



# Resi PACE: CaliforniaFIRST

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Cliff Staton  
June 2, 2015



# Renew Financial and CaliforniaFIRST

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- RF created PACE in Berkeley in 2008.
- RF selected by California Statewide Communities Development Authority in 2009 to develop CaliforniaFIRST program.
- CSCDA put CaliforniaFIRST on hold in July 2010, following guidance from Federal Housing Finance Agency (FHFA).
- CSCDA voted in March 2014 to re-start CaliforniaFIRST, following establishment of CA PACE Reserve.
- RF launched CaliforniaFIRST program in August 2014.

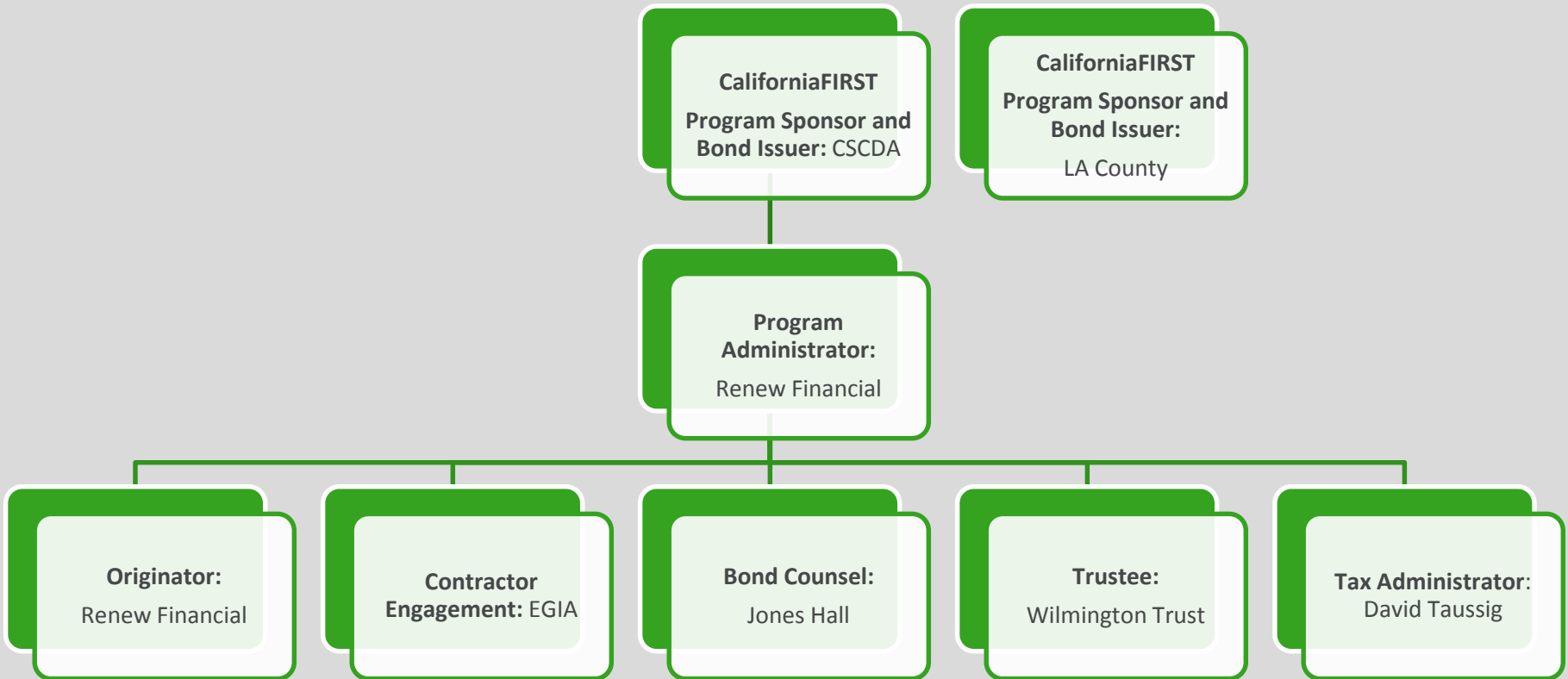
# CSCDA: Sponsoring Authority

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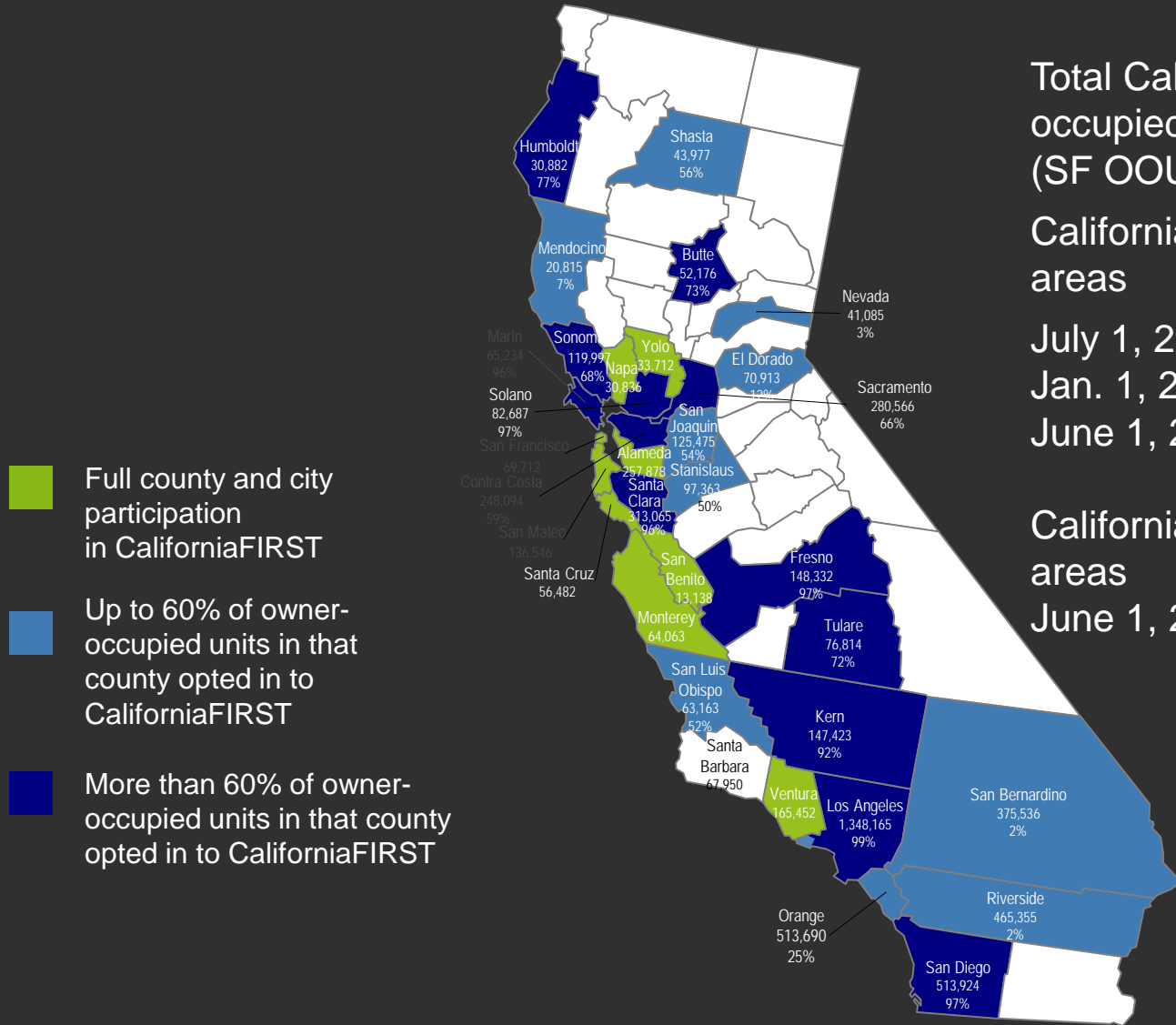
- California Statewide Communities Development Authority is a “Joint Powers Authority”
- Established in 1988. Sponsored by the California State Association of Counties and League of California Cities.
- Has issued \$50 billion in bonds for local governments since 1988
- JPAs are considered “local govts” under CA law. Other JPAs include ABAG, SANBAG, etc.

# Team Overview

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# CaliforniaFIRST Open for 26MM



Total California single-family owner-occupied units (SF OOs): 6,548,975

California SF OOs in opted-in areas

July 1, 2014: 29%

Jan. 1, 2015: 39%

June 1, 2015: 66%

California population in opted-in areas

June 1, 2015: 69%

- Full county and city participation in CaliforniaFIRST
- Up to 60% of owner-occupied units in that county opted in to CaliforniaFIRST
- More than 60% of owner-occupied units in that county opted in to CaliforniaFIRST

# 600+ Participating Contractors

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- 600+ contractors
  - Licensed and bonded
  - In operation 1+ years
  - Better Business Bureau grade B or higher
- In partnership with EGIA, nation's largest contractor association



# Make it Simple for Everyone

Contractor login

CaliforniaFIRST  
EFFICIENCY FINANCING

Apply now Find a contractor News (888) 855-9961

## Saving Home Energy and Money Just Got Simpler

CHECK YOUR ELIGIBILITY

**No banks. No money down.  
Not based on FICO score.**

CaliforniaFIRST™ financing doesn't rely on your personal credit rating. And you don't need to put any money down. Through an innovative partnership with your county government, CaliforniaFIRST offers affordable long-term financing you can repay on your property taxes. Financed amount won't appear on credit report - No impact on future debt-to-income ratio. See if CaliforniaFIRST is available in your area.

**Applying is easy. Approval is fast.**

## An Innovative Public-Private Partnership



CaliforniaFIRST is an innovative partnership between your county government and a private financing company that allows you to receive upfront funding for energy efficiency, renewable energy and water efficiency improvements for your home or business -- and to repay on your property tax bill over the course of up to 25 years. CaliforniaFIRST allows you to save money and energy -- benefitting both you and your community.



# Consumer Protections

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- All participating contractors certified
- All eligible products meet minimum efficiency and/or performance standards
- Third-party quality assurance check with process for putting contractors on probation
- Dispute resolution process
- All calls to call center recorded





# FHFA Update

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- FHFA issued PACE guidance July 6, 2010
- Fannie and Freddie announced they would not purchase mortgages with PACE liens attached August 2010
- CaliforniaFIRST and other programs disclose FHFA/Fannie/Freddie policies
- FHFA re-issued statement Dec 22, 2014

# California Establishes Reserve

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- SB 96 (2013) creates PACE reserve to cover mortgage lender's PACE-related losses in the event of a foreclosure or forced sale
- PACE programs must register with CAEATFA, an agency within the Department of California Treasurer
- CAEATFA established regulations, including underwriting standards, quality assurance and consumer protections (March 2014)
- PACE programs must report to CAEATFA bi-annually on activity in their portfolios

# Lessons Learned

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- Choose sponsor that allows for scale
- Emphasize consumer protection
- Make financing simple for contractors and homeowners
- State PACE Reserve provides comfort to local governments



# Thank You / Questions

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