

C-PACE for Consenting Mortgage Lenders

What is C-PACE?

C-PACE (Commercial Property Assessed Clean Energy) is a financing tool that funds energy efficiency, renewable energy, water efficiency, resilience, and public health improvements to new and existing buildings.

C-PACE lenders finance 100% of the hard and soft costs of eligible projects through fixed rate, fully amortizing financing for up to 30 years. C-PACE assessments are secured by a voluntary assessment on the property, which automatically transfers upon sale or foreclosure. Property owners may also elect to prepay a C-PACE assessment.

Most types of commercial properties are eligible for C-PACE, including office, hospitality, retail, mixed use, healthcare, industrial, and multifamily buildings with more than four units, depending on the state and C-PACE program. Many programs have enabled C-PACE for new construction projects and to refinance installed improvements within a 1-3 year lookback period.

Typically, C-PACE is enabled first by state legislation and then at the local level by cities and counties. To date, 38 states and Washington, D.C. have adopted C-PACE enabling legislation, and 30+ states have active programs. Over 2,900 building owners have chosen to use C-PACE to invest \$4+ billion in improvements to their properties.

↳ PACENation.org/what-is-pace/

Why consent to C-PACE financing?

C-PACE is a voluntary assessment that is typically collected in the same manner as other municipal taxes and assessments. Because of C-PACE's unique status as a property tax assessment, in the event of a delinquency, only the unpaid portion of a C-PACE assessment (i.e., not the entire financed amount) takes a senior position to existing mortgages.

Most C-PACE enabling statutes, and most C-PACE programs, require the consent of the senior lender to close a C-PACE transaction. As senior lenders have become more familiar with C-PACE's benefits and unique features, they have increasingly granted consent to C-PACE projects. To date, over 300 senior lenders—including national, regional, and local banks, credit unions, and public agencies—have offered consent, and over 80 lenders have consented to multiple C-PACE deals.

The unique features of C-PACE explain why senior lenders consent to C-PACE financing:

- **C-PACE assessments are non-accelerating:** In the event of default, only the outstanding payment is in front of the senior position, minimizing the amount ahead of senior debt. The total outstanding amount of the C-PACE financing cannot be accelerated. After a sale or foreclosure, future payments are the responsibility of the next owner. Amounts in arrears are typically only 1-3 percent of the building's value.
- **Senior lenders maintain foreclosure rights:** C-PACE does not require an intercreditor agreement and senior mortgage lenders retain the right to foreclose as if it were the sole financing on the property.
- **Senior lenders can mitigate perceived risks:** C-PACE assessments have a low risk of default and delinquency. To further mitigate risks, some senior lenders have elected to escrow C-PACE payments monthly, voluntarily entered into intercreditor agreements to define contingency scenarios, and required protective advances where C-PACE payments are escrowed and added to the C-PACE loan balance.

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Why consent to C-PACE financing? (cont.)

- **C-PACE may increase collateral value:** The annual savings from C-PACE improvements can result in reduced utility expenses and maintenance costs that exceed the annual cost of a C-PACE loan. These savings can free up operating cash flows to cover other business expenses.

Lower operating costs result in higher NOI, which increases value. C-PACE funds higher-performing buildings, mitigating risk to the senior lender.
- **C-PACE can improve debt service coverage:** The cost savings from C-PACE may also result from lower interest costs compared to alternative financing options. C-PACE interest rates are typically lower than mezzanine debt and preferred equity, and enables longer repayment terms. In these cases, C-PACE increases the property's debt service coverage ratio.
- **C-PACE is non-recourse:** The assessment is underwritten to a property's appraised or assessed value, and not to the building owner's credit. No guarantees are typically required from the property owner (a completion guaranty may be required in the case of new construction).
- **Capitalized interest period:** Interest can be capitalized for up to 2-5 years, depending on the project and C-PACE program, to push the first payment beyond project completion or stabilization.

For more information and data on C-PACE for consenting mortgage lenders, please contact PACENation's Director of Market Research, Mike Centore (mike@pacenation.org).

The C-PACE opportunity for lenders

Property owners use C-PACE to make their buildings more efficient, more cost effective, and more comfortable for tenants—modernizing and increasing the value of their asset. Senior lenders consent to C-PACE for the same reasons, and to improve their long-term relationship with customers that seek C-PACE financing.

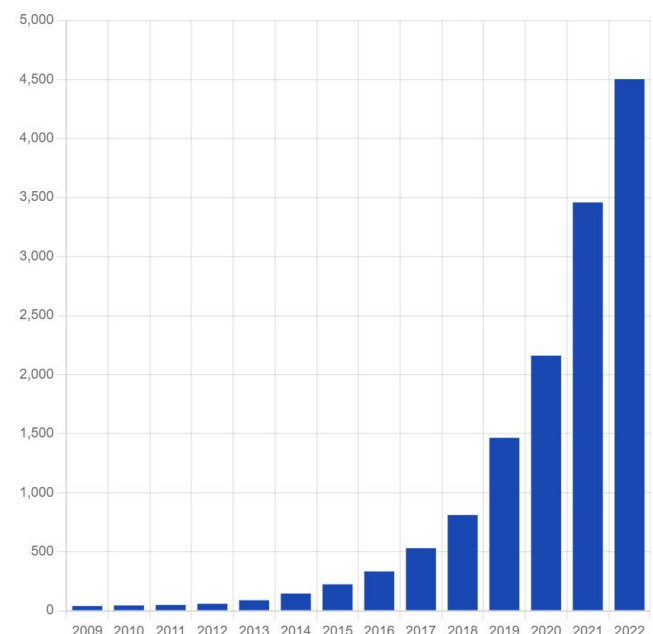
Today, senior lenders that understand the opportunity of C-PACE financing have begun to offer C-PACE as an additional option to new and existing customers. With C-PACE, lenders can offer a new financing product that's non-recourse, requires no money down, and can be combined with senior debt or offered as a standalone product.

C-PACE market facts:

- **\$4.5 billion** funded on **2,900+** properties
- Annual market growth rate of **67%+**
- Over **90** lenders are currently active in **30+** states
- **\$2+ trillion** market opportunity for deep building retrofits and electrification of U.S. commercial buildings

↳ <https://pacenation.org/market-data>

**CUMULATIVE C-PACE FINANCING VOLUME,
2009-2022 (\$, BILLIONS)**



List of Consenting Financial Institutions

September 2024



408 consenting lenders to date

This document lists financial institutions that have granted consent to one or more C-PACE projects as reported to PACENation by C-PACE program administrators. This list should not be considered comprehensive and may vary by banking division or region, or other factors. Please check with your lender to determine whether they are able to consent to a potential C-PACE project. ***Indicates multiple consents**

- 1st Trust Bank
- 100 Mile REIT
- A2B2 LLC
- Abby Bank
- Academy Bank
- Access Point Financial
- ACH Child and Family Services
- Actos Group
- Adams Bank & Trust
- Alaska Housing Finance Corporation
- Ally Bank
- Alpine Bank
- AltCapital
- Amalgamated Bank
- Amarillo National Bank
- America's Christian Credit Union
- American Agricultural Credit
- American Financial Network
- American Nation Bank
- American National Bank Fox Cities
- American River Bank
- American West Bank
- Ameriprise Financial
- Ameris Bank
- Ameritas Investment Partners
- ANB Bank
- Andrews Federal Credit Union
- Associated Bank
- BancorpSouth Bank
- Bank First
- Bank Hapoalim B.M
- Bank of America
- Bank of Ann Arbor
- Bank of CO
- Bank of Commerce
- Bank of George
- Bank of Luxemburg
- Bank of New York Mellon (as Trustee)
- Bank of Sullivan
- Bank of Sun Prairie
- Bank of the Ozarks
- Bank of the West
- Bank of Wisconsin Dells
- Bankers Trust Company
- BankRI
- Bankwell Bank
- Banner Bank
- Basin Street Capital
- BB&T
- BBCN Bank
- Bellco Credit Union
- Berkley Bank
- Berkshire Bank
- BMO Harris Bank
- Boston Private Bank & Trust
- Branch Banking & Trust
- Bremer Bank
- Bridge Bank
- Bristol County Savings
- Broadmark Realty Capital
- Broadway National Bank
- BSPRT CRE Finance LLC
- Builders Capital
- Business Lenders LLC
- Byzantine Diocese of Stamford
- C Sharps LLC
- CAB Associates
- Cadence Bank

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- California Bank and Trust
- California Plan of Church Finance, Inc
- CanAm Texas Regional Center
- Capella Mortgage Corp
- Capital Credit Union
- Capital Credit Union - Mortgage
- Capital Impact Partners
- Capital National Bank
- Capital Region Development Authority
- Capitol Bank
- Capitol National Bank
- Carrollton Bank
- Castroville State Bank
- CBank
- Cedar Rapids Bank and Trust Company
- Cen-Cal Business Finance Group
- Centennial Bank
- Centennial Lending
- Central Bank of the Midwest
- Central National Bank
- Central State Bank
- Centreville Bank
- CFCU
- Charter Oak Federal Credit Union
- Chase
- Chelsea Groton Bank
- Chelsea State Bank
- Chestnutz
- Cheviot Savings Bank
- Choice Bank
- CIBC Bank USA
- Circle Bank
- Citibank
- Citizen's Alliance Bank
- Citizens Bank
- Citizens Business Bank
- City National Bank
- City of Kansas City
- City of Stevens Point
- Citywide Banks
- CO Business Bank
- CO Structures
- coastal states bank
- Collins Community Credit Union
- Collins Loan Services
- Commerce Bank
- Commerce National Bank
- Commerce State Bank
- Community First Credit Union
- Community National Bank and Trust of Texas
- Community State Bank
- Compeer Financial
- Connecticut Housing Finance Authority
- Connecticut Innovations
- Construction debt - Capitol Bank
- Cornhusker & PCBB
- Cost Fund 1
- CoVantage Credit Union
- CT Dept of Economic & Community Development
- CTBC Bank Corporation
- CUSO LLC
- Customers Bank
- CW Capital
- Dallas Butler Hotel Investors
- DC Dept of Behavioral Health
- DC Dept of Housing and Community Development
- DC Housing Authority
- Department of Economic and Community Development (CT)
- Deutsche Bank
- Dime Bank
- Dubuque Bank & Trust
- Eagle Bank
- Enterprise Bank & Trust
- Equity Bank
- Exchange Bank
- Fairfield County Bank
- Farm Credit East

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- Farmers State Bank of Altos Pass
- Farmington Bank
- Fifth Third Bank
- First Bank (IA)
- First Bank and Trust of IL
- First Bank of Boulder
- First Bank of Lake Forest
- First Bank
- First Business Bank Madison
- First Business Bank
- First Citizens Bank
- First Community Bank
- First County Bank
- First Guaranty Bank
- First Interstate Bank
- First Mountain Bank
- First National Bank and Trust
- First National Bank of Boulder
- First National Bank of Central Texas
- First National Bank of Hartford
- First National Bank of Hutchinson
- First National Bank of Monument
- First National Bank
- First Niagara Bank
- First Niagara
- First Republic Bank
- First State Bank & Trust
- First Utah Bank
- First Western Trust
- Five Star Bank
- Fjord / CHF Revolving Loan Fund
- Flatirons Bank of Boulder
- FNC Bank
- Folsom Lake Bank
- Forbright Bank
- Forte Bank
- Fortifi Bank
- FRA Centennial Bank of the West
- Frandsen Bank
- Frontier State Bank
- Fulton Bank
- GE Credit Union
- Genworth Life Ins. Co
- German American State Bank
- Glacier Bank
- GNCU
- Golden Pacific Bank
- Golden Valley Bank
- Goldman Sachs Bank
- Great Western Bank
- Greater Commercial Lending
- Greater Sacramento Development Corp.
- GRS Realty, LLC
- Guaranty Bank
- Guilford Savings Bank
- Hanmi Bank
- Happy State Bank
- Hawthorn Bank
- Helaba Landesbank Hessen-Thüringen
- Henthorn Family Trust
- Heritage Bank of Commerce
- Hiawatha National Bank
- Home Savings Bank
- Hometown Bank
- Horizon Bank
- HSH Nordbank
- Huntington National Bank
- IberiaBank
- iBorrow
- ILS Lending
- Inc
- Incommons Bank
- Independence Bank
- Independent Bank
- Industrial Bank
- InterBank
- ISAOA
- J.P. Morgan Chase
- Jet Lending

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- John Marshall Bank
- Johnson Bank
- JR&B
- KeyCorp
- Lake Ridge Bank
- Layne Foundation
- Lead Bank
- Lehman Brothers
- Liberty Bank
- Liberty Bankers Life Insurance Company
- Lincoln Savings Bank
- Litchfield Bancorp
- Litchfield Bank Corp
- LoanCore Capital
- Loomis Trust
- M&T Bank
- MainStreet Bank
- Marion Haddad
- Massachusetts Mutual Life Insurance Company
- McCarthy Baker
- McCoy Ventures
- McFarland State Bank
- Mechanics Bank
- Mercedes Benz Financial Service
- Meridian Bank
- Metlife
- Michigan Business Connection LLC
- Mid America Bank
- Middlefield
- MidFirst Bank
- Midland States Bank
- Midwest One Bank
- Midwest Regional Bancorp Inc.
- Milwaukee Economic Development Corporation
- Monona Bank
- Monson Savings Bank
- Montgomery Bank
- Mortgage Calmwater Capital
- Mound City Bank
- Mountain America Credit Union
- MT Funding
- Mutual of Omaha
- National Association
- National Bank of Commerce
- National Iron Bank
- New Glarus
- New Resource Bank
- NewFirst National Bank
- Newtek Small Business Finance, LLC
- Newtown Savings Bank
- Northeast Community Bank
- Northern State Bank
- Northrim Bank
- Northwestern Bank
- Northwestern Mutual
- NUVO Bank
- NY State Teachers' Retirement System
- Ocean First Bank
- Octagon Financial
- One Community Bank
- Origin Bank
- Oritani Bank
- OSSE
- Pacific Alliance Bank
- Pacific Premier Bank
- Pacific Union Association of Seventh Day Adventists (Parker Mortgage & Investment Company)
- Pacific Western Bank
- Park Bank
- Park National Bank
- Park View Financial Fund
- Partners Bank
- Patriot Bank
- PCCP Credit
- Pender WEST Credit One REIT
- People's Bank of Massachusetts
- PeopleFund NMTC II
- Peoples Bank of Holyoke MA
- Peoples United Bank

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- Perpetual Federal Savings
- PIDC
- Plains Capital Bank and the CH Foundation
- Plains Commerce Bank
- Planters Bank
- Plumas Bank
- PNC Bank
- Preferred Bank
- Premier Valley Bank
- Presbyterian Church (U.S.A.) Investment & Loan Program
- Priority Investor Loans
- Private Bank & Trust
- ProAmerica
- Prosperity Bank
- Protective Life Insurance
- Prudential Insurance
- PyraMax Bank
- Quinnipiac Bank and Trust
- Redwood Credit Union
- Reverse Bank
- RiverSource Life Insurance Company
- Rockland Trust
- Rockville Bank
- Romspen / Const. Loan Svcs II
- Royal Bank of Canada (as LIHTC Syndicator)
- Royal Credit Union
- Salisbury Bank & Trust
- Sandy Spring Bank
- Santa Cruz County Bank
- Savings Institute Bank & Trust
- SCF NBL LLC
- Security Bank of Kansas City
- Security Service Federal Credit Union (SSFCU)
- Silver Lending
- Simmons Bank
- Simsbury Bank
- Somerset Trust Company
- Sonoma Bank
- SSFCU
- St. Bank of Cross Plains
- StanCorp Mortgage Investors
- Standard Insurance Company
- State Bank of Cross Plains
- State Bank of Delano
- Stearns Bank
- Sterling Savings Bank
- Stockman Bank of Montana
- Summit Credit Union
- Summit State Bank
- SunTrust Bank
- Superior Choice Credit Union
- TBK Bank
- TCF Bank
- TD Bank
- The Episcopal Church in the Diocese of Northern California Endowment Trust
- The First Bank
- The First National Bank of McGregor
- The Milford Bank
- The Park Bank
- The Reinvestment Fund
- Thomaston Savings Bank
- Torchlight Investors LLC
- Torrey Pines Bank
- Town of Putnam
- Toyota Financial Services
- Transpecos Banks
- Trez Capital Corporation
- Trinity Capital Bank of Texas
- TruePartnerCredit Union
- Truist Bank
- Twain Financials
- U.S. Bancorp Community Development Corporation
- UC Funds
- UC Travis Holder
- UMB Bank
- Umpqua Bank
- Union Bank

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- Union Savings Bank
- United Bank
- UPS Capital Business Credit
- US Bank
- US Department of Agriculture (USDA)
- US Small Business Administration (SBA)
- Valley National Bank
- Vectra Bank
- Vista Bank
- Washington Capital Management
- Washington Trust
- Waterbury Development Corporation
- Waypoint Bank
- Webster Bank
- Wells Fargo
- Wesbanco
- West Bank
- West Pointe Bank
- WestAmerica Bank
- Westerly Community Credit Union
- Western Bank
- Westfield Bank
- Whitcraft
- Whittier Trust CO of Nevada
- Wilshire Bank
- Windsor Federal Savings
- Wright-Patt Credit Union, Inc.
- WSFS
- X-Caliber Rural Capital

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PACENation members with qualifying membership levels (see <https://pacenation.org/join>) can access PACENation's Data Portal, which allows members to search and filter our database of consenting lenders and view projects that have received consent.

These C-PACE programs have reported consenting lender data to PACENation:

30 programs to date. Bolded programs report data regularly

- Anchorage C-PACER
- Ann Arbor (inactive)
- Boulder CO (inactive)
- California Economic Development Authority (CEDA)
- **City of Milwaukee PACE**
- **CO C-PACE**
- **CT C-PACE**
- **DC PACE**
- **Delaware PACE**
- Greater Cincinnati Energy Alliance
- Green Finance San Francisco (inactive)
- Henderson C-PACE
- LA PACE (inactive)
- Lake County (inactive)
- **Las Vegas C-PACE**
- MinnPACE
- Montgomery County C-PACE
- mPOWER (inactive)
- **MT PACE**
- PACE AR (inactive)
- **PACE Massachusetts**
- **PACE Wisconsin**
- **Pennsylvania C-PACE**
- **Philadelphia PACE**
- **PropertyFit Oregon**
- **RI C-PACE**
- **Show Me PACE / Missouri Energy Initiative**
- Sonoma County Energy Independence Program
- **Texas PACE Authority**
- **UT C-PACE**

PACENation's consenting lender data currently includes 25 states:

- Alaska
- Arkansas
- California
- Colorado
- Connecticut
- District of Columbia
- Delaware
- Florida
- Georgia
- Kentucky
- Massachusetts
- Maryland
- Michigan
- Minnesota
- Missouri
- Montana
- Nevada
- Ohio
- Oregon
- Pennsylvania
- Rhode Island
- Texas
- Utah
- Virginia
- Wisconsin