

National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428  
www.ncua.gov

Media Contact: NCUA Office of  
Public & Congressional Affairs  
Phone: (703) 518-6330  
Email: [pacamail@ncua.gov](mailto:pacamail@ncua.gov)



## NCUA Media Advisory

---

# Matz Calls for Increased Diligence on Energy Loan Programs

*July 15, 2010, Alexandria, Va.* – NCUA Chairman Debbie Matz today issued the following statement in an effort to protect the safety and soundness of credit unions and consumers:

*"The Federal Housing Finance Agency (FHFA) recently issued a statement raising safety and soundness concerns over certain energy retrofit lending programs, commonly known as Property Assessed Clean Energy (PACE) loans, which are available in many states. FHFA found that in the absence of a sound control structure, PACE loans could adversely affect a lender's security interest in collateral securing residential and commercial mortgages. Certain PACE loan programs could usurp a lender's senior lien position on a mortgage, undermine the underwriting decisions made by the lender at the time of mortgage origination, and bypass consumer protections required prior to the extension of credit.*

*"I encourage all credit union lenders to understand the implications of the PACE loan programs available in their service areas and to review FHFA's statement (available at <http://www.fhfa.gov/webfiles/15884/PACESTMT7610.pdf>). If the PACE loans available in their service areas present potential safety and soundness concerns, management should make appropriate adjustments to the credit union's underwriting criteria and collateral monitoring practices.*

*"NCUA applauds efforts to promote energy efficiency. Our agency continues to support green initiatives fostering the responsible use of resources. However, our foremost concern is to protect the safety and soundness of credit unions and their members. I have directed NCUA staff to continue monitoring developments with PACE loan programs. NCUA will issue additional guidance as necessary."*

The National Credit Union Administration is the independent federal agency that regulates, charters and supervises federal credit unions. NCUA, with the backing of the full faith and credit of the U.S. government, operates and manages the National Credit Union Share Insurance Fund, insuring the deposits of more than 90 million account holders in all federal credit unions and the majority of state-chartered credit unions. NCUA is funded by credit unions, not tax dollars.

**-NCUA-**