



## Mortgage Lender Consent Form

### Notice of Proposed C-PACE Assessment

Property Owner: \_\_\_\_\_  
Property Address: \_\_\_\_\_  
Property City, State Zip \_\_\_\_\_  
Parcel Number: \_\_\_\_\_  
Bank Name: \_\_\_\_\_  
Bank Address \_\_\_\_\_  
Bank City, State, Zip \_\_\_\_\_  
Loan Number (if applicable): \_\_\_\_\_

#### **Why has the bank received this notice?**

The property owner listed above is sending you this notice and request for Mortgage Lender Consent (“Consent”) with respect to the above-referenced property.

The property owner wishes to finance certain eligible energy improvements to the above-referenced property using the Commercial Property Assessed Clean Energy (C-PACE) financing mechanism established by the State of Oklahoma and seeks your consent to do so.

#### **Background on the Oklahoma C-PACE (Oklahoma C-PACE) Program**

Enabled through the Oklahoma Energy Independence Act, 19 O.S. §§ 460.1 – 460.7, specifically, 19 O.S. § 460.5, counties may establish a C-PACE program within the boundaries of their jurisdiction and allow qualifying property owners to voluntarily request that the county impose and levy an assessment on their property to secure private financing from a private capital provider to fund eligible improvements. In the C-PACE financial structure, private capital providers provide financing for up to 100% of all hard and soft costs associated with eligible improvements, which include permanently affixed energy sources or energy-efficiency, water conservation, or resiliency improvements made to an eligible property. The financing is repaid as an annual assessment by the property owner over the full useful life of the improvements, typically fifteen years or longer. Like other county assessments, C-PACE assessments must be current upon the sale of the property, remain with the property upon sale, and only assessment payments in arrears have a lien status senior to mortgages upon the sale of the property.

The Indian Nation Council of Governments (INCOG) administers the Oklahoma C-PACE Program (the “Program”). The Program has been designed to meet the needs and concerns of Oklahoma’s property owners and existing mortgage lenders. To qualify, the proposed project must meet the following basic criteria:



- The property is located in a county that has passed a resolution enabling C-PACE in its jurisdiction.
- The property is not owned by the government and is not a residential home of less than 5 units.
- The proposed measures improve energy or water efficiency and/or increase the production of on-site energy or improve building resiliency.
- The property is current on all property tax and assessment payments.
- The property owner receives consent of the current mortgage holder(s).

**What should you know?**

Pursuant to the Program, the property owner is intending to levy a C-PACE assessment lien (the “Assessment”) on the property in the form of an assessment contract between the property owner, \_\_\_\_\_ (the County), and the funding source for the C-PACE improvements, \_\_\_\_\_ (the capital provider), to be recorded on the property in the office of the county clerk.

**The related payment terms of the Assessment are proposed to consist of the following:**

- Total cost of improvements: \_\_\_\_\_
- Term of repayment period: \_\_\_\_\_
- Interest rate not to exceed: \_\_\_\_\_
- Total estimated annual C-PACE installment: \_\_\_\_\_
- Total C-PACE financing requested not to exceed: \_\_\_\_\_

Pursuant to the Oklahoma Energy Independence Act and the Assessment, the method of enforcing a lien for failure to pay a C-PACE assessment shall be in the same manner and with the same priority as the enforcement by the holder of any bond or coupon related to a lien for unpaid assessments. Unpaid assessments accrue statutory delinquent interest at the same rate as a late payment penalty for delinquent ad valorem taxes. If any C-PACE assessment remains unpaid for six months, C-PACE capital providers may file an action in district court to foreclose the lien of the assessment, statutory delinquent interest, and reasonable legal fees. Judgement in an action to enforce the lien shall order the property to be sold in the same manner and form as foreclosure of mortgages on real estate. The unpaid balance of the assessment will never be accelerated on account of a payment default or for any other reason. Any proceeding to enforce the lien shall be limited to the collection of the amount past due with respect to the assessment. Annual assessments shall continue to be levied until the financing amount is paid in full.

**Execution and Return of Consent.** Please execute the Mortgage Lender Consent to C-PACE Assessment on the following page and return it at your earliest convenience.



**Mortgage Lender Consent to C-PACE Assessment**

This Mortgage Lender Consent to C-PACE Assessment (this "Consent") is given by the undersigned entity (the "Lender") with respect to the above-referenced assessment (the "Assessment") and the above-referenced property (the "Property").

The undersigned hereby represents that it is authorized to execute this Consent on behalf of the Lender.

**The Lender hereby consents and confirms:**

- A. Lender is in receipt of written notice from the above-referenced owner of the Property (the "Property Owner") intending to finance certain energy efficiency and/or energy source and/or resiliency and/or water conservation improvements that will be permanently fixed to the Property by participating in the Commercial Property Assessed Clean Energy financing program (the "Program"), sponsored by the County.
- B. Lender understands that the Assessment described in the notice will be recorded on the Property in the office of the county clerk and that the Assessment will be collected in installments and shall have the same priority and status as a lien for unpaid ad valorem property taxes.
- C. Lender understands that the method of enforcing a lien for failure to pay the Assessment shall be by the private capital provider in the same manner and with the same priority as the enforcement by the holder of any bond or coupon related to a lien for unpaid assessments.
- D. Lender agrees that the levy of the Assessment will not constitute an event of default or trigger the exercise of any remedies under the loan documents.
- E. Lender hereby acknowledges that the Property Owner, County, and INCOG will rely on the representation and Consent of the Lender set forth in this Consent.

**SIGNED AND DATED**

MORTGAGE LENDER: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_