What is C-PACE?

Value Proposition for Lenders

C-PACE - Commercial Property Assessed Clean Energy - is a powerful financing tool that funds a wide variety of energy and resiliency related improvements for new or existing buildings. Lenders finance 100% of the hard and soft costs of eligible projects through fixed rate, fully amortizing loans for up to 30 years. C-PACE loans are secured by a voluntary lien on the property, which automatically transfers upon sale or foreclosure.

What are the Benefits of C-PACE for Lenders?

New financing product to offer

- **Win more deals with C-PACE:** C-PACE provides lenders with more options for existing or potential customers. Lenders can utilize C-PACE to offer a new financing product to their customers that is non-recourse and requires no money down. C-PACE is flexible and can compliment senior debt in a transaction or be offered as a stand alone product.

Better assets on the balance sheet

- **Increased cash flow:** The annual savings from C-PACE improvements result in reduced utility expenses that typically exceed the annual cost of a C-PACE loan. The result is more cash flow available to pay other secured debt or business related expenses.
- **Increased collateral value:** Lower operating costs result in higher NOI, which increases value. C-PACE helps fund higher performing buildings, mitigating risk to the senior lender.

Control the process and minimize the risk

- **C-PACE is non-accelerating:** In the event of default, only the outstanding payment is in front of the senior position, minimizing the amount ahead of the senior debt. Once the property is sold, future payments are the responsibility of the next owner.
- **Senior lender consent required:** Senior lenders have the right of first refusal and must provide written consent in order for a C-PACE loan to close.
- **Risk mitigation and easy to structure:** Lenders can control the process and require additional protections to mitigate the risk of default or delinquency. Examples include escrowing C-PACE payments monthly, including inter-creditor agreements to define contingency scenarios, and require protective advances where C-PACE payments are escrowed and added to the C-PACE loan balance.

Learn more at: www.virginiapace.com