

115TH CONGRESS
1ST SESSION

H. R. 1958

To amend the Truth in Lending Act to include retrofit loans such as property assessed clean energy loans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 5, 2017

Mr. SHERMAN (for himself and Mr. ROYCE of California) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Truth in Lending Act to include retrofit loans such as property assessed clean energy loans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Americans
5 from Credit Entanglements Act of 2017” or the “PACE
6 Act of 2017”.

7 **SEC. 2. REAL PROPERTY RETROFIT LOANS.**

8 (a) IN GENERAL.—Section 103 of the Truth in Lend-
9 ing Act (15 U.S.C. 1602) is amended—

1 (1) in subsection (g), in the last sentence, by in-
2 serting “and a person who lends money to con-
3 sumers for real property retrofit loans” before “for
4 purposes”;

5 (2) by redesignating subsection (cc) (relating to
6 definitions relating to mortgage origination and resi-
7 dential mortgage loans) and (dd) as subsections (dd)
8 and (ee), respectively; and

9 (3) adding at the end the following:

10 “(ff) The term ‘consumer credit transaction’ includes
11 a real property retrofit loan extended to a consumer.

12 “(gg) The term ‘real property retrofit loan’ means a
13 financing instrument—

14 “(1) secured by an interest in real property;

15 “(2) that is repayable in installments through
16 payments made concurrently with the payment of
17 property taxes on the real property; and

18 “(3) that is used to finance real property retro-
19 fits, including property assessed clean energy loans
20 for the purposes of energy efficiency upgrades, re-
21 newable energy installations, windproofing or seismic
22 retrofits, water conservation upgrades, septic tanks,
23 or other similar real property improvements or retro-
24 fits to a particular parcel of property.”.

1 (b) REAL PROPERTY RETROFIT LOAN DISCLO-
2 SURE.—Section 128 of the Truth in Lending Act (15
3 U.S.C. 1638) is amended by adding at the end the fol-
4 lowing:

5 “(g) REAL PROPERTY RETROFIT LOAN DISCLO-
6 SURE.—At the time of application for a real property ret-
7 rofit loan, the creditor shall disclose that the real property
8 retrofit loan will result in a lien on the real property secur-
9 ing the loan”.

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