

IECA PACE PROGRAM REQUEST FOR QUALIFICATIONS (RFQ) FROM INTERESTED PACE CAPITAL PROVIDERS

Purpose

As authorized by the PACE Statute (Illinois Public Act 100-0980), Participating Communities in Illinois adopted an ordinance to establish a Property Assessed Clean Energy (PACE) Program. Participating Communities and their Program Administrator, The Illinois Energy Conservation Authority NFP (IECA) (“Program Administrator”) are implementing a Commercial Property Assessed Clean Energy (“PACE”) program entitled IECA PACE Program to assist property owners in making capital investments in qualifying energy efficiency, renewable energy, alternative energy and water efficiency improvements (“Pace Projects”) in non-residential properties including commercial, industrial, multi-family (5 or more units), agricultural and non-profit owned buildings (Eligible Properties”).

The IECA PACE Program operates an “Open Market” PACE program whereby property owners have the flexibility to select their preferred PACE Capital Provider for a PACE Project on Eligible Properties. The open market model gives property owners access to a range of private capital providers who offer competitive rates and financing terms and conditions. Public funds are not anticipated to be made available for funding PACE Projects, though units of government are not prohibited from participating as PACE Capital Providers. No exclusivity will be provided to PACE Capital Providers, and the Applicants will retain the right to choose the type and provider of financing that works best for their business needs.

The details of IECA PACE Program are outlined in the IECA PACE Program Guidelines (“Program Guidelines”) located on the website <http://iecapace.org/project-center> in the Project Center. A copy of the Program Guidelines are available upon request. Request can be made by emailing info@iecapace.org. The Program Guidelines gives guidance to eligibility requirements, program fees and program administration.

The Program Administrator seeks organizations and persons interested in becoming qualified PACE Capital Providers (“PACE Capital Providers”). PACE Capital Providers are Financial Institutions (defined below) which have received approval from the Program Administrator to provide financing for PACE Projects through the IECA PACE Program.

A "Financial Institution" shall be any person who in the ordinary course of business extends credit based on a lien, mortgage or security interest in real property or an encumbrance of real property, or relies upon a lien, mortgage or security interest in real property or an encumbrance of real property to secure a current, contingent or future payment obligation. The term includes, but is not limited to, the following:

1. A bank, savings association, trust company, credit union or a subsidiary or affiliate of a bank, savings association, trust company or credit union.
2. A person engaged in the mortgage lending business
3. A person subject to licensing under the Illinois Real Estate License Act of 1983, as amended.
4. A person registered as a management company or unit investment trust or treated as a business development company under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1 et seq.) or is excluded from registration under the Investment Company Act of 1940.
5. An insurance company.
6. A pension or employee health and welfare fund.

7. An association, firm, corporation, partnership, limited liability-company, trust, joint venture or other legal entity engaged in construction or the development or improvement of real property.
8. A Federal, State or local agency, authority or an instrumentality of a government entity that is engaged in the financing or supports the financing of real estate development or the purchase or improvement of real estate.

This Request for Qualifications (“RFQ”) seeks to identify those Financial Institutions interested in becoming qualified PACE Capital Providers to originate and fund PACE financings for Eligible Properties within the Participating Communities of the IECA PACE Program. The process for becoming a PACE Capital Provider is as follows:

1. The interested financial institutions must respond to this RFQ for consideration by the Program Administrator.
2. Upon approval by the Program Administrator and execution of a PACE Capital Provider Agreement, the capital provider will be considered a “PACE Capital Provider.” PACE Capital Providers may choose to be listed on the IECA PACE Program’s website.
3. PACE Capital Providers may receive information from the program regarding financing opportunities as well as pertinent developments related to the IECA PACE Program.
4. Applicants may also pre-select their preferred capital providers prior to the capital provider submitting a response to the RFQ. Information pertaining to the Applicant’s applications to IECA PACE shall be kept confidential among the parties to the application. However, prior to the closing of the applicable PACE Financing, the capital provider must become qualified as a PACE Capital Provider.

The information provided by PACE Capital Providers will be used to link project developers, energy service companies, installers and contractors, energy auditors, engineering firms, utility companies, property owners, and other stakeholders to help develop and fund qualified PACE Projects.

In addition to any financing agreements required by the PACE Capital Provider, the Record Owner and Participating Community are required to execute the PACE Assessment and Contract in conjunction with the PACE Financing closing. The IECA PACE Program and its Program Administrator will have available the form of the PACE Assessment Contract, certain other financing agreements, and a mortgage holder acknowledgement and consent agreement for use by PACE Capital Providers.

The IECA PACE Program reserves the right to rescind the approved status of any PACE Capital Provider according to the terms of the PACE Capital Provider Agreement.

RFQ Submission Process and Content for Responses

RFQ Submission Process:

- Financial Institutions shall submit their RFQ submission by email only.

Intent to respond, questions, and responses shall be emailed to:

IECA PACE

Email - info@iecapace.org

Phone: 888.874.4322

IECA PACE Program’s website is located at <http://iecapace.org>:

- There are no deadlines for interested applicants to submit an RFQ submission.

- The Program Administrator will inform respondents of their status within two weeks of receipt of their submission.
- At its discretion, the Program Administrator may contact respondents to schedule an interview to resolve any questions.
- Once a financial institution has been determined to be a PACE Capital Provider, the Program Administrator will review and incorporate, at its sole discretion, selected marketing materials provided by the PACE Capital Provider on the <http://iecapace.org> website.
- The PACE Capital Provider may have its status rescinded according to the terms of the PACE Capital Provider Agreement.

Content of RFQ responses and PACE Capital Provider Agreement

All PACE Capital Provider RFQ Responses Must Include:

1. Indicate the key point of contact for your institution (name, title, address, telephone # and email address).
2. The name of the principal regulator(s) of your institution (such as, Federal Reserve Board, the OCC, etc.). If not a regulated firm or financial institution, provide the names, titles, emails, and direct telephone numbers of three professional references for the firm or, if recently formed, for the firm's principal partners.
3. Organization documents sufficient to verify the institutions status as a Financial Institution.
4. Further background on your institution (including years in business and total assets) that demonstrate the capabilities and interest to provide financing for PACE Projects in Illinois.
5. Staffing and personnel that can be devoted to these transactions.
6. Amount of capital your institution would be willing to provide to the Illinois PACE market. This number will be non-binding.
7. Summary description of energy efficiency, renewable energy and water efficiency financing products offered, and their structure. Any examples (structure, types of entities involved, process, and terms) of energy efficiency, renewable energy and water efficiency project financing previously done by your institution.
8. Please indicate if your institution currently provides financing for PACE programs (yes or no). If yes, provide the names of the PACE programs in which your institution participates.
9. Standard terms for Commercial PACE financing include:
 - a. Basic structure, min/max PACE Loan amount, term, payment schedules, prepayment options, etc.
 - b. Typical interest rates (range) and fee pricing
 - c. General underwriting guidelines, LTV, DSCR, credit standards and security requirements
10. Finance documentation (see iecapace.org for template PACE Assessment Contract and Bond Agreement)
 - a. Energy assessment / audit requirements
 - b. Is Savings-to-Investment Ratio a required standard?
 - c. Appraisal requirements
 - d. Origination procedures, including turnaround times
 - e. Construction financing procedures, including progress payment disbursements
 - f. Finance servicing.

A PDF fillable form is available at <http://iecapace.org/project-center> to collect the information listed above.



PACE Capital Provider Agreement

Review and execute a copy of the PACE Capital Provider Agreement (attached). The agreement is also available in a PDF fillable form.

The document is also accessible at iecapace.org.



Standard Format of RFQ responses and PACE Capital Provider Agreement

Key point of contact for your institution:

Name & Title: _____

Address: _____

Telephone #: _____

Email address: _____

Principal regulator(s) of your institution, If not a regulated firm or financial institution, provide the names, titles, emails, and direct telephone numbers of three professional references for the firm or, if recently formed, for the firm’s principal partners.

Name & Title: _____

Address: _____

Telephone #: _____

Email address: _____

Name & Title: _____

Address: _____

Telephone #: _____

Email address: _____

Name & Title: _____

Address: _____

Telephone #: _____

Email address: _____

1. Organization documents sufficient to verify the institutions status as a Financial Institution.

Comments: _____

2. Further background on your institution (including years in business and total assets) that demonstrate the capabilities and interest to provide financing for PACE Projects in Illinois.

Comments:

3. Staffing and personnel that can be devoted to these transactions.

Name & Title: _____

Address: _____

Telephone #: _____

Email address: _____

Name & Title: _____

Address: _____

Telephone #: _____

Email address: _____

Name & Title: _____

Address: _____

Telephone #: _____

Email address: _____

4. Amount of capital your institution would be willing to provide to the Illinois PACE market. This number will be non-binding.

Comments: _____

5. Summary description of energy efficiency, renewable energy and water efficiency financing products offered, and their structure. Any examples (structure, types of entities involved, process, and terms) of energy efficiency, renewable energy and water efficiency project financing previously done by your institution.

Comments:

6. Please indicate if your institution currently provides financing for PACE programs yes no . If yes, provide the names of the PACE programs in which your institution participates.

Comments:

7. Standard terms for Commercial PACE financing include:

- a. Basic structure, min/max PACE Loan amount, term, payment schedules, prepayment options, etc.

Comments:

- b. Typical interest rates (range) and fee pricing

Comments

- c. General underwriting guidelines, LTV, DSCR, credit standards and security requirements

Comments:

10. Finance documentation (see iecapace.org for template PACE Assessment Contract and Bond Agreement) Check all that apply

- Energy assessment / audit requirements
- Appraisal requirements
- Origination procedures, including turnaround times
- Construction financing Is Savings-to-Investment Ratio a required standard?
- procedures, including progress payment disbursements
- Finance servicing.