INCREASED DEBT SERVICE COVERAGE RATIO

Many properties use PACE to install solar panels or upgrade obsolete heating/cooling equipment to save money on utility costs. This decreases the building’s operating costs, which increases the Debt Service Coverage Ratio. PACE makes good financial sense for the building owner, and therefore, the existing mortgage holder.

INCREASED COLLATERAL VALUE

Commercial real estate value is typically based on net operating income (NOI). As NOI increases, so does the value of the mortgage holder’s collateral. Many energy efficiency and renewable energy upgrades also increase the resale value of the property, and the existing collateral value.

EXISTING INDUSTRY ENGAGEMENT

Depending on the project, PACE may offer an opportunity for local banks to provide construction term financing or other bridge capital. There are also prospects in the secondary markets and securitization realm.

PACE is accepted as a valid and effective financing tool within the banking industry, which is reiterated on a regular basis as mortgage holders consistently give their consent to PACE projects. As of January, 2017, over 130 lending institutions have given consent to PACE projects, from regional financiers to the largest national banks. For a complete listing, please visit pacenation.us/mortgage-lenders.