



National Association of State Energy Officials

May 11, 2022

The Honorable Maxine Waters, Chair
The Honorable Patrick McHenry, Ranking Member
U.S. House Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

On behalf of the National Association of State Energy Officials (NASEO), we respectfully request that you postpone consideration of Congressman Sherman's 'Mortgage Borrower Protection Act of 2022'. This bill unnecessarily eliminates the ability of state and local governments to pursue Residential Property Assessed Clean Energy (R-PACE) financing and offers no federal solution for homeowners to make essential home energy improvements such as replacement of broken HVAC and water heaters or enhancement of resilience in the face of earthquakes, wildfires and flooding.

Over the past several years, California and other state and local governments have taken significant steps to improve consumer protections under R-PACE - protections that NASEO strongly supports. These changes mean that state-overseen R-PACE offers a valuable energy solution for millions of homeowners where no other low-cost financing solution exists. Moreover, NASEO believes that state and local government authority to enable municipal bond and property tax collection as they deem appropriate is a right that should be preserved.

We encourage a federal-state collaborative approach to greatly elevate consumer protection R-PACE policies, while preserving the only low-cost energy financing option many homeowners have. If Congress eliminates states' ability to offer homeowners an R-PACE option, there is no other solution for those with modest incomes - too great to qualify for direct federal aid and too small to pay for essential replacement of broken or inefficient HVAC, hot water heaters, and resilience measures. Without the option of R-PACE these consumers are left with ultra-high interest (e.g., 23%) personal loans and credit cards to replace broken equipment.

NASEO strongly supports continued federal and state monitoring and improvement of consumer protection laws, including those concerning R-PACE. We also encourage greater collaboration among states, the private sector, and the Consumer

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Financial Protection Bureau to ensure consumers are treated equitably, while preserving state authority and offering practical energy solutions for homeowners.

Thank you for your consideration.

Best regards

A handwritten signature in black ink, appearing to read 'D. Terry', with a long horizontal flourish extending to the right.

David S. Terry  
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CC: State Energy Offices