ 2.0	Manufacturer Name Model Name/Number Quantity	10

Sample PACE Residential Eligible Measure List

MEASURE CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY DESCRIPTIVE ATTRIBUTES	MAXIMUM TERM (YEARS)
Water Heating	Gas Storage Water Heater	<ol style="list-style-type: none"> Product must be ENERGY STAR Certified Efficiency: <ol style="list-style-type: none"> $EF \geq 0.67$ 	Manufacturer Name Model Name/Number Quantity	10
	Gas Tankless Water Heater	<ol style="list-style-type: none"> Product must be ENERGY STAR Certified Efficiency: <ol style="list-style-type: none"> $EF \geq 0.90$ 	Manufacturer Name Model Name/Number Quantity	10
	Hot Water Delivery System	<ol style="list-style-type: none"> System must meet the EPA WaterSense Guide for Efficient Hot Water Delivery Systems definition for one of the following water delivery options: <ol style="list-style-type: none"> Dedicated Recirculation Line Whole House Manifold System Demand-initiated Recirculating System Core Plumbing System 	System Type Quantity	25
Windows, Doors, and Skylights	Door	<ol style="list-style-type: none"> Product must be NFRC Certified Product must meet ENERGY STAR criteria: Opaque (No Glass) Efficiency: <ol style="list-style-type: none"> $U\text{-Factor} \leq 0.17$ $SHGC = \text{Any}$ $\leq 1/2$-Lite (Some Glass) Efficiency: <ol style="list-style-type: none"> $U\text{-Factor} \leq 0.25$ $SHGC \leq 0.25$ $> 1/2$-Lite (Mostly Glass) Efficiency: <ol style="list-style-type: none"> $U\text{-Factor} \leq 0.30$ $SHGC \leq 0.25$ 	Manufacturer Name U-Factor Rating SHGC Rating Quantity	25

Sample PACE Residential Eligible Measure List

MEASURE CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY DESCRIPTIVE ATTRIBUTES	MAXIMUM TERM (YEARS)
Windows, Doors, and Skylights	Exterior Window Shading Device	<ol style="list-style-type: none"> Product must shade to at least one window or door Product must be one of the following styles: <ol style="list-style-type: none"> Patio Cover Fixed Awning Operable Awning Operable Shutter Solar Screen Product is <u>NOT</u> eligible to be installed on properties located within LA County or California Building Climate Zones 1, 3-5 Other exterior structural products including, but not limited to, sunroom enclosures, exterior decks, balconies, roof overhangs, detached/free-standing arbors, detached/free-standing pergolas, and/or carports are <u>NOT</u> eligible Interior window shading products are <u>NOT</u> eligible 	Device Type Quantity	10
	Skylights and Tubular Daylighting Device	<ol style="list-style-type: none"> Product must be NFRC Certified Product must meet ENERGY STAR criteria Efficiency: <ol style="list-style-type: none"> U-Factor ≤ 0.53 SHGC ≤ 0.28 	Manufacturer Name U-Factor Rating SHGC Rating Quantity	20
	Window	<ol style="list-style-type: none"> Product must be NFRC Certified Product must meet ENERGY STAR criteria Efficiency: <ol style="list-style-type: none"> U-Factor ≤ 0.30 SHGC ≤ 0.25 	Manufacturer Name U-Factor Rating SHGC Rating Quantity	25
	Window Film	<ol style="list-style-type: none"> Product must be NFRC Certified 	Manufacturer Name Quantity	10

Sample PACE Residential Eligible Measure List

WATER EFFICIENCY MEASURES

MEASURE CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY DESCRIPTIVE ATTRIBUTES	MAXIMUM TERM (YEARS)
Indoor Water Efficiency	Faucet	1. Product must be WaterSense Certified	Manufacturer Name Model Name/Number Quantity	15
	Gray Water System	1. System must meet California Plumbing Code, Chapter 16A 2. Eligible system types include: a. Single Fixture b. Multi-Fixture Simple (\leq 250 GPD) c. Multi-Fixture Complex ($>$ 250 GPD)	System Type Quantity	20
	Showerhead	1. Product must be WaterSense Certified	Manufacturer Name Model Name/Number Quantity	15
	Toilet	1. Product must be WaterSense Certified 2. Toilet and urinals fixtures are eligible	Manufacturer Name Model Name/Number Quantity	20
Outdoor Water Efficiency	Artificial Turf	1. Product must be water and air permeable 2. Product must be non-toxic and lead free 3. Product installation must carry \geq 10 year warranty	Manufacturer Name Model Name/Number Installed Area	10
	Artificial Turf Premium	1. Product must be water and air permeable 2. Product must be non-toxic and lead free 3. Product installation must carry \geq 15 year warranty	Manufacturer Name Model Name/Number Installed Area	15
	Drip Irrigation	1. Product installed in turf, garden, planter, or flower bed area	Product Type Identifier Installed Area (SF)	10

Sample PACE Residential Eligible Measure List

MEASURE CATEGORY	MEASURE TYPE	ELIGIBILITY SPECIFICATIONS	KEY DESCRIPTIVE ATTRIBUTES	MAXIMUM TERM (YEARS)
Outdoor Water Efficiency	Drought Tolerant Landscaping	<ol style="list-style-type: none"> 1. Product installation area must replace existing live turf grass area 2. Requested financing amount may include: <ol style="list-style-type: none"> a. Removal/disposal of existing turf grass material b. Site preparation for landscaping installation c. Installation of drought tolerant landscaping options d. Installation or conversion to eligible irrigation options 3. Requested finance amount may <u>NOT</u> include: <ol style="list-style-type: none"> a. Installation of live plants or biodegradable plant material b. Removal of pre-existing hardscape areas (i.e. driveways, pools, etc.) c. Installation of water features (i.e. ponds, fountains, etc.) d. Installation of any other products not listed in specification #2 	Landscape Options Installed Area (SF)	20
	Rainwater Catchment System	<ol style="list-style-type: none"> 1. Sized to hold ≥ 50 gallons at one time 	System Volume (Gal) Quantity	20
	Sprinkler Nozzle	<ol style="list-style-type: none"> 1. Product must be on SoCal Water Smart Qualified Sprinkler Nozzle product list 	Manufacturer Name Model Name/Number Quantity	10
	Weather-Based Irrigation Controller	<ol style="list-style-type: none"> 1. Product must be WaterSense Certified 	Manufacturer Name Model Name/Number Quantity	10

Attachment C – Sample Custom Measure Application Approval Guidelines

1.1. Policy

PACE programs may allow contractors and homeowners to submit requests to approve custom measures on an individual basis.

In order to be approved, the custom measure must meet all requirements in one of the three situations described below:

1.1.1. Model of Eligible Measure, Product Ratings Below Measures Eligibility Criteria

If a model of a standard measure is below the eligibility criteria, it will be approved if ALL of the following criteria are met:

1. There is a climate, space, or other home design constraint that prevents the installation of a qualifying product. (The property owner's unwillingness to pay for an eligible model does not meet this requirement.)
2. The proposed product model is more efficient than the property's existing product/situation, per the contractor's professional estimation.
3. The proposed product model meets or exceeds the DOE legal minimum efficiency standard or any state requirements, when applicable.

Example: An ENERGY STAR furnace cannot be installed due to space constraints in a particular home, but a new furnace is still a significant energy improvement over the existing furnace.

1.1.2. Custom-Made Model of Eligible Measure, No Ratings

If a custom-made model of an eligible measure does not have the required ratings to meet the eligibility criteria as defined in the eligible measure list, it will be approved if ALL of the following criteria are met:

1. Alternate evidence is provided to show that the product has efficiency equal to or greater than the rating specified in the eligibility criteria (e.g. the presence of features that increase efficiency).

Example: A property owner wants to install a non-standard shaped window. The window is not rated by the NFRC, but it has the same low-e coating and insulating argon gas as other qualifying windows.

1.1.3. New Measure Type, Meets Program Goals

If a new measure type is not currently on the eligible measure list for the program, it will be approved if ALL of the following criteria are met:

1. There is evidence from a reputable third-party organization that the measure provides measurable and verifiable benefits.
2. The benefits provided meet the program goals (e.g. saving energy or water, consistent with other products allowed in that program)
3. The manufacturer presents evidence that the measure meets industry standards for product quality and performance. Examples include:
 - a. The product is certified by Underwriter's Laboratory (UL) or a similar organization
 - b. The manufacturer provides a comprehensive warranty matching the requested term

Example: A contractor wants to install a new product made by [SolarCool](#), which is a packaged combination of a solar thermal system and a heat pump that uses the sun to heat refrigerant, resulting in lower electricity use. This new technology that does not fit any of the current product types on the eligible product list, but there is third-party evidence that it increases energy efficiency, one of the program goals. The product is UL-certified.