

PACE Webinar Q and A:

Q: Do we know what the percentage is for repayment?

A: Interest rates range from 5-7%

Q: Is the term determined by the contractor?

A: The term is determined by the owner and the length of the product being purchased

Q: Do you know when PACE became available in Miami-Dade & Broward?

A: PACE began in 2013 for residential properties.

Q: Who is liable if it is only reflected in B-2 and not as a B-I requirement and Buyer did not agree to assume?

A: Title agents should be reviewing both the requirements and the exceptions on their commitments

Q: Can a buyer assume only the tax portion of the payoff?

A: No, the tax portion must be paid, or the PACE financing will not be released.

Q: Will it eventually be in all counties in Florida?

A: Any city and or county may participate in the program so chances are it would be available unless the city and/or county does not want to participate in the PACE program.

Q: What happens if it is not disclosed and your new buyer flips home several months later now you are on a new buyer and first buyer was not aware of the PACE loan?

A: It would depend on the circumstance as to why the original buyer was not aware of the PACE loan.

Q: Regarding amounts, are financing company's not providing estoppel?

A: Yes, the financing company will provide an estoppel, but it will also say to contact the tax collector for the portion of the PACE loan that has already been assessed on the next tax roll.

Q: Is there anywhere we can search for the loan?

A: If it is of public record you will see it or if it shows on the tax roll, otherwise there is no way to search for PACE financing

Q: Have the underwriters put out a disclosure/hold harmless for the seller to sign at closing. Of course, the title agent will still do their due diligence.

A: Check with your underwriter to see if any disclosure/hold harmless has been drafted.

Q: If buyer is going to assume, do we put this on the Deed prior to recording or do we need to prepare an assumable document for all parties to sign?

A: There is nothing required on the part of the closing/title agent since it is on the tax rolls. The agent might want to have the buyer sign a hold harmless agreement.

Q: Will it show up in the Municipal Lien Search?

A: It may show up under Chapter 159 and 170 if it has been assessed already.

PACE Webinar Q and A (cont.):

Q: How long is the lien stretched out on the taxes?

A: The loan can range from 5-25 years

Q: Would PACE or Green Satisfy the recorded Agreement without receiving the payment of taxes?

A: No, they will require both the payoff amount as requested on the estoppel as well as the amount of the assessment showing on the upcoming tax bill.

Q: Will Pace subordinate to a new 1st mortgage?

A: PACE will not subordinate.

Q: Won't the realtors see the PACE charge on the tax bill?

A: The realtor will only see the charge on the tax bill if it was assessed the year prior.

Q: Couldn't a credit to the buyer be made on the HUD for the PACE payment coming on the tax bill?

A: PACE requires the seller pay the next PACE amount shown on the upcoming tax bill before they will satisfy/release their lien.

Q: Which section of the statute allows a cash buyer to require the PACE assessment to be paid off at closing?

A: The sale and purchase contract stipulate whether a buyer wants to assume special assessments.

Q: Can we even go down & pay the assessment only, without paying the rest of the tax bill?

A: Not until the taxes are due and payable.

Q: Why can't we just send extra money for next year's tax to PACE?

A: They will not except any amount other than what is specifically requested on their payoff statement.

Q: Do you have to hold money for the full tax bill or just the PACE assessment?

A: We hold money only for the PACE assessment

Q: Does the vendor or the county produce the payoff?

A: The lender (bank) provides the payoff amount

Q: On a refi, how can the PACE financing be subordinated? Wouldn't it always have priority over the 1st mortgage?

A: On a refinance, the PACE financing must be paid off.

Q: Are the REALTORS being educated regarding this?

A: There has been very little education to the real estate agents regarding PACE.