

PACE Programs Comparison Matrix

Provider Name: Spruce Finance, Inc (Program Administrator for CSCDA Open PACE)

Background: Spruce works with a national network of contractor and channel partners to provide consumer financing for residential solar systems and water conservation and energy efficiency upgrades. This helps homeowners reduce their total utility bill spend on power, water, and heating and cooling.

Policy	Data
Authorization	AB811
Government Entity/ Governance Structure	California Statewide Communities Development Authority (CSCDA)
Participating Jurisdictions	The program is offered statewide; jurisdictions can participate by passing a resolution to opt into CSCDA's program; approximately 100 participating jurisdictions currently
Project Costs/ Total Initial Fees	Residential: 5% Commercial: TBD
Lien	Senior lien, parity with property taxes
Term/ Loan Term	5, 10, 15, 20, 25 or 30 years, not to exceed the useful life of improvements financed
Lender/ Mortgage Notification or Consent	Residential: n/a Commercial: TBD
Disclosure	Extensive risk disclosures in program guidebook, risk disclosure form and assessment contract of program risks including FHFA
Pre-Lien loan to Value	Maximum 90%
Post-Lien Loan to Value	Maximum 100%

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Total Aggregate Property Taxes/ Assessments	< 5% of property value
Capitalized Interest	Variable, depending on timing between assessment closing date and first property tax collection date
Credit History/ Credit Check	Residential: n/a
Bankruptcy History	7 years
Participates in PACE Loss Res. Program (CA State)	Pending (Spruce will be a participant in the state's loss reserve program when its PACE program launches later this year)
Legal Validation	CSCDA Open PACE completed statewide legal validation in May 2015
Property Owner Fees/Costs	Administration fee (above), recording fee and trustee fee
Fees to Contractor	None
Consumer Protection	CSCDA enacted the strictest consumer P protection standards in the industry in December 2015. Highlights provided under separate cover.
Number of Customers Served: Residential and Commercial/ Projects Financed	Spruce's consumer lending business has served over 50,000 residential customers nationwide financing over \$880 million in solar systems and energy and water efficiency improvements. Spruce's PACE program is expected to launch later this year.
Location of Corporate Office and presence in local jurisdiction	Spruce is headquarters in San Francisco, CA (201 Mission Street, 11th Floor, San Francisco, CA 94105)
Do you share loan fees with jurisdictions?	Jurisdictions receive recording and collection fees
Financing Organization	Spruce Finance, Inc

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Administrator	See above
JPA	CSCDA
Legislative Origin	AB811
Website	Sprucefinance.com
Residential	Yes (to launch later this year)
Commercial	TBD
Secured	Special assessment on property tax roll
Interest Rate	TBD
More detail on range, what are the factors?	Interest rates will be market driven and determined by several factors including the level of general market interest rates, the availability and cost of credit facilities, general economic conditions, among others
Energy Audit	Recommended but not required
Selection of Contractor	Property owner may select contractor from group of Spruce registered contractors

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Annual Admin Fee	Residential: n/a Commercial: tbd
Program Admin/ Underwriting	Residential: 5% upfront; may be financed through assessment Commercial: tbd
Recording/ Title Fee	Residential: ~\$100 per assessment Commercial: tbd
Application Fee	n/a
Software	Spruce owns and operates a proprietary software platform (Spruce Tools) to enable contractors to create proposals, approve credit and streamline the documentation and closing process
Contractor Fee	n/a
Reserve Deposit	Residential: Spruce will participate in State Loss Reserve Commercial: tbd
Financing Min/Max Amounts	Residential: tbd Commercial: tbd
Residential Average Assessment	n/a; PACE program to launch later this year; in Spruce’s other residential businesses, the average financing size is approximate \$17,600.
Prepayment Penalty	n/a
Year Started	PACE – 2016 Spruce - 2007

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Number of Assessments (total defaults)	n/a
Area	Program offered statewide
Riverside County Jurisdictions	Moreno Valley, Palm Desert, San Jacinto, unincorporated County
Average Time from Application to Payment	tbd
Dispute Resolution	Detailed dispute reaction procedures, including nonpayment of contractor until costumer satisfaction verified
Contractor List	Spruce works with approximately 400 channel partners
How long is the training to become a participating contractor?	tbd
Contractor Training and Support	Spruce account management team trains channel partners and address any questions
Process for Local Government to Join	CSCDA members: pass opt in resolution Non-CSCDA members: join JPA and pass opt in resolution
What is the liability associated with joining the JPA? What commitments is the local government making?	See attached

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Language around indemnification of the joining jurisdiction?	See attached
Provides reports to participating jurisdiction – what data?	Yes; application details, closings, amounts financed, measures, economic and environmental impacts
Termination Process for Govt.	Pass opt-put resolution
Includes solar electric?	Yes
Includes solar hot water?	Yes
Includes seismic?	Yes
Includes water efficiency?	Yes
Includes landscaping?	If part of energy or water efficiency improvement
Includes EV charging?	Yes
Financing Capacity in California	>\$500 million
Are any necessary improvements to non-energy systems included in financing (e.g. asbestos)	tbd

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remediation or electric panel replacement)?	