

# **PASCO COUNTY PROPERTY ASSESSED CLEAN ENERGY UNDERSTANDING PACE - THINGS YOU SHOULD KNOW ABOUT PARTICIPATING IN THE RESIDENTIAL PACE (PROPERTY ASSESSED CLEAN ENERGY) PROGRAM**

## **What is the Residential PACE program?**

PACE or Property Assessed Clean Energy Program is a government sponsored program that is used in Florida to finance energy efficiency improvements, renewable energy improvements and wind resistance improvements.

## **Is the PACE program free for me?**

The PACE Program is not free. To participate in the program, you must qualify for the PACE funds that finance the improvements. You owe the amount of the PACE lien plus interest, which is paid in installments as an additional line item on your property tax bill. When the assessment is paid off in full, the lien will be removed and you will no longer see this line item on your property tax bill.

## **How do I repay the PACE funds?**

The PACE Program funds are paid with your property tax assessment. If you have a mortgage, your lender may include the property taxes in your monthly payment. If so, your monthly mortgage payment will increase accordingly. However, your mortgage lender will typically not make the adjustment until they receive the first tax bill with the assessment.

## **Do I pay interest for the financing?**

PACE Programs charge interest over the repayment term you selected (up to 30 years). Please review the Financing Estimate to see the interest rate applicable to your PACE assessment, which may be higher than other financing options available to you. You should ask about any low interest loans available, like utility sponsored programs, federal weatherization programs or a lower rate loan at your bank or credit union with a second mortgage or a home equity line of credit.

## **Are there other costs?**

PACE Program assessments also charge borrowers an up-front fee, typically based on a percentage of project costs, and an administration fee based on a percentage of the annual payment, which is payable each year during the repayment term you selected. Please review the Financing Estimate to see the fees applicable to your PACE assessment.

## **What happens if I am not happy with the improvements?**

A licensed contractor must do all PACE Program improvements requiring a license under applicable law. However, your recourse against the contractor if you are not happy with the improvements may be limited by the nature of the PACE Program financing. That is why it is important to carefully select the contractor and read all paperwork carefully.

## **For energy improvements, does the contractor have to give me an energy audit?**

The law does not require any verification of energy savings for improvements to your home financed through a PACE Program. Any figures about energy savings given to you by a contractor should be independently verified by you.

**What happens if I have trouble making the increased tax payment?**

If you default on your PACE Program obligations by failing to pay your property taxes, a tax certificate will be sold on the property. After two years of an unpaid tax certificate, your home could be sold through the Tax Deed Application process.

**Can I refinance my home while I still am making payments to the PACE Program?**

PACE Program liens may impede your ability to refinance your home loan or to receive a home loan modification because some lenders will not want to enter into new loan terms while a PACE Program lien is assessed against your home. You may be required to prepay the PACE assessment as a requirement to refinancing.

**Can I sell my home before I have paid off the PACE Program lien?**

The PACE Program lien is automatically transferred to the buyer when you sell your home. BUT Fannie Mae, Freddie Mac and the Federal Housing Administration the Department of Veterans Affairs may not insure mortgages with PACE assessments. Other lenders are not required to accept PACE Program liens. As a result, you may be required to prepay the PACE assessment as a requirement to selling your home.

**What is the most important thing I can do to protect myself?**

Take your time before you sign. Ask for and read any documentation relating to the PACE Program financing. Make sure you ask for a printed copy and don't sign anything that seems too complex or confusing. Shop around and ask about other contractors that you may be able to use. PACE providers have a wide variety of contractors with varying interest rates.

**How do I qualify for the financing?**

The law requires that to qualify:

1. You must be current on your property taxes;
2. Your property taxes have not been delinquent for the last 3 years;
3. There are no involuntary liens on your home;
4. There are no notices of default or other evidence of property-based debt delinquency;
5. You are current on your mortgage and your home is not subject to an existing home equity or reverse mortgage;
6. You cannot have outstanding fines or fees related to zoning or code enforcement violations issued by the county or municipality unless the work to be done will remedy the zoning or code violation; AND
7. You must not have been subject to bankruptcy within the last five years (*Exception: The bankruptcy proceeding was discharged/dismitted more than two years ago*).

Please note: The PACE Program is not required to look at whether your family budget can afford the additional payments on your property tax bill. The total estimated annual payment amount for all financing agreements entered into on the residential property cannot exceed ten percent (10%) of your annual household income. Income confirmation cannot be derived solely by a property owner's statement.

**MAKE SURE YOU ASK FOR A PRINTED COPY OF ALL DOCUMENTS TO READ BEFORE YOU ALLOW ANYONE TO WORK ON YOUR HOME.**

I have read the above and I understand the information provided to me. I also understand there are other financing options possibly available. I also acknowledge there are other PACE contractors I may choose from.

Please initial one of the following:

1. I \_\_\_\_\_ (Property Owner(s)) attest that I have disclosed that I **have** entered into a *previous* PACE assessment at this property and **seek to add an additional assessment** which will not exceed the statutory requirements of the PACE program for this project.

OR

2. I \_\_\_\_\_ (Property Owner(s)) attest that I have not previously undertaken another PACE assessment or entered into a PACE Financing Agreement at this property and that I am not currently in the process of entering into a PACE Financing Agreement with another PACE provider.

Only complete for Emergency HVAC:

3. I \_\_\_\_\_ (Property Owner(s)) attest that this is an emergency repair or replacement of a furnace, air conditioner, boiler, mini split, or other system that regulates the temperature of my home. This also indicates that I have waived the three day recession period of this contract.

\*\*Please note Florida Statute 520.72 Cancellation of contract: Every home improvement finance seller or home improvement seller shall furnish to the buyer a notice of the right to rescind the contract. Either party to a home improvement contract may cancel the contract by the exercise of the right to rescind until midnight of the third business day following the execution of the contract by giving notice to the other party by either certified mail or registered mail. The party invoking this section is not liable to the other for any damages incurred by cancellation under this section.

Please sign the following:

Full Legal Name: \_\_\_\_\_

Phone Number: (       ) \_\_\_\_\_

Physical Address: \_\_\_\_\_

Parcel Number: \_\_\_\_\_

Estimated Annual Payment: \_\_\_\_\_ *Estimated Annual Special Assessment Payment and annual administration fee. Final amount may differ based on close date.*

Total Assessment Amount: \_\_\_\_\_ *This is the estimated total amount financed (product cost + upfront costs). Final amount may differ based on actual close date.*

Total Length of Assessment in Years: \_\_\_\_\_

Estimated Tax Year First Payment Due: \_\_\_\_\_

Interest Rate (%): \_\_\_\_\_

Over the term of the financing (estimates): \_\_\_\_\_

Financed amount you will have paid off: \_\_\_\_\_ *Financed amount you will pay including Product Costs excluding Capitalized Interest + Buyers Points (if any) + the portion of upfront costs associated with other costs (Closing Costs).*

Amount of interest you will have paid: \_\_\_\_\_ *Amount of interest you will pay on principal including Capitalized Interest + Buyers Points (if any) + the portion of upfront costs associated with other costs (Closing Costs).*

Total you will have paid: \_\_\_\_\_ *Total amount you will pay in principal, interest, and administrative fees.*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

This form must be signed and filed with the Pasco Property Appraiser with a copy to the Pasco Tax Collector prior to the execution of the Financing Agreement. The Financing Agreement and all contracts related to the qualifying improvements must be in compliance with Fla. Stat. § 163.

Name/Phone of Approved PACE Contractor: \_\_\_\_\_

Signature/name of employee: \_\_\_\_\_

PACE Program: \_\_\_\_\_