SAMPLE SUPPORT LETTER  
AB 874 (QUIRK-SILVA)

DATE

The Honorable Sharon Quirk-Silva

California State Assembly

California State Capitol, Room 6012

Sacramento, CA 95814

Email: michelle.teran@asm.ca.gov

**Re: AB 874 (Quirk-Silva) – PACE: Foreclosure Prevention - SUPPORT**

Dear Assemblymember Quirk-Silva:

**YOUR ORGANIZATION** supports AB 874 and requests that members of the Legislature vote aye. As the country continues to struggle under the impact of the COVID-induced economic recession, Californians are at increased risk of home foreclosure. AB 874 will provide much-needed assistance to homeowners who are struggling to pay Property Assessed Clean Energy (PACE)-related debt by expanding access to the existing $10 million PACE Loss Reserve Fund.

**YOUR ORGANIZATION’S DESCRIPTION AND ADDITIONAL REASONS FOR SUPPORTING THIS LEGISLATION.**

The 2013 Budget Act (AB 96) directed the state to allocate $10 million to create a risk mitigation program for residential PACE financing to aid mortgage lenders. The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) was directed to "develop and administer a PACE risk mitigation program for PACE loans to increase their acceptance in the marketplace and protect against the risk of default and foreclosure" by mitigating potential losses to mortgage lenders associated with PACE’s first-priority lien structure. To date, the fund has *never received* a claim while many low- and moderate-income homeowners with PACE assessments continue to struggle to pay their increased property tax payments.

Expansion of CAETFA’s PACE Loss Reserve Fund to include homeowners would prevent avoidable foreclosures. Currently, the compensation claims to the Fund are only available to first mortgage lenders and only *after* a foreclosure takes place. Foreclosure does not benefit mortgage lenders, and it devastates homeowners. The harm is particularly severe for low- and moderate-income (LMI) homeowners who, in a housing market like California’s, may be forced to abandon generations of wealth-building by leaving the family home. No homeowner should have to lose their home over energy efficient improvements.

As the Legislature seeks ways to help keep Californians in their homes, expanding access to the Fund will protect both first mortgage lenders and LMI homeowners. Expansion of the Fund will directly assist those who are experiencing some of the

fiercest impacts of the current recession.

# We respectfully urge members of the Legislature to vote “aye” on AB 874.

Sincerely,

**SIGNATURE**

**TITLE**

**ORGANIZATION**

cc: Michelle Teran, Legislative Director, Office of Assemblymember Sharon Quirk-Silva