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PACE Financial Servicing (PFS) is program administrator of the Maryland Commercial Property Assessed Clean Energy (MD-PACE) program, which is sponsored by the Maryland Clean Energy Center (MCEC).

PFS is led by the award-winning team who created the country's most successful PACE program and its leadership team has advised or worked with virtually every commercial PACE program nationally. With more experience in commercial PACE administration than anyone in the country, PFS offers unparalleled service to its public sector partners. PFS has leveraged its PACE experience and technology to help develop a highly efficient PACE administration and servicing platform, all of which has earned PFS national recognition as the gold standard in PACE financing. PFS makes PACE easy: its goal is to build PACE programs that seamlessly connect PACE capital to interested building owners. The result is increased economic activity, reduced environmental pollution, and new jobs.

SB0901 – Resilient Maryland Revolving Loan Fund

Hearing Date: April 1st, 2021

Committee: Appropriations

Recommendation: Support

As manager of the Maryland Commercial Property Assessed Clean Energy (MD-PACE) program (the Clean Energy Loan Program established by §§ 1-1101 et. seq. of the Local Government Article of the Maryland State Code), PACE Financial Servicing (PFS) is pleased to support Senate Bill 0901 (SB0901), which establishes a method of addressing a known need through smart and effective financial policy.

As a coastal state with a variegated geography, Maryland is subject to a wide array of natural disasters. According to Climate Change Maryland, the Maryland Dept. of Environment's public outreach program (<https://climatechange.maryland.gov/>), "Maryland is among the states most vulnerable to climate change. Rising sea levels, along with increased storm intensity, have devastating and far-reaching environmental and economic impacts on Chesapeake Bay and the quality of life Marylanders enjoy. Maryland's sizable farming community could suffer costly losses during extreme droughts and heat waves. Marylanders everywhere will face increased risk of flooding and significant property damage as a result of more precipitation and other extreme weather events." In PFS's work providing energy efficiency and clean energy loans to Marylanders across the state through the MD-PACE program, one of the top requests we have received has been a request to help make businesses and homes more resilient to these known and avoidable natural disasters.

Revolving loan funds are a proven method for increasing investment in dedicated communities in support of designated public policies. Beyond the initial investment required to establish a revolving loan fund and any subsequent injections of capital to multiply the funds effect, revolving loan funds are self-funded and grow over time. A well-managed fund will have the capital to finance transactions in perpetuity while covering reasonable salary and overhead costs through its revenue, making revolving loan funds an appealing method of responsibly and efficiently investing public dollars.

For the reasons outlined above, PFS encourages your support of SB0901. Establishing a revolving loan fund dedicated to building a more resilient Maryland will have a considerable impact on economic and environmental development in our communities and prepare Marylanders for the challenges to come.