HERO or PACE Loans

HERO – Home Energy Renovation Program is the #1 energy efficiency financing program in the United States. HERO partners with local governments to make energy efficient, water efficient, and renewable energy products more affordable for homeowners.

PACE – Property Assessed Clean Energy is a simple and effective way to finance energy efficiency, renewable energy, and water conservation upgrades to buildings. PACE can pay for new heating and cooling systems, lighting improvements, solar panels, water pumps, insulation, and more for almost any property – homes, commercial, industrial, non-profit, and agricultural.

More and more, Californian's are taking advantage of these types of energy efficient financing programs.

Some things you should know when buying or selling a home that may have one of these loans are as follows:

- The loans are rolled into property taxes so there is no separate payment for them. Assessments are collected with county taxes and may be prepaid.
- They are attached to the property and are transferred to buyers upon sale.
- New owners are responsible for repayment of the loan.
- Sellers are forgetting to disclose these loans.
- Some lenders will not lend on properties with HERO or PACE loans on them.
- HERO or PACE loans are not always easy to spot on a Preliminary Title Report.

Below are some Q&A regarding HERO:

- (Q) How is the HERO Program different than other forms of financing?
- (A) HERO offers property owners the benefit of energy efficient products for a low monthly cost and the interest on the financing is tax deductible. Additionally, if the property is sold before the HERO Financing is paid in full, the remaining payments can likely be transferred to a new property owner.
- (Q) How is the government involved?
- (A) HERO is provided through a public/private partnership with local governments. HERO provides all of the infrastructure and funding to support the Program and payments are then collected along with your property taxes.
- (Q) Who can apply for the HERO Program?
- (A) HERO is available to property owners in many local communities. Check to see if your property is eligible online at: www.heroprogram.com.

- (Q) What are the eligibility requirements?
- (A) You must be current on property taxes for the last 12 months and not late more than once over the prior 3 years. You must be current on your mortgage for the last 12 months and no bankruptcies for the past 7 years. No involuntary liens and you must have a minimum of 10% equity in the property.
- (Q) Is there a minimum & maximum financing cost?
- (A) We require \$5,000 minimum financing and maximum financing up to 15% of your property value.
- (Q) What products and services are eligible?
- (A) HERO is available for a wide array of home energy products.

Typical projects that would be covered include: solar photovoltaic (PV) systems; air conditioning and heating (HVAC); water heaters; cool roof systems; windows, skylights, and doors; air sealing and weatherization; insulation; pool equipment; indoor energy efficient light fixtures; and water efficiency measures. To explore 900,000+ approved product models, go to: www.heroprogram.com.

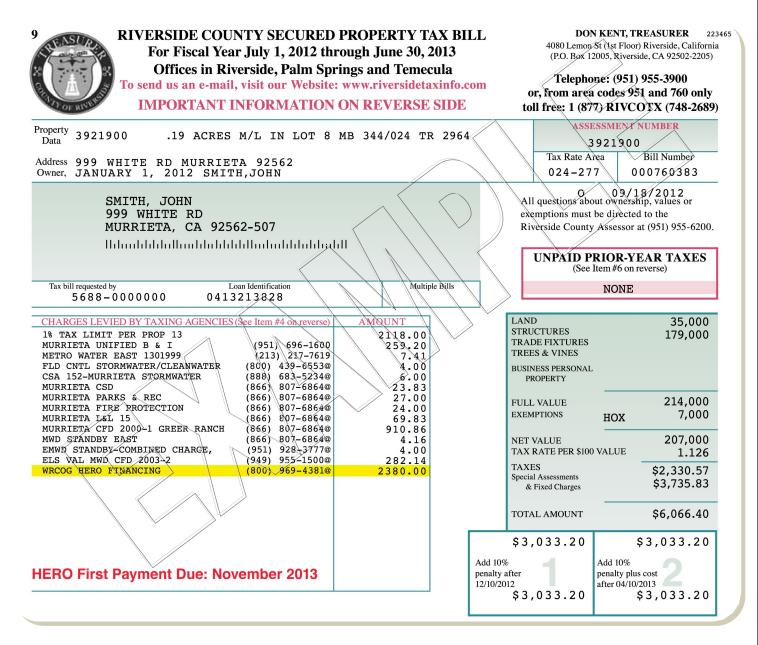
Visit the following sites for more detailed information and to see if the program(s) are available in your area: <u>https://www.heroprogram.com/faq</u> and <u>http://www.pacenow.org/about-pace/</u>



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HERO Financing Sample Property Tax Bill



When insuring your property with Cypress Title, you will find our attention to detail and our proactive approach on your transaction valuable to you and your clients!