



NTS will pick up the PACE

Reduce the risk of PACE loans in your portfolio with NTS TaxQ™

Lending for energy-efficient projects through PACE programs, also known as Property Assessed Clean Energy financing, is increasing. These loans represent hidden risk in both residential and commercial asset portfolios. In some states, the average default rate of PACE loans has climbed from 0.9% in 2015/2016, to 1.6% by August of 2017¹. The average PACE loan is about \$25,000, but unpaid balances grow quickly; accruing interest 18% annually.

Residential PACE loans are most prevalent in California, Florida and Missouri, which are Super Lien states. However, as of May 2018, PACE legislation has been authorized in thirty-four states across the US.

PACE loans represent more risk in the residential market than the commercial market because home buyers tend to be unaware of all the regulations and potential expense associated with a PACE loan. For example, in California, an automatic property reassessment is triggered, removing the 2% protective cap when a PACE loan is registered. This could result in substantial value and tax increase, in addition to the added PACE assessment to the tax bill. Additionally, due to the fact that PACE financing is not regulated, homeowners can be subject to predatory sales techniques.

The risk is real.

NTS helps you mitigate PACE risk in your portfolio.

NTS comprehensive PACE loan research reveals any PACE liens within your portfolio. The NTS platform is fully integrated with your system of record, so risky loans can be identified and proactively managed. Through either one-time portfolio assessment or ongoing PACE loan monitoring, NTS identifies PACE lien risk to the mortgage lender. Hidden liens bring the risk of losing first position of the asset to the lending institution of the PACE loan.

¹Wall Street Journal, August 2017

TaxQ has made our jobs easier. The system is easy to use and we get what we need in a timely matter. Everyone I worked with through National Tax Search has always been friendly and willing to help with any questions we have. Thanks for everything you do!

Angie Nagel

Fairway Independent Mortgage Corporation

PACE Identification

- ✓ NTS will research all parcels provided to determine if a PACE loan exists.

PACE Certificate

- ✓ Parcel, address, owner name
- ✓ Taxing authority name, address, most recent assessed value
- ✓ Assessed value prior to PACE, both land and improvement
- ✓ PACE Re-Assessed value by each year PACE loan existed, including land and improvement
- ✓ NTS can also provide PACE lien document identifying the lien on the property.

PACE Loan Pay-Off

- ✓ NTS will work with lenders to provide PACE payoff amounts when available.

Monitoring & Reporting

- ✓ NTS ongoing reporting services include PACE special assessments and payment activity, delivered upon tax installment due date, for each agency.



Designed to Reduce Risk for Real Estate Lenders, Investors and Owners

*Powerful technology. Proven experience.
Guaranteed accuracy. Dedicated service.*

NTS TaxQ is purpose-built for managing complex real estate tax issues at scale. Automated data collection, customizable reporting, payment management and processing improve efficiency and reduce risk.

We're set apart by our technology, comprehensive real-time data, and unparalleled customer service. Our solutions provide critical information without disruptive integration or changes to systems or workflow. We have established relationships with over 26,000 taxing entities, which makes us a natural choice for many of the largest real estate lending and investment organizations in the U.S. and its territories.

- \$500 billion**
Total assessed value of monitored properties
- \$13 billion**
Property tax verified and reported annually
- 1 million**
Parcels under administration
- \$7 billion**
Property tax payments processed annually
- \$153 million**
Delinquent and sold taxes identified and managed
- 500 million**
Tax records maintained

About National Tax Search

For over twenty years, we've reduced unforeseen collateral loss related to real estate tax, HOA fees, or inaccurate flood determination for residential and commercial real estate lenders, investors, and owners. We know risk. We know how to eliminate it.

NTS automates research, reporting and payment processing at scale while ensuring accuracy. The NTS platform is feature-rich, scalable and able to manage the most complex portfolios. Yet, the technology is flexible and designed to integrate easily to work in concert with internal systems and processes.

Unlike large software platform companies or small boutique verification organizations, NTS offers long-standing relationships with taxing entities, which we leverage to navigate even the most challenging tax situations. Each client is supported by our dedicated and highly qualified client service team to ensure successful integration and seamless ongoing operations.

Trusted by industry leaders



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