

FINAL DRAFT

LETTER OF AGREEMENT REGARDING OPERATIONAL REQUIREMENTS FOR PROPERTY ASSESSED CLEAN ENERGY (PACE) PROGRAMS IN THE CITY OF SUNNYVALE

The City of Sunnyvale evaluated PACE Program operations within the City jurisdiction and has established several operating conditions for residential PACE programs to better protect the interest of our community.

[Name of Program Administrator] has established the [Name of PACE Program], a Property Assessed Clean Energy (PACE) financing program and agrees to meet the provisions stated below in order to operate its program for any residential PACE financing offered within the City.

Provisions

1. **Contractual Subordination.** [Name of PACE Program] and [Name of Program Administrator] will offer its form of subordination of the PACE assessment upon request by the property owner or mortgage lender to accommodate a home sale or refinance.
2. **Early Pay-off.** [Name of PACE Program] and [Name of Program Administrator] will not charge differential interest rates or pre-payment penalties to property owner for early pay off of the full outstanding balance of the PACE assessments.
3. **Application Disclosures.** [Name of PACE Program] and [Name of Program Administrator] has demonstrated to the City that the following information is provided to PACE financing applicants at the application stage: (a) disclosure of risks to existing mortgages/loans, and (b) the Federal Housing Financing Authority's (FHFA's) position related to PACE assessment, and agrees to continue to provide this information at the application stage.
4. **Regional Agreement.** [Name of PACE Program] and [Name of Program Administrator] has signed the Association of Bay Area Governments' (ABAG) Regional Collaborative Services Agreement (RCSA) and will continue to implement the requirements of the RCSA.

[Name of Program Administrator] is aware of the additional operating provisions established by the City of Sunnyvale above and agrees to conform with these requirements so long as it offers its program within the City's jurisdiction and agrees that failure to abide by these requirements may result in City's termination of PACE Program's authorization to operate within the City.

PACE PROVIDER:

[Name of Program Administrator]

By: _____

Name: _____

Title: _____

Date: _____