



Christian Coalition of America

Good morning, Chairman Bellino, Vice Chairs Markkanen, and Manoogian and members of the Energy Committee

Thank you for allowing me to address this committee this morning. I testify this morning wearing two hats. The first is as the National Field Director for the Christian Coalition of America, and the second as a member of the board of PACENation, which is essentially the equivalent of the trade association for PACE companies.

As an organization that cares deeply about strong families, we recognize that most people have an innate desire to care for their families. We also recognize that it is important to treat people with dignity and respect. The segment of our society most likely to utilize the financial tools that residential PACE provides tends to be those who don't have a lot of expendable income or savings. They have projects that need to be completed to make their homes safer and keep their families comfortable.

Completing these projects will also often create greater efficiencies, saving them much needed dollars over time. What often holds them back is access to capital. When undertaking major projects like new windows, a new roof, or better insulation, the cost is considerable. Even if using credit cards is an option, the high interest rate makes the payment unaffordable. Sometimes credit scores preclude them from qualifying for a home equity loan, and the same is often true for a personal loan.

By attaching the capital to an assessment on the home, instead of just the credit score, they are able to finance the project over a longer period of time, lower the monthly payment, and achieve a much better interest rate than they would pay on a credit card. This makes it possible to make these critical repairs without a large down payment, and with an affordable monthly payment which is often just added to a monthly escrow payment.

Most people don't want to have to beg for assistance. Their pride and dignity can remain intact when they can find a way to do it for themselves. That is what PACE loans do. They allow people to maintain their dignity and provide for the needs of their family.

In the work that the Christian Coalition undertakes, we try to live out the principals found in Matthew 25. In that passage, it talks about those who help those who are hungry, homeless, sick, and in prison. The Lord says that "in as much as you did it to one of the least of these my brothers, you did it unto me".

Doing unto the least of these doesn't always mean giving someone a handout. It can also be giving someone a hand up by creating opportunities that didn't exist before so that they can help to better their own situation. This is what residential PACE financial tools do. The average person who takes advantage of these programs doesn't have many other options.

Homes that are run down, inefficient, and often unsafe are likely to eventually be abandoned, and become a blight upon the neighborhood. Creating opportunities for these homes to be improved benefits the homeowner first and foremost, but also the entire neighborhood.

Passing this bill in and of itself doesn't create a single Residential PACE program in Michigan, but what it does do is create the framework necessary to allow local municipalities to decide for themselves if this is a good option for their community, and to have the freedom to set up a program in their area if it is a good fit. It is a great example of local government control, that is closest to the people. One size doesn't fit all. Current financing options don't work for everyone, and likewise, Residential PACE may not be the right fit for every community, but we believe that people should have the choice.

As an organization that doesn't like to see people taken advantage of, appropriate consumer protections are also important to us. We know that sometimes there are unscrupulous contractors out there. We often see their stories in the news. That is why we are excited to see the strong consumer protections that are in this bill. People don't need us to protect them from themselves. They can read, and it is insulting to suggest that they are too uneducated to

understand what they are signing, but they do sometimes need to have recourse to protect them from those who would like to swindle them. With measures like the recorded call to explain and answer questions about the terms,



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the requirement that the project be completed to their satisfaction before the contractor gets paid, the 5 day right to change their mind and cancel, and the price protections to make sure that they aren't being overcharged for the job, this program helps to protect against those unscrupulous actors.

In closing, residential PACE connects private lenders and private borrowers together in a way that helps to create healthier, safer homes, protects the community from blight, increases home values, and gives people options to do for themselves, rather than asking the government to do it for them. I think this is consistent with doing for the least of these. I ask that you each consider giving your full support to this bill, and I am happy to take any questions.