

PACE FUNDING GROUP STATEMENT ON RECENT CBS5-KPIX COVERAGE

April 21, 2021

KPIX's recent reporting on California's Property Assessed Clean Energy (PACE) Program and PACE Funding Group inaccurately portrayed the PACE industry and our company. The coverage focused on misleading anecdotal information while neglecting to include adequate information about the strong consumer protections required both by law, and voluntarily by PACE Funding Group.

One homeowner featured in a KPIX story, Gloria Sanchez, stated she did not know that her PACE-funded home improvement would need to be paid back through her property taxes, or that a lien would be placed on her house. While we are sorry for Ms. Sanchez's confusion, PACE Funding Group made significant efforts to ensure she was informed about the terms of our product before we released any funding for her project. The company has a recorded phone call with Ms. Sanchez, in her preferred language of Spanish, in which she confirms that she understood the funding mechanism and fully agreed to the terms of this financing product. She was further informed that to refinance or sell the house in the future she might need to pay off the lien in full, and again she confirmed her understanding on the recorded call. Ms. Sanchez's attorney has a copy of these recorded calls, yet in his interview with KPIX claimed his client was unaware of these details. After providing her consent to the terms of PACE financing on the phone, Ms. Sanchez signed paperwork that reflected those terms and received a copy of all documents for her records. Ms. Sanchez was again contacted by phone at the end of her project to make sure the work was completed to her satisfaction. The recording of that call affirms that Ms. Sanchez was in fact satisfied with the completion of the project.

PACE Funding Group takes extraordinary measures to ensure customers understand the PACE financing mechanism and their protections under the law. We have two recorded phone calls with every homeowner before a project can be funded, a term verification call and a completion/customer satisfaction call. The "Completion Call" is a pro-active measure not required by statute. We have an additional recorded phone call to each homeowner 80 years and older to confirm their complete understanding of the financing terms, and to customers whose email or phone number is flagged as warranting further attention. And we require pictures or other inspection methods to be completed on 100% of funded projects to ensure homeowners get what they paid for.

PACE Funding group engages proactively with its contractor network to ensure homeowners are protected from predatory practices. Participating contractors must be licensed and in good standing with the California Contractors State License Board. They must be an approved PACE contractor with the Department of Financial Protection and Innovation and be licensed and insured as required by the Secretary of State. PACE Funding Group conducts background checks on every participating contractor and requires them to sign a code of conduct which outlines acceptable marketing and business practices. The contractor identified in the KPIX story that mentions PACE Funding Group met all these requirements. PACE Funding Group also supported legislation (AB 1284) aimed at improving consumer protections under PACE financing.

PACE Funding Group has helped tens of thousands of homeowners make energy and water efficiency upgrades to their properties. In the process, we are providing important energy savings and emissions reductions in the fight against climate change. We encourage KPIX to tell a more accurate story about the many individual and public benefits of PACE financing in any future coverage about the program.

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