



January 5, 2018

Via Electronic Delivery

Colleen Monahan
Department of Business Oversight, Legal Division
1515 K Street, Suite 200
Sacramento, CA 95814-4052

**RE: Implementation of AB 1284 – Initial Comments of Ygrene Energy Fund, Inc.
(PRO 02/17 (PACE))**

Dear Ms. Monahan:

Ygrene Energy Fund, Inc. (“Ygrene”) provides this letter in response to the Department’s invitation to submit initial comments in connection with its process to promulgate the implementing regulations called for by Assembly Bill 1284 (“AB 1284”), which was recently signed into law (Chapter 475, Statutes of 2017).¹ Ygrene is one of the largest Property Assessed Clean Energy (“PACE”) industry administrators in California and is by far the geographically most diverse provider of PACE financing by virtue of our uniquely deep and longstanding experience in multiple states. Ygrene welcomes the opportunity to provide initial comments and looks forward to working with the Department to develop regulations that implement AB 1284 effectively while serving California’s long-standing public policy favoring access to PACE financing for all California residents.

I. Executive Summary

As discussed further below, California has a long-standing public policy favoring PACE and any and all rulemaking should ensure consistency with such policy. Although there are a multitude of issues which Ygrene is qualified to address, this letter focuses on the following subset of issues that appear to be particularly critical for the Department to consider at this preliminary stage of rulemaking:

- Defining what methods of verification will be considered “commercially reasonable and available” and limiting liability for third-party errors;
- Preserving flexibility in the ability to pay requirements to accomplish the legislative intent;

¹ Except as otherwise noted, the citations to the Financial Code that appear throughout this letter refer to sections of AB 1284 as codified in the California Financial Code.

- Resolving ambiguities regarding alternative valuation model (“AVM”) confidence scores to ensure that Program Administrators are able to continue sourcing AVMs from reputable vendors;
- Providing clarity regarding the requirement to ask open-ended questions;
- Defining what it means to “solicit” to ensure that individuals who perform administrative tasks are not inadvertently subject to the rule;
- Requesting coordination with the State Treasury Department with respect to annual reporting data;
- Proposing educational requirements process and topics for PACE solicitor agents.

II. Comments by Topic

a. Underwriting Criteria

Under the new legislation, Program Administrators² must ensure that eleven criteria are met before submitting, presenting or approving an assessment contract for recordation.³ The statute calls for Program Administrators to “use commercially reasonable and available methods to verify” the data required to satisfy the enumerated criteria, but fails to define “commercially reasonable” or provide guidance as to what methods are commercially reasonable and available. More important, the statute requires reliance on third-party records and statements, but does not sufficiently address responsibility for third-party errors or misrepresentations. The Department should promulgate regulations to define what methods of verification will be considered “commercially reasonable and available” and to limit liability for errors contained in information supplied to Program Administrators.

A few examples illustrate why Ygrene believes that additional guidance through regulation is the most efficient way to ensure timely and uniform verification of the legislatively mandated underwriting criteria. The eleven enumerated criteria require, among other things, verification that: property taxes are current, there are no outstanding involuntary liens on the property in excess of \$1,000, and that the Property Owner is current on all mortgage debt on the subject property.⁴ Program Administrators, such as Ygrene, necessarily must rely on third-

² “Program Administrator” means a person administering a PACE program on behalf of, and with the written consent of, a public agency. Cal. Fin. Code § 22018.

³ Cal. Fin. Code § 22684

⁴ The following is a summary of the 11 criteria in Cal. Fin. Code § 22684:

1. Property taxes for the property that will be subject to the assessment contract are current. The program administrator shall ask a property owner whether there has been no more than one late payment of property taxes on the property for the previous three years or since the current owner acquired the property, whichever period is shorter.
2. The property that will be subject to the assessment contract has no recorded and outstanding involuntary liens in excess of one thousand dollars (\$1,000).

parties to supply the information required to evaluate whether a Property Owner is eligible under these criteria (e.g. county tax records, records from the county recorder's office, credit reports).⁵ Yet, such third-party information is subject to inaccuracies that are not easily detected; third-party data may be entered incorrectly or databases may not always be up-to-date. For example, obtaining information about whether property taxes are current is not always seamless. Many California county websites are not updated in real time and some counties in California take longer than others to update relevant property tax information. As a result, although Program Administrators can check for delinquent property taxes (and in fact, many including Ygrene already do review whether property taxes are current), they have no control over whether the information obtained is up-to-date. This highlights a two-fold problem: first, whether obtaining property tax information from county websites is a "commercially reasonable" method to verify these criteria; and second, assurance that a Program Administrator will not be accountable for a county's errors or delays in reporting. For these reasons, it will be important for the Department to provide clarity on what it deems to be "commercially reasonable and available" methods of verification.

In determining what steps are "commercially reasonable and available" for each of the statutory criteria, it is important to bear in mind both the legislative text and California's long-standing public policy favoring PACE. As explained in further detail in the next section,

-
3. The property that will be subject to the assessment contract has no notices of default currently recorded which have not been rescinded.
 4. The property owner has not been a party to any bankruptcy proceedings within the last seven years, with some limited exceptions.
 5. The property owner is current on all mortgage debt on the subject property and has no more than one late payment during the 12 months immediately preceding the application date not exceeding 30 days past due.
 6. The property that will be subject to the assessment contract is within the geographical boundaries of the applicable PACE program.
 7. The measures to be installed pursuant to the assessment contract are eligible under the terms of the applicable PACE program.
 8. The financing is for less than 15 percent of the value of the property, up to the first seven hundred thousand dollars (\$700,000) inclusive of the existing assessments, and is for less than 10 percent of the remaining value of the property above seven hundred thousand dollars (\$700,000).
 9. The total PACE assessments and the mortgage-related debt on the property subject to the PACE assessment will not exceed 97 percent of the market value of the property as established by the valuation required by Section 22685.
 10. The term of the assessment contract shall not exceed the estimated useful life of the PACE measure.
 11. The program administrator shall verify the existence of recorded PACE assessments and shall ask if the property owner has authorized additional PACE assessments on the same subject property that have not yet been recorded.

⁵ Section 22684 requires Ygrene to rely on County tax records for criteria Nos. 1, 8, 9, recorded instruments for Criteria Nos. 2, 3, 9,11, and credit reports for Criteria No. 5. See fn 4, above.

regarding AB 1284's "ability to pay" requirement, PACE programs serve as an important mechanism to implement California's energy, water, environmental and greenhouse gas policy goals by providing viable financing options to increase the availability throughout California of renewable generation, water and energy efficiency, and seismic retrofit upgrades.⁶ The Legislature specifically intended PACE financing to be reasonably available to all California homeowners including its moderate income homeowners who otherwise might only have access to financing options for such upgrades on much less favorable terms.

The Legislature's direction that the methods of verification should be limited to those that are "commercially reasonable and available" demonstrates that AB 1284 was not intended to abandon or undercut these policy goals. Though there appears to be no authority construing this language in the specific context set out in Section 22684, the phrase "commercially reasonable" has been given meaning in other contexts. These authorities reveal two basic principles. First, what is commercially reasonable in a particular context is measured by industry standards of reasonableness among participants in the industry in question.⁷ Second, to meet a standard of commercially reasonable behavior, it is not necessary or required to disregard the business, economic or practical realities or the industry participant's own economic interests.⁸ Indeed, the Legislature's use of the conjunctive "commercially reasonable" *and* "available" further demonstrates its sensitivity to avoiding undue burden on PACE Program Administrators: Program Administrators are not required to create new methods to verify the accuracy of the required data; they need only use "available" sources of information. Thus, the standard of commercial reasonableness should be determined by reference to the industry practice of PACE Program Administrators and with due regard to the impact any regulation on the industry itself and on California public policy favoring PACE.

⁶ Residential and Commercial Property Assessed Clean Energy (PACE) Financing in California Rooftop Solar Challenge Areas (October 2014), available at <http://energycenter.org/sites/default/files/docs/nav/policy/research-and-reports/PACE%20in%20California.pdf>

⁷ See e.g., California Uniform Commercial Code, § 9627(a) (A creditor's disposition of collateral after default is "commercially reasonable" if "[i]t is made otherwise in conformity with reasonable commercial practices among dealers in the type of property that was the subject of the disposition."); *In re Homer*, 168 B.R. 790, 803 (N.D. Ga. Bankr. 1994) ("The standard of care to which a lender is held in reviewing credit and title information is not one of perfection. Creditors do not have to conduct an exhaustive review of a borrower's representations, merely a commercially reasonable one, where the loan application shows no irregularity on its face.").

⁸ See e.g., *LeMond Cycling, Inc. v. PTI Holding, Inc.*, 66 Fed. R. Evid. Serv. 305, 2005 WL 102969, *5 (D. Minn. 2005) (Commercial reasonableness standard requires consideration of industry standards and the financial resources, business expertise, and practices of the affected business. It does not require the business to "perform to its detriment.").

With these guideposts in mind, we recommend the Department implement the following standards, which should apply absent actual notice of error or evidence of bad faith:

- Where verification is required to be accomplished through public records, a Program Administrator's reliance on the public record with respect to a property at the time of application should be deemed commercially reasonable;⁹
- A Program Administrator's good faith reliance on information supplied in credit reports prepared by recognized reporting agencies should be deemed commercially reasonable;¹⁰
- Where a Program Administrator is required to use value or market value to determine eligibility, reliance on valuations performed in compliance with Cal. Fin. Code § 22685(a) should be considered commercially reasonable;
- Where reliance on Property Owner statements is required, such as whether property taxes have been made on time for the prior three years,¹¹ Program Administrators should not be liable for a Property Owner's failure to comply or misrepresentation.¹² Similarly, where AB 1284 requires a Program Administrator to rely on third-party information, and such reliance is commercially reasonable, then the Program Administrator should not be liable for errors in the third-party information absent irregularity that appears on the face of the instruments or documents reviewed.¹³

b. Ability to Pay Standard

The new legislation requires Program Administrators to make a "reasonable good faith determination" that Property Owner(s) have a reasonable ability to pay the annual payment obligations for the PACE assessment.¹⁴ In determining whether to establish parameters regarding assessing Property Owners' ability to pay, the Department should ensure that it does not do so in a way that defeats the primary policy goal of PACE programs. As noted above, PACE

⁹ See *Hochstein v. Romero*, 219 Cal. App. 3d 447, 452, 268 Cal. Rptr. 202 (4th Dist. 1990) (duly recorded instrument creates a conclusive presumption of knowledge of the information contained in the instrument); See also, Cal. Civ. Code § 1214 (Good faith purchaser takes free of unrecorded instrument, establishing as matter of law the reasonableness of reliance on public records).

¹⁰ Ygrene and other Program Administrators routinely rely on the accuracy of credit reports in the course of approving applications for PACE financing and such reliance is an industry standard and should be deemed commercially reasonable.

¹¹ Cal. Fin. Code § 22684(1)

¹² *In re Homer*, 168 B.R. at 803 (Creditor may rely on borrower's representations in the absence of actual knowledge of falsity or facial irregularity).

¹³ See *In re Homer*, discussed in fn 7 & 12, above.

¹⁴ "Program administrator[s] shall not approve for funding, and recordation by a public agency, an assessment contract unless the program administrator makes a *reasonable good faith determination* that the property owner has a reasonable ability to pay the annual payment obligations for the PACE assessment." Cal. Fin. Code § 22686.

programs serve as an important mechanism to implement California's energy, water, resiliency, environmental and greenhouse gas policy goals by providing viable financing options to increase the number of renewable generation, water and energy efficiency, and seismic retrofit upgrades throughout California. These environmental goals could not be achieved if PACE programs are made available only to the state's most economically privileged residents. Not only would that result in a negligible environmental impact, but it would also directly contradict the purpose of PACE programs, which were designed particularly for moderate-income homeowners who might not qualify for other conventional forms of financing such as Home Equity Loans. This Legislative purpose is demonstrated by the full array of PACE program features. Among other things, PACE financing was designed to avoid reliance on the personal credit-worthiness of the Property Owner(s). For example, PACE obligations impose no personal liability on the Property Owner(s) and require no down payment. These are not accidental features and PACE is no ordinary private financing mechanism. It is a true private-public partnership, the very existence of which is an expression of California public policy that PACE financing should be reasonably available to California homeowners of all economic means.

AB 1284 seeks to improve the experience of Property Owners taking part in PACE programs and to facilitate a more standardized approach to PACE financing. We fully support the need to ensure that Property Owners comprehend the PACE program and can afford the resulting PACE assessments. We also understand and appreciate that Property Owners benefit from an efficient and uncomplicated administration of PACE financing, which, in turn, promotes environmental policy goals. The Department should ensure that any guidance regarding the ability to pay will not be substantively or procedurally burdensome for Property Owners. For instance, it is imperative that program administrators retain their statutory discretion and flexibility when assessing residual income to ensure that the ability to pay determination will not frustrate the original purpose of PACE financing.

The new legislation demonstrates an appreciation for the simple but practical approach of PACE financing in that it acknowledges that any institution of parameters around the ability to pay should be preceded by careful analysis.¹⁵ The legislation does not, in contrast, reflect an intent to broadly curtail the availability of PACE financing to moderate income homeowners. Parameters that make it unnecessarily difficult for Property Owners to qualify for PACE financing or that subjects Property Owners to onerous requirements would be inconsistent with the policy behind PACE financing generally and with AB 1284 specifically.

¹⁵ Cal. Fin. Code § 22692(a)(4)

c. AVM Confidence Scores

AB 1284 mandates use of Automated Valuation Models (AVM) to derive the market value of the property securing a PACE obligation. Section 22685(a) (1) of the Financial Code provides criteria for selecting and using AVMs.¹⁶ Section 22685(a)(1) is ambiguous in several respects. Ygrene requests that the DBO resolve the ambiguities.

Section 22685(a)(1)(b) requires a Program Administrator to use an “an automated valuation model” that “must have estimation models with confidence scores.” This language does not seem to track how third-party vendors actually generate property valuations.

For example, Realty Property Resources, LLC (“RPR”) explains that its property valuations are “the product of multiple Automated Valuation Models, each of which uses proprietary algorithms and arrives at its own estimate.”¹⁷ RPR then generates a confidence score “between zero and five stars that indicate the level to which each of the multiple models ‘agrees’ with the other estimated values for a given property.” *Id.*

It is unclear how a Program Administrator can use a third-party vendor (like RPR) to comply with the statutory requirements. For example, Sub-Part C of Section 22685(a)(1) requires a “PACE Program must utilize at least three automated valuation models for each property.” Does that mean Ygrene must use three third-party vendors, each with its own AVM or AVMs? Alternatively, does it mean that it must obtain assurance from its chosen vendor that its valuations, like RPR’s, are “the product of multiple automated valuation models?” *Id.*

Sub-Part D of Section 22685 requires the “PACE program” to “utilize the estimated value with highest confidence score for a property.” It is unclear how Ygrene should apply this requirement. If it uses a third-party vendor like RPR, the statutory directive is a non-sequitur, since RPR’s valuation yields only one confidence score between zero and five stars, which

¹⁶ A program administrator shall derive market value using...[a]n automated valuation model, using the following criteria:

- (a) The automated valuation model must be provided by a third-party vendor.
- (b) The automated valuation model must have estimation models with confidence scores and regular statistical calibration by the third-party vendor.
- (c) The PACE program must utilize at least three automated valuation models for each property. The estimated value for each model shall be the average between the high and low values, if a range is provided.
- (d) The PACE program shall utilize the estimated value with the highest confidence score for a property. If an automated valuation model meeting the criteria of subparagraphs (A), (B), and (C) does not obtain a confidence score for a subject property, the PACE Program shall utilize the average of all estimated values.

Cal. Fin. Code § 22685(a) (1).

¹⁷ <https://support.narrpr.com/hc/en-us/articles/204964670-What-is-an-AVM-or-RVM-confidence-score->

expresses the degree to which RPR's own distinct AVMs agree with each other in the valuation. There is no "highest score" to pick from.

If, on the other hand, the point is for Ygrene to obtain multiple valuations from multiple vendors and then prefer the "highest score" among the multiple vendors, then a problem arises as to how to judge what the "highest score" is. While RPR expresses its confidence scores as range between zero and five stars in which more stars are better, a different vendor, CoreLogic, expresses its "confidence score" differently. It measures something it calls "The Forecast Standard Deviation Score," which "denotes confidence in an AVM estimate" and is measured in a statistical scale between 0 and 1, in which the lower score expresses a higher degree of confidence in the valuation.¹⁸

To the extent, the statute calls for comparing different vendors' confidence scores, it is asking Program Administrators to compare apples and oranges. This is so precisely because AVM vendors like RPR and CoreLogic do not use confidence scores to compete with each other. Confidence scores do not show which vendor's valuation is better; they express the vendor's relative degree of confidence in its *own* valuation. Selecting the "highest score" is thus a meaningless exercise.¹⁹

Finally, Section 22685(a)(1)(d) recognizes that some AVM vendors may not use confidence scores at all or may not provide a confidence score for some valuations. It then appears to authorize the use of an alternative measure of market value for the property in question – averaging three AVM estimates. But, it is far from clear when the alternative measure can be used. This is especially so given the difficulties identified above in using and comparing confidence scores pursuant to the statutory language. Accordingly, Ygrene respectfully requests that the Department issue clarifying regulations and that those regulations authorize Program Administrators such as Ygrene to determine the market value of the property by using a simple average of valuation estimates by three different third-party AVM vendors.

d. Open-Ended Questions

AB 1284 requires Program Administrators to ask "open-ended" questions to confirm the accuracy of information regarding income and sources of income previously provided by the Property Owner as part of the application process.²⁰ AB 1284 contemplates that these "open-

¹⁸ <https://www.corelogic.com/downloadable-docs/fsd-and-avm-confidence.pdf>

¹⁹ References to RPR and CoreLogic are not included here to endorse these vendors or their products or to state what third-party vendors Ygrene uses or intends to use. Rather, Ygrene uses here the information provided publicly by these vendors to illustrate the interpretative difficulties posed by AB 1284.

²⁰ Cal. Fin. Code § 22687(a)(5) ("Pursuant to Section 5913 of the Streets and Highways Code, the program administrator shall ask the homeowner open-ended questions during the Confirm Terms Call, to confirm the income provided on the application and to identify the sources of their income.").

ended” questions will be asked during the “Confirm Terms Call” required by Senate Bill 242, which was approved by the governor simultaneously with AB 1284 (added Cal. Sts. & Hy. Code § 5913).²¹

The statute leaves unspecified what type and number open-ended questions a Program Administrator must ask to satisfy the requirement that it ask “open-ended” questions to confirm income and sources of income. It appears that this provision merely mandates that, in confirming the Property Owner’s income and source of income, Program Administrators must avoid asking leading questions that perfunctorily confirm the information provided in the application. Instead, it would appear that the Program Administrator could satisfy its obligation by asking questions in a non-leading fashion, so as to provide a meaningful opportunity to discover if actual income or sources of income have been misstated. To the extent that the DBO has a different understanding or believes that specific questions, or a specific number of questions, should be asked, it should consider identifying these minimum requirements by way of regulation so that Program Administrators are not left to guess what in fact will be required. Additionally, we note that with respect to emergency or immediate necessity PACE projects, it is unclear whether there are different or additional steps that must be taken to confirm income or sources of income. The emergency provision requires the following:

*If the program administrator was unable to verify the property owner’s income [through reliable third-party records], pursuant to Section 5913 of the Streets and Highways Code, the program administrator shall ask the property owner open-ended questions during the oral confirmation to identify their income and the sources of their income.*²²

While this provision appears to require asking open-ended questions only if the Program Administrator is unable to verify income through third party records, the provision goes on to require compliance with subdivision (a), which applies to non-emergency situations and states, among other things:

*[T]he program administrator shall ask the homeowner open-ended questions during the confirm terms call, to confirm the income provided on the application and to identify the sources of their income.*²³

It is unclear whether the emergency-specific provision actually adds a requirement to Program Administrators. It is our understanding that only one Confirm Terms Call is required and that

²¹ The Confirm Terms Call occurs before execution of the Unanimous Assessment Agreement and requires, among other things, that Program Administrators orally confirm that the Property Owner is aware of the key terms of the assessment contract. AB1284 adds the “open-ended” questions regarding income and sources of income to the list of topics to be covered in this call.

²² Cal. Fin. Code § 22685(e)(2)

²³ Cal. Fin. Code § 22687(a)(5)

the substantive requirement of asking “open-ended” questions (whatever that means) is the same regardless of whether the ordinary or emergency provisions are applicable. It will be important for the DBO to provide clarity on any additional requirement that may apply to emergency/immediate necessity PACE financing.

e. Defining “Solicitor”

While the legislation subjects certain “solicitors” to minimum requirements including educational requirements, it does not define what it means to “solicit.” The legislation defines a PACE solicitor as “a person authorized by a Program Administrator to solicit a Property Owner to enter into an assessment contract.”²⁴ Some provisions refer to being in “the business of soliciting” or “soliciting” Property Owners to enter into assessment contracts.²⁵ The legislation makes clear that a distributor of advertising material is not a solicitor “if the content of the advertising is created, prepared, or approved by a program administrator, and advertising is subject to, and in compliance with this division.”²⁶ A solicitor also does not include a person who performs “purely administrative or clerical tasks.”²⁷ However, there does not appear to be any guidance as to what specific activities constitute solicitation.

To ensure that persons who have only ministerial responsibilities and/or functions are not inadvertently subject to the requirements imposed on PACE solicitors, we request that the Department further clarify what constitutes solicitation. For instance, a person who merely refers the Property Owner to a Program Administrator should not be considered to be a PACE solicitor, nor should a person who is merely receiving, collecting, and/or distributing information common for processing applications for PACE financing. Such guidance would be consistent with the legislation in that it would ensure that only the individuals actively engaging in independent and meaningful solicitation of PACE financing, rather than those engaged in more ministerial tasks, are subject to the relevant requirements. This is also an area susceptible to significant subjectivity, such that providing guidance would ensure consistency in the industry regarding who is considered to be a PACE solicitor. The Department may also want to consider including a *de minimis* standard by which persons who do not *regularly* engage in solicitation (however that term is further defined) would not be subject to the requirements.

²⁴ Cal. Fin. Code § 22017(a)

²⁵ See e.g., Cal. Fin. Code §§ 22689(a)(1); 22690(c)(3)(C)(iii)

²⁶ Cal. Fin. Code §22017(c)(4)

²⁷ Cal. Fin. Code 22017(c)(3)

f. Annual Report Data

The Department requested information regarding what type of information the Department should be gathering from Program Administrators for purposes of the annual reporting requirements in AB 1284.

In determining what information to gather, the Department should consider that Program Administrators are currently subject to detailed reporting requirements through their public agency partners. The California Alternative Energy and Advanced Transportation Financing Authority ("CAEATFA"), which is overseen by the State Treasurer's Office, requires annual reporting of the following, among other things:

- Assessor's parcel number, principal amount, annual assessment amount and term of each new financing originated in the reporting period;
- The total number and value of new Financings originated in the reporting period;
- The total number of outstanding Financings;
- The total value of the Financing portfolio.²⁸

SB 242 places an additional 14 reporting requirements on Program Administrators, including but not limited to:

- The number of PACE assessments funded, by city, county, and ZIP Code;
- The aggregate dollar amount of PACE assessments funded, by city, county, and ZIP Code;
- The average dollar amount of PACE assessments funded, by city, county, and ZIP Code;
- The categories of installed efficiency improvements whether energy or water efficiency, renewable energy, or seismic improvements, and the percentage of PACE assessments represented by each category type, on a number and dollar basis, by city, county, and ZIP Code;
- Certain Information related to default and delinquency.²⁹

We respectfully request that the Department consider coordinating with the State Treasurer's office in order to facilitate information collection or, at a minimum, drawing from the preexisting reporting requirements when determining what information, it should gather. In many instances, the information required by the DBO will overlap with CAEATFA requirements, though with varying degrees of granularity or in different formats. For instance,

²⁸ Cal. Admin. Code § 10085(a)

²⁹ Cal. Sts. & Hy. Code § 5954

CAEATFA requires reporting of the total number and value of new financings, while the DBO requires reporting of the number and aggregate dollar amount of PACE assessments funded by city, county, and zip. Coordination between the DBO and the State Treasurer's office would avoid unnecessary duplication of reporting requirements. The Department would still be able to collect information it deems necessary while preventing unnecessary burden on Program Administrators to collect similar data, but slightly different in form or substance, thus resulting in the necessity to create entirely different reports, where the existing reports would sufficiently address the Department's needs.

g. Education Program

AB 1284 requires Program Administrators to provide each PACE solicitor agent with six hours of education on specified topics.³⁰ The Department has asked what minimum standards this training should include and why.

In order to ensure consistency within the industry, we recommend taking an industry-wide approach that provides education that is PACE-specific, created by industry players, approved by the Department, and implemented by individual Program Administrators. Training topics would include subjects such as the following:

- Property Owner Eligibility Criteria for PACE;
- Consumer Protection Standards for PACE Financing;
- PACE Finance Eligible Measures.

Again, Ygrene appreciates the opportunity to comment on the proposed regulations. Should you have any questions or require additional information, please feel free to contact Sven Kaludzinski at sven.kaludzinski@ygrene.com.

Sincerely,



Rocco J. Fabiano

President and Chief Executive Officer

Office: 707.236.6640



³⁰ Cal. Fin. Code § 22681(b)