

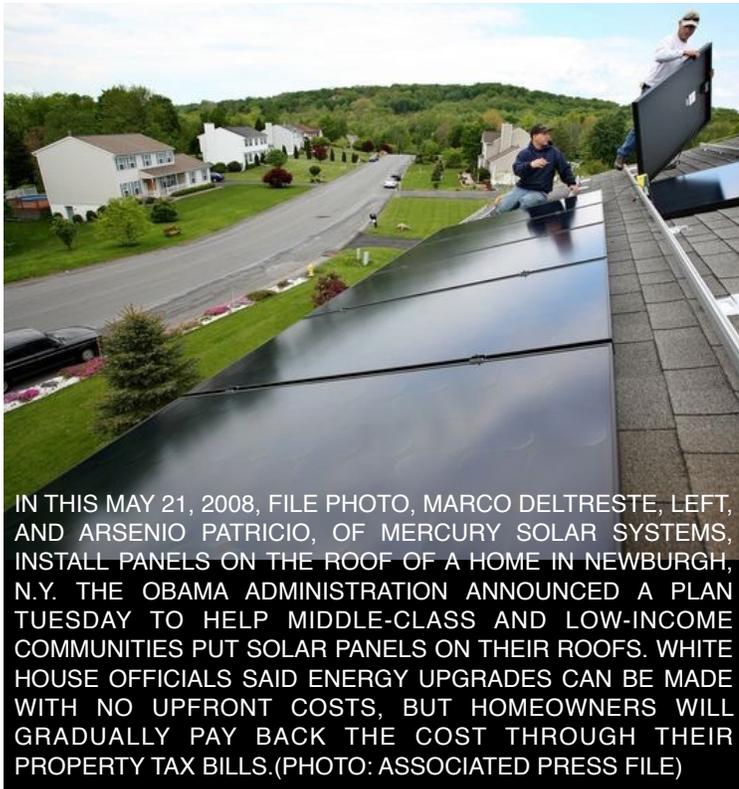
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## Obama administration clears path to solar financing — for some

John Ferro, Poughkeepsie Journal 6:52 p.m. EDT July 19, 2016

### NEW RULES AIMED AT VETERANS AND LOW- AND MODERATE-INCOME RESIDENTS

In this May 21, 2008, file photo, Marco DelTreste, left, and Arsenio Patricio, of Mercury Solar Systems, install panels on the roof of a home in Newburgh, N.Y. The Obama administration announced a plan Tuesday to help middle-class and low-income communities put solar panels on their roofs. White House officials said energy upgrades can be made with no upfront costs, but homeowners will gradually pay back the cost through their property tax bills. (Photo: Associated Press file)



IN THIS MAY 21, 2008, FILE PHOTO, MARCO DELTRESTE, LEFT, AND ARSENIO PATRICIO, OF MERCURY SOLAR SYSTEMS, INSTALL PANELS ON THE ROOF OF A HOME IN NEWBURGH, N.Y. THE OBAMA ADMINISTRATION ANNOUNCED A PLAN TUESDAY TO HELP MIDDLE-CLASS AND LOW-INCOME COMMUNITIES PUT SOLAR PANELS ON THEIR ROOFS. WHITE HOUSE OFFICIALS SAID ENERGY UPGRADES CAN BE MADE WITH NO UPFRONT COSTS, BUT HOMEOWNERS WILL GRADUALLY PAY BACK THE COST THROUGH THEIR PROPERTY TAX BILLS. (PHOTO: ASSOCIATED PRESS FILE)

Some low- and moderate-income homeowners, as well as veterans, will soon be able to access loans to cover the upfront costs of green improvements such as solar panels and energy-efficient water pumps.

The Obama administration announced steps Tuesday to increase access to green upgrades that often are out of reach of homeowners.

But the financing vehicle, which was unveiled for commercial properties in Dutchess County last year, remains unattainable for the vast majority of residential home owners.

The change was part of a raft of federal measures announced Tuesday that seek to bring 1,000 megawatts of solar to low- and moderate-income families nationwide by 2020.

The new rules create pathways to the green loans for homeowners who are eligible for mortgages insured by the Federal Housing Administration.

The FHA insurance opens the door to home buyers with low income or small down payments who may not qualify for conventional mortgages.

Tuesday's announcement also cleared the way for veterans who qualify for the VA Home Loan Guaranty benefit.

But the program remains out of reach for mortgages held by Fannie Mae or Freddie Mac — more than 90 percent of all single-family residential mortgages.

"Today's announcement is about ... giving more families the opportunity to take advantage of forward-looking, cost-savings measures," Ed Golding, principal deputy assistant secretary at the U.S. Department of Housing and Urban Development, said in a conference call with reporters Tuesday.

Eighteen states have authorized the Property-Assessed Clean Energy (PACE) program. New York adopted PACE in 2009.

After a state authorizes the program, it's up to local municipalities that have the authority to impose property-tax liens — typically counties and cities — to decide whether they want to offer the loans.

In November, Dutchess County and Beacon announced the availability of the loans for commercial properties. Ulster County and the City of Kingston followed in January.

In all, 30 municipalities in the state have enabled PACE.

It is not yet available in the City of Poughkeepsie because the city's lower bond rating currently bars it from participating.

The loan becomes a line item on each property tax bill. If the property is sold, the new owner is responsible for paying off the balance of the loan.

In theory, the energy savings offset the loan payments, resulting in an immediate net benefit.

But following the housing crash, the Federal Housing Finance Agency, which regulates Fannie Mae and Freddie Mac, warned member banks not to provide mortgages to homes that have had PACE loans issued to them and to withdraw credit from the areas of the country that were offering PACE.

"That put a chill on our efforts here in New York State to roll out PACE in a big way," said Mark Thielking, executive director at the Energy Improvement Corporation, which oversees PACE and other services.

The FHFA has not changed its position.

"Because of the mortgage meltdown, (the FHFA) is so paranoid and so fearful, it won't step up to the plate and do the right thing," California Gov. Jerry Brown said.

Thielking said a small number of commercial properties will soon close on the first local loans.

John Ferro: 845-437-4816; [jferro@poughkeepsiejournal.com](mailto:jferro@poughkeepsiejournal.com); Twitter: @PoJoEnviro.

More info

To learn more about PACE loans, call Energize NY at 914-302-7300 or go to [www.energizeny.org](http://www.energizeny.org)

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