



Tuesday, March 7, 2017

TO: Energy and Technology Committee Members

FR: Kelly Ramsey Fuhlbrigge - VP, Government Relations kfuhlbrigge@culct.coop

RE: Testimony in opposition of SB 973 AN ACT CONCERNING A RESIDENTIAL SUSTAINABLE ENERGY PROGRAM.

We oppose SB 973 AN ACT CONCERNING A RESIDENTIAL SUSTAINABLE ENERGY PROGRAM. We support the concept of establishing a Residential Property Assessed Clean Energy (RPACE) program in the state for the purpose of financing energy improvements. The Credit Union League of Connecticut has several members who have partnered with Connecticut Greenbank to provide no money down low-cost financing with flexible terms to help Connecticut consumers upgrade their home energy performance and save them money.

However, we have concerns with some of the provisions of this bill. First, RPACE loans supersede the first mortgage after the mortgage has been made and without the lenders knowledge. This would have serious consequences for the residential real estate market and puts financial institutions at a disadvantage. Second, it is our understanding that Fannie Mae and Freddie Mac will not purchase mortgage loans with RPACE loans attached, which would create a serious problem for anyone trying to sell their home with a RPACE lien attached to it. Third, we understand that there would be a TRID-like ability to pay eligibility process, our concern is that it is not clear who would be testing those results.

We would respectfully request that this bill be made into a study with credit unions and banks included in the deliberations so all parties are comfortable with the provisions of any future legislation that may be introduced.