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SAMPLE LETTER

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Director Rohit Chopra  
Consumer Financial Protection Bureau  
Comment Intake  
1700 G Street NW  
Washington, DC 20552

Re: Comments on Residential Property Assessed Clean Energy (PACE) Financing

Dear Director Chopra,

We are writing regarding the Consumer Financial Protection Bureau's (CFPB, or "Bureau") Proposed Rule on Residential Assessed Clean Energy Financing ("Proposed Rule"). In Florida, PACE assessments are non-ad valorem, real-property tax assessments authorized by the Florida legislature and imposed with the homeowner's consent to serve the State's sovereign interests. The PACE program provides Florida homeowners access to affordable financing to retrofit homes to harden and protect against natural disasters and make eligible energy efficiency upgrades. In 2022, approximately 80% of PACE projects nationwide were for Florida property owners.

Specifically, the residential PACE program within the City of Belle Isle has shown continued benefits to the community and the individual homeowners. Belle Isle's homeowners needed more options to finance vital improvements, such as storm-hardening their homes in response to more frequent and powerful weather events, such as hurricanes. Without this program, our community members would be hard-pressed to make their homes safe, resilient, and insurable. With natural disasters rising each year, we need more options for homeowners, not fewer.

Additionally, the City of Belle Isle and Florida residents have fallen victim to an exodus of private insurance companies from the State. Those private insurers' departure has left a vacuum where homeowners cannot find property insurance in the private marketplace. Those insurance companies that continue to write new policies within Florida have become so selective that many homeowners may not qualify for property insurance due to numerous factors, including older roofs. R-PACE is a powerful tool that enables homeowners to make the upgrades needed to requalify for private insurance without opening a new insurance policy with the State of Florida.

In 2010, Florida Statute § 163.08 codified the legislature's position that qualifying improvements to real property financed through PACE assessments "not only benefit the affected properties for which the improvements are made but also assist in fulfilling the goals of the state's energy and hurricane mitigation policies."<sup>1</sup> The Florida legislature determined that PACE assessments serve "a compelling state interest in enabling property owners to finance such improvements with local government assistance voluntarily"<sup>2</sup> and "are necessary for the prosperity and welfare of the state and its property owners and inhabitants."<sup>3</sup> PACE has developed into a critical financing mechanism for Florida homeowners to harden their homes against hurricanes, and Florida homeowners are projected to finance over \$700 million in 2023. PACE financing provides millions of dollars in low-cost private

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<sup>1</sup> Fla. Stat. Ann. § 163.08(1)(b).

<sup>2</sup> *Id.*

<sup>3</sup> Fla. Stat. Ann. § 163.08(1)(c).

capital to Floridians. Given the current credit card interest rates at a national average of 24.25%,<sup>4</sup> an effort by the CFPB to reduce the availability of PACE as a financing source for Floridians is troubling.

Since 2022, the City of Belle Isle has provided home and business owners financial tools to help them lower their utility bills and make our buildings more energy and water efficient through the Property Assessed Clean Energy program. PACE removes the barriers of high upfront costs and provides low-interest financing to help residents and business owners looking to modernize, mitigate wind damage and improve their property's energy and water efficiency. The City of Belle Isle urges the Bureau to carefully reconsider the implications of this Proposed Rule and adjust it to account for the needs of Floridians who are benefitting from this essential form of financing.

Sincerely,

[Name]

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<sup>4</sup> <https://www.forbes.com/advisor/credit-cards/average-credit-card-interest-rate/> (May 4, 2023). Average personal loans rates range from 4-36%, with an average of 12-15%. <https://www.forbes.com/advisor/personal-loans/personal-loan-rates/> (May 5, 2023).