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Renovate America Welcomes U.S. Department of Energy’s Best Practices for Property Assessed Clean Energy (PACE) Financing

With rigorous approach to consumer protections and eligibility, guidelines provide important framework for expanding PACE industry nationwide

SAN DIEGO, Nov. 18 – Renovate America, the nation’s leading residential Property Assessed Clean Energy (PACE) financing provider, today welcomed the U.S. Department of Energy’s (DOE) issuance of [best practices](#) for residential PACE financing, saying the guidelines provide an important framework for expanding the innovative financing model nationwide.

PACE financing, which enjoys bipartisan support, allows owners to make energy-saving and renewable energy improvements on private property – and pay for them over time via their property tax bills. PACE helps owners save money on their utility bills by improving access to clean-energy technologies, and because it creates demand for contracting services it increases employment in local communities. The residential PACE industry has helped more than 100,000 homeowners make investments in their homes that are estimated to reduce utility bills by \$4 billion, and has created more than 25,000 jobs in California, Missouri and Florida. Several other states are enabling or considering residential PACE as well.

“We applaud the Department of Energy for developing best practices for PACE financing and encouraging their broader adoption so that this industry can continue to scale nationwide,” said **J.P. McNeill**, founder and CEO of Renovate America. “The [HERO Program](#), our PACE offering to nearly 500 communities, already meets many of the standards outlined by DOE. We pledge to make these best practices the operating manual for our program going forward.”

Ari Matusiak, Renovate America’s Executive Vice President for Market Development and External Affairs, said the DOE best practices build on the PACE [guidance issued in July](#) by the Federal Housing Administration and the Department of Veterans Affairs, which signaled greater acceptance of PACE and recognized its importance to meeting key public-policy objectives. “PACE creates jobs and facilitates investment in infrastructure while helping our communities meet their energy efficiency and renewable energy goals,” Matusiak said. “But it also empowers homeowners to transform their homes – and these standards provide real safeguards for that process.”

Industry observers and participants also welcomed the DOE's best practices for the PACE industry.

“Given the nature of the public-private partnership that sits at the heart of PACE financing programs, the bar must be set very high for the industry,” said **Rick Bishop**, executive director of the [Western Riverside Council of Governments](#), which partners with Renovate America to offer the HERO Program to cities and counties throughout California. “The guidelines unveiled today represent the gold standard for PACE programs, and we are dedicated to making sure they are met – if not exceeded – by all PACE providers with whom we work.”

“As more state and local governments consider adopting PACE programs, and more PACE finance providers enter the market, it is vitally important that all market participants operate with the highest degree of integrity, lending standards, underwriting criteria, business conduct, and consumer protections,” said **Martha Campbell** of the [Rocky Mountain Institute](#). “Today’s guidelines by the Department of Energy are designed to guarantee positive outcomes for homeowners and their local communities. If adopted broadly, they will help the industry grow in a responsible manner.”

“PACE overcomes challenges that have slowed the adoption of energy efficiency and related technologies in our nation’s buildings, but PACE can only fulfill its potential if industry players and government sponsors abide by the most stringent practices,” said **David Pickerill**, executive director of the [Missouri Clean Energy District](#), which offers the HERO Program in Missouri. “By setting a baseline of best practices for the entire PACE industry and government partners, the Department of Energy is enabling this innovative financing platform to scale here in Missouri and nationwide.”

While the guidelines are non-binding, the department encouraged PACE programs as well as state and local governments to incorporate them when developing and implementing PACE programs.

Renovate America’s HERO Program already fully meets many of the DOE best practices. HERO was the first PACE program to introduce written disclosures modeled after the new federal Know-Before-You-Owe mortgage disclosure that clearly identify the financing terms to the property owner. Additionally, HERO is the only consumer finance offering in the country to require homeowners to confirm with the Program in a live, recorded call their understanding of the key financing terms before moving forward with the obligation.

All contractors who offer HERO agree not to be paid until the homeowner signs off that the project has been completed to his or her satisfaction. Unlike other financing options, HERO helps homeowners and contractors resolve disputes that may arise after a project

has been completed. Finally, HERO maintains a team of real-estate professionals who can help when a home is refinanced or sold.

About Renovate America

[Renovate America](#) has built a tech-enabled market platform for home improvement and commercial retrofits, and partners with state and local governments to offer communities the [HERO Program](#). HERO is the leading residential Property Assessed Clean Energy program in the U.S. and has financed nearly \$2 billion of home improvements. HERO is on track to save its customers more than \$3 billion in energy and water bills, and has created more than 16,000 clean-energy jobs. This unique public-private partnership offers consumers access to financing for more than 60 types of products that reduce energy and water consumption, without the need for government funding. The HERO Program has received a number of recognitions including a Climate Leadership Certificate for Innovative Partnerships by the U.S. Environmental Protection Agency, inclusion in the 2016 White House Water Summit, the Governor's Environmental and Economic Leadership Award in California, and the Urban Land Institute Best of the Best. Renovate America has the world's first green bond platform, with a volume of originations that enables securitization of HERO PACE bonds multiple times a year, attracting international investment to meet U.S. clean energy objectives.