

# Maine PACE Frequently Asked Questions

## 1. WHAT IS A PACE LOAN?

A Maine PACE loan is a loan taken by a property owner to finance the cost of making a qualified whole house energy upgrade with eligible energy savings improvements to their property. What makes a Maine PACE loan different from other loans is that it stays with the property. If a homeowner sells his or her home before the loan is paid off, the loan can either be paid off at the time of sale or can be transferred with the property to become the responsibility of the new owner.

## 2. WHAT ARE ELIGIBLE ENERGY SAVING IMPROVEMENTS?

An eligible energy saving improvement is a measure to improve the energy efficiency of a home. Common examples include insulation, air sealing (foam and caulk), heating system upgrades, efficient hot water heaters, and better controls and thermostats for furnaces and boilers. Review standards and criteria used in Efficiency Maine's Home Energy Savings Program (HESP) [here](#).

## 3. WHO IS ELIGIBLE TO PARTICIPATE IN THE MAINE PACE PROGRAM?

Any residential property owner in a town that has established Maine PACE is eligible to take advantage of the program by meeting the following criteria:

- The homeowners have a debt-to-income ratio of not more than 45%
- Property tax and sewer charge payments are current
- The property is not subject to any outstanding tax or sewer liens
- The property is not subject to a reverse mortgage
- The property is not subject to a mortgage or other lien on which there is a recorded notice of default, foreclosure, or delinquency

## 4. CAN BUSINESSES APPLY FOR A PACE LOAN?

Businesses are not eligible for PACE loans at this time. Efficiency Maine currently offers low-interest loans of up to \$35,000 for small businesses. You can find more information on Efficiency Maine's non-PACE energy efficiency loan program for small businesses [here](#).

## 5. WHAT IS THE TERM (DURATION) OF A PACE LOAN?

A PACE loan can be for a term of 5, 10, or 15 years.

## 6. WHAT IS THE INTEREST RATE OFFERED ON A PACE LOAN?

The interest rate for Maine PACE loans is currently 4.99% fixed with no loan origination, servicing, closing, or pre-payment fees of any kind.

## 7. WHAT IS THE RESPONSIBILITY OF THE PROPERTY OWNER WHO USES PACE FUNDING TO MAKE ENERGY EFFICIENCY IMPROVEMENTS?

A property owner will be obligated to use the Maine PACE funds for energy efficiency improvements and to repay the loan for the shorter of either: 1) the agreed upon term of the loan or 2) the period of time in which the owner continues

to own the property (if the homeowner sells the property, then the new owner takes on the responsibility for loan repayment).

#### **8. WHAT HAPPENS TO A PACE LOAN UPON A SALE OF THE PROPERTY?**

If you ever decide to sell your home, you can choose either to pay off the remaining balance, or transfer the loan to the next owner.

#### **9. WHO CAN I CONTACT ABOUT ESTABLISHING A PACE PROGRAM IN MY COMMUNITY AND RELATED PACE INFORMATION?**

Please contact Dana Fischer at [dana.fischer@efficiencymaine.com](mailto:dana.fischer@efficiencymaine.com) or Peter Roehrig at [peter.roehrig@efficiencymaine.com](mailto:peter.roehrig@efficiencymaine.com) at Efficiency Maine if you are interested in establishing or promoting a PACE program in your community.

Efficiency Maine will update this FAQ periodically. Please send comments and suggestions to Dana Fischer, Efficiency Maine Residential Program Specialist at [dana.fischer@efficiencymaine.com](mailto:dana.fischer@efficiencymaine.com).