



SCOTT ALLEN

REPRESENTATIVE • 97TH ASSEMBLY DISTRICT

For Immediate Release
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Rep. Allen proposes bill protecting consumers from questionable loan program

Representative Scott Allen (R-Waukesha) and Sen. Duey Stroebel (R-Cedarburg) are circulating legislation designed to protect consumers from potential abuse through Property Assessed Clean Energy (PACE) loans.

PACE loans are used to finance energy efficiency or renewable energy installations on real property. Examples might include solar panels, the installation of LED lights, insulation, or other fixtures. However, loans are made regardless of the property owner's ability to repay the loan. Issues arise when loans are made for more than the consumers' equity.

"We need to pre-foreclose the possibility that predatory lending in the name of clean energy will take a foothold in Wisconsin," said Rep. Allen. "This is a forward-thinking bill which prevents the problems we're seeing around the country from coming here."

PACE loans are not subject to truth-in-lending statements, they often have higher interest rates than home equity loans, and the liens take precedence over all other liens, including the mortgage. The loans are unique in that they are repaid to local governments through tax assessments or utility bills.

The proposal limits PACE loans to commercial properties or residential properties with five or more units.

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*The 97th Assembly District includes portions of the City of Waukesha
and the Towns of Waukesha, Genesee, and Mukwonago.*