

**MONTGOMERY COUNTY REQUEST FOR LENDER CONSENT  
AND NOTICE OF PROPOSED C-PACE LOAN**

Notice Date:

Lender Address:

Lender:

Street:

City/State/Zip Code:

ATTN:

Property/Loan Information:

Address:

APN:

Loan Number:

Why has the bank received this notice?

The property owner listed below owns the property located at the address above. You are the holder of a loan secured by the property.

[Property owner/address] wishes to install energy upgrades to the property using the Commercial Property-Assessed Clean Energy (C-PACE) financing mechanism established by the State of Maryland and Montgomery County and seeks your consent to do so.

Background on C-PACE in Maryland

In 2014, Maryland adopted legislation that provides access for owners of commercial, industrial and qualifying multi-family housing property in the state to a new form of financing for energy efficiency, water efficiency, and on-site renewable energy (EE/RE) upgrades to their buildings. C-PACE financing allows property owners to improve their buildings and meet important energy policy goals of the State and its counties.

The Program Manager (PACE Financial Servicing) is responsible for administering the Montgomery County C-PACE program. With C-PACE, financing for EE/RE projects is repaid as a property tax surcharge, a mechanism long used to finance improvements to real property that meet a public policy objective, such as sidewalks, parks, lighting districts, and water and sewer projects. Like other county surcharges, C-PACE surcharges must be current upon the sale of a property and remain with a property upon sale. As with county property taxes and related charges, only delinquent surcharges have a lien status senior to mortgages upon the sale of a property.

Montgomery County's C-PACE program has been designed to also meet the needs and concerns of Montgomery County property owners and existing mortgage lenders. To qualify, the proposed project must meet the following basic criteria:

- The property is located in Montgomery County, MD.
- The property is a commercial, industrial, or multi-family (more than 4 rental units) property.

- The proposed measures reduce energy or water consumption and/or increase the production of on-site renewable energy.
- The cost of the proposed measures does not exceed 20% of the value of the building.
- The total debt on the building (including the C-PACE loan and outstanding balance of the mortgage or deed of trust) must be no more than 90% of the full cash value of the qualified property.
- The property is current on all property tax payments for the previous five years.
- The property owner receives consent from the current mortgage holder(s).

Why should you provide consent?

1. Measures financed through C-PACE should reduce building operating costs. Through reducing energy consumption, a proposed project should result in energy savings. The Program Manager encourages property owners to engage a professional engineer to verify energy savings.
2. C-PACE Assessments do not accelerate. In the event the mortgage holder forecloses on the property for any reason, only the amount of the C-PACE surcharge currently due and/or in arrears would come due. It is important to note that in the event a C-PACE surcharge is delinquent, the surcharge will have a lien status senior to a private lender's mortgage. In the event of a property sale, future C-PACE surcharge liabilities transfer to the new property owner.
3. Measures financed through C-PACE improve properties, often reducing maintenance and repair costs. In addition, energy measures may improve the efficiency, health, and comfort of a building.

What should you know?

[Property owner/address] has indicated its intention to apply for C-PACE financing for the improvements outlined in the C-PACE Project Application on the property listed above. The surcharge is to be levied on the property pursuant to an agreement between the property owner, the Program Manager, and the funding source for the C-PACE improvements [Lender/Capital Provider].

You are consenting to financing which is collected as a surcharge on the owner's property tax bill. Should it become delinquent, it will be collected through the tax sale process.

The related payment terms are proposed to consist of the following:

Maximum cost of improvements

Utility rebates/incentives:

Total C-PACE financing requested:

Interest rate not to exceed:

Term of repayment period:

Total estimated annual installment:

Payments per year:

Estimated Benefits of the Authorized Improvements:

Electric and Fuel Bill Savings:

Other Savings (specify):

TOTAL:

Purpose of this Notice

As required by the C-PACE enabling legislation (A law concerning: Real Property Taxes – Clean Energy Loan Program and Property Tax Surcharge, enacted in 2014, [Name of property owner] is sending this Notice of Proposed C-PACE Surcharge to Lender to (i) provide notice of the proposed participation of the property above in C-PACE financing; (ii) request confirmation from you (the current lender) that the levy of the Surcharge will not trigger an event of default or the exercise of any remedies under the Loan documents, (iii) provide notice that the surcharge will be collected as an installment on the property tax bill in the same manner as and subject to the same penalties, remedies and lien priorities as real property taxes and (iv) declare the [Name of property owner]’s agreement to pay on a timely basis both the existing obligations secured by the property (including the Loan) and the proposed surcharge.

The Lender hereby acknowledges that the property owner, Montgomery County, County Designated Lender, Program Manager and the Program Manager’s Servicer will rely on the representation and lender consent set forth in this document.

Execution and Return of Consent

Please execute the Lender Consent to C-PACE Surcharge and return it to the undersigned at your earliest convenience.

Very truly yours,

BY: (signature): \_\_\_\_\_

PROPERTY OWNER NAME:

MAILING ADDRESS (if different than Property address):

The Lender hereby acknowledges that the Property Owner and the Municipality will rely on the representation and Consent of the Lender set forth in this Consent.

LENDER:	
	By: _____
	Authorized Representative
	By: _____
	<i>Name</i>
	By: _____
	<i>Title</i>
	By: _____
	<i>Date</i>