Residential PACE Programs in Ohio – What You Need to Know

Steve Sharpe
National Consumer Law Center
September 19, 2019
Ohio Land Bank Conference
PACE

• Mortgage loans offered through home improvement contractors

• Failure to pay on taxes or increased mortgage payments puts home at risk of foreclosure

• Stories in NCLC Material
Problems We’ve Seen

- Contractor misrepresentation
- Poor and unnecessary work
- High cost, high balance loans
- Homeowners without the ability to repay
Ohio’s Proposed Consumer Protection

• To make the program safe, we need:
  – Third party verification/documentation of consumer’s income and debt
  – Reasonable debt to income ratio/ability to repay standards
  – A right to rescind/cooling off period
Ohio’s Proposed Consumer Protection

• To make the program safe, we need:
  – Specified contractor requirements and ways to monitor compliance
  – Clear and explicit consumer remedies
NCLC PACE Material

• Residential Property Assessed Clean Energy (PACE) Loans: The Perils of Easy Money for Clean Energy Improvements

• Comments – ANPR to the CFPB PACE
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