

FREQUENTLY ASKED

# QUESTIONS

CaliforniaFIRST is a government-supported PACE (Property Assessed Clean Energy) financing program that provides upfront funding for home energy efficiency, renewable energy and water saving improvements. With CaliforniaFIRST PACE financing, there's no out-of-pocket cost, and you repay on your property tax bill over the course of up to 25 years.

## 1. What is CaliforniaFIRST?

CaliforniaFIRST is a Property Assessed Clean Energy (PACE) financing program for residential properties. CaliforniaFIRST allows property owners to finance the installation of energy and water improvements on homes without putting any money down.

Property owners pay back the funds that were used to finance their home improvement project as a line item on their property tax bill.

CaliforniaFIRST is a public/private partnership, administered by Renew Financial. The program is sponsored by Los Angeles County.

## 2. How do I know if my city is participating in CaliforniaFIRST?

CaliforniaFIRST is available to more than 23 million Californians in cities and counties across the state, including most communities in LA County. See the CaliforniaFIRST website for a list of all participating jurisdictions.

CaliforniaFIRST may only accept financing applications from property owners located in jurisdictions that have opted in to the program. Local governments can join CaliforniaFIRST by passing a simple "opt-in" resolution.

Give us a call if you have questions about getting your city involved in the program.

## 3. How is CaliforniaFIRST different from traditional financing?

CaliforniaFIRST is financed through assessments collected on the property tax bill, and the assessment obligation may be assumed by the new owner when the property is sold.



FREQUENTLY ASKED  
**QUESTIONS**

#### 4. Does CaliforniaFIRST use taxpayer dollars to fund projects or administer the program?

No. CaliforniaFIRST uses private capital to fund every project. Costs to administer the program are paid by program participants through fees that are rolled into each project's financing.

The county tax assessor and tax collector incur small costs to place each PACE assessment on the tax rolls and to collect and distribute the PACE assessment payments. Counties are reimbursed for these costs through the above-mentioned fees. Cities do not incur any costs as a result of opting in to the program.

#### 5. What are the benefits?

CaliforniaFIRST solves many of the financial hurdles facing property owners wanting to install energy and water improvements:

- Competitive, fixed interest rates
- Up to a 25-year payback term
- Decreased utility bills from reduced electricity and water usage
- Qualifying for financing is not based on FICO score
- The PACE assessment obligation may transfer to the new owner if the property is sold

#### 6. Is this a voluntary program?

Yes. Utilizing CaliforniaFIRST financing is completely voluntary. Properties and property owners that don't participate remain unaffected.

#### 7. How do I qualify for financing?

Qualifying for CaliforniaFIRST financing is primarily based on:

- The property's estimated market value;
- The amount of the property owner's equity in the property;
- The property owner's recent mortgage and property tax payment history; and
- The dollar value of the proposed renewable energy and energy- and water-saving improvements.
- Qualifying is not based on FICO score.

**FREQUENTLY ASKED  
QUESTIONS**

## 8. How much money can I borrow?

The minimum amount that can be financed is \$5,000. The maximum financing amount is 15% of the property value, but may not exceed \$250,000.

## 9. What are the interest rates?

As of May 2015, our interest rates are:

Years to Repay	Interest Rates
5	6.75%
10	7.59%
15	7.99%
20	8.29%
25	8.39%

Consult with your contractor to confirm if interest rates have changed.

## 10. How is the length of the repayment period determined?

Repayment periods can be 5, 10, 15, 20 or 25 years, depending on your preference and are limited by the expected useful life of the most costly product of the project's CaliforniaFIRST-financed improvements.

## 11. How does repayment work?

As a property owner applying to CaliforniaFIRST, you will agree to the levy of a "contractual assessment" on your property. You will receive funds to pay the up-front costs of installing the approved improvements. The PACE assessment will appear as a new line item on your property tax bill.



FREQUENTLY ASKED  
**QUESTIONS**

## 12. Are there any penalties for prepayment of the PACE assessment?

There are no penalties for paying all or a portion of the PACE assessment early. Please see Question 18 below for additional information.

## 13. What happens when I sell my property?

As part of the property record, the assessment will be disclosed at the time of property sale, and the remaining unpaid balance of the financed amount may be transferred to the new property owner.

## 14. Do I need to complete an energy audit of my home?

No, but it is encouraged. In certain cases you may want to have a qualified auditor evaluate your home to determine the most cost-effective measures to reduce the home's energy use.

The costs of an energy assessment can be financed with CaliforniaFIRST financing.

## 15. Why do you need my Social Security Number on the application?

As part of the application, CaliforniaFIRST requests a credit bureau report for each homeowner. Personal credit score is NOT used as part of the application, but other elements of the credit report such as mortgage payment history are necessary to determine maximum financing amounts.

## 16. Can I use any contractor?

In order to participate, contractors must be registered with CaliforniaFIRST. As long as contractors meet program requirements, they can quickly and easily register by visiting [californiafirst.org/contractor](http://californiafirst.org/contractor).

All participating contractors must have a valid and active contractor's license with the Contractors State License Board.



FREQUENTLY ASKED  
**QUESTIONS**

## 17. Is there an application fee?

No, there is no fee to apply for CaliforniaFIRST.

## 18. How are tax credits, rebates and other incentives incorporated into CaliforniaFIRST financing?

We encourage you to pursue available Federal Investment Tax Credits (ITCs), utility rebates and any other incentives. All or a portion of total incentives may be subtracted from the amount financed under the program; however, it is not required that the financed amount be reduced by the estimated value of the incentives.

Once you receive your rebates and tax credits, those funds may be used to pay down the PACE assessment balance; the balance would then be re-amortized, resulting in lower annual PACE assessment payments.

## 19. Who do I contact with additional questions?

CaliforniaFIRST staff are available 8 a.m. to 9 p.m. Monday to Friday, 9 a.m. to 6 p.m. Saturday, and 10 a.m. to 6 p.m. Sunday to answer additional questions. We can also be reached via email at [info@californiafirst.org](mailto:info@californiafirst.org) or by phone at 844-589-7953.

*"The thing I liked best about the CaliforniaFIRST program was that it was about as easy as it could be. Press the button on the computer, and by the time the call was over, they said, 'You're approved.' That's the kind of people I like to do business with. And it's making the world a little better. What's not to like?"*

**LARRY CHASET, HOMEOWNER**

CaliforniaFIRST is administered by Renew Financial.



CaliforniaFIRST is sponsored by Los Angeles County.

© Renew Financial, 2015.