



## Benefits of Becoming an Efficiency Maine Registered Capital Provider

The Efficiency Maine C-PACE Program, a finance initiative of the Efficiency Maine Green Bank, is available for qualifying projects located within participating municipalities. C-PACE, which stands for Commercial Property Assessed Clean Energy, provides access to loans for commercial property owners interested in undertaking energy efficiency and clean energy improvements on their buildings. This resource is available to help the local lending community better understand what it would mean to participate in the C-PACE Program.

C-PACE is a public-private partnership enabled by state law and financed with private capital that finances sustainability improvements such as energy efficiency and renewable energy implementation. C-PACE financing can also be used to fund portions of “green” new construction in some jurisdictions. Participating lenders may finance these measures with long-term, fixed-rate financing, generally on a nonrecourse basis. The structure exists because the state and local municipalities view these improvements as a public benefit, akin to a sewer improvement.

Lenders wishing to participate in the C-PACE Program must first complete an online application to become a “Registered Capital Provider”. The process for banks and credit unions is simple, requiring basic intake information and standard documentation. Becoming a Registered Capital Provider does not obligate the lender to provide C-PACE financing, but it does enable it to provide such financing if the opportunity arises. Additionally, the lender’s name and contact info will be displayed on the program’s online list of Registered Capital Providers.

### Benefits of C-PACE financing for lenders:

- **Secure interest in the property** – The security comes from the C-PACE lien on a property. The lien, like a property tax assessment, sits in a senior position to other encumbrances on the property, including mortgage debt and other liens (with the exception of municipal liens).
- **Survive foreclosures** – In the event of a judicial or nonjudicial sale or foreclosure of a property subject to a C-PACE lien, the C-PACE lien survives the foreclosure or sale to the extent of any unpaid installment, interest, penalties or fees.



- **Deepen customer relationships** – Property owners are reluctant to refinance their properties when interest rates are high. They tend to avoid undertaking projects until rates drop and they can better leverage their property equity to finance such projects. With C-PACE, a mortgage lender can offer C-PACE financing to the property owner without having to refinance the entire property. Indeed, the Efficiency Maine C-PACE Program allows for a mortgage lender to also be a Registered Capital Provider. In this way, the C-PACE Program can be a great tool to stimulate new projects and deepen relationships with existing customers in a high-interest-rate environment.
- **Establish new relationships** – If a lender does not currently hold the mortgage on a property, C-PACE can be a great opportunity to generate new business. By offering C-PACE financing, especially in a high-interest-rate environment, it establishes a new customer relationship and gives the Registered Capital Provider a higher likelihood of financing future projects and properties with the property owner.
- **Environmental, Social, and Governance (ESG) Benefits** – Enabling a C-PACE project may allow the lender to take credit for ESG benefits provided to the customer.

For more information, please visit [efficiencymaine.com/C-PACE](https://efficiencymaine.com/C-PACE). For additional questions or guidance, please contact [C-PACE@efficiencymaine.com](mailto:C-PACE@efficiencymaine.com).