Capital Provider Compensation Inquiry

The questions to ask in writing, before you invest weeks in a placement

TRACK Loan Brokers — MGBA-LB-101

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SEGMENT 5 — Compensation, Licensing, and Disclosure

VERSION v1.0

STATUS Draft for MGB review

USE Template · one per capital provider

Broker compensation arrangements on C-PACE vary by capital provider. Some pay a placement fee. Some do not compensate intermediaries at all. Some permit a borrower-paid advisory fee disclosed in your engagement letter. These are not equivalent structures, and the answer changes your economics on the deal.

Resolve it with the specific capital provider before you invest weeks in a placement. Not after underwriting, not at closing. Ask directly, ask in writing, and get the answer before you bring the deal to your sponsor — while you still have the option to walk.

WHAT THIS TEMPLATE IS

A set of questions for you to put to a capital provider. Missouri Green Banc does not set, negotiate, or guarantee intermediary compensation, and this template is not an offer, an arrangement, or advice on what your compensation should be. Whether and how you may be compensated, and whether the activity falls within your license, are questions for your own counsel. See **JA-09** and the licensing note below.

TEMPLATE — WRITTEN INQUIRY

Subject: C-PACE placement — intermediary compensation and process

[Name],

I advise commercial borrowers on debt placement and I am evaluating a C-PACE assessment on a Missouri property administered through the Missouri Clean Energy District. Before I invest further time or position the structure with my client, I need your written answer to the following.

1. Do you compensate intermediaries on C-PACE placements? If so, on what basis — placement fee, referral fee, or another structure — and at what point in the transaction is it earned and paid?

2. If you do not compensate intermediaries, do you permit a borrower-paid advisory fee disclosed in my engagement letter with the borrower, and are there conditions or limits you place on that arrangement?

3. Is the arrangement documented, and if so, in what instrument — a fee agreement, a registration, an acknowledgment in the term sheet — and when is it executed relative to the term sheet?

4. Does the arrangement change based on transaction size, property type, retroactive versus new-construction funding, or whether I also placed the senior debt?

5. What disclosure do you require me to make to the borrower, and do you require a copy of my engagement letter?

6. Do you have registration, licensing, or documentation requirements for intermediaries on your C-PACE transactions?

7. What is your process and typical timeline from preliminary sizing to term sheet, and what do you need from me at each point?

8. What is your lookback window for reimbursement of eligible costs already incurred?

I am not asking you to quote this specific transaction. I am asking so that I can decide whether to bring it to you at all, and so that my client understands my economics before we begin.

Thank you,
[Name, firm, license number if applicable]

RESPONSE LOG

Keep one row per capital provider. Update it once and you never ask these questions twice.

Capital provider	Compensates intermediaries?	Basis and timing	Borrower-paid fee permitted?	Documented in	Lookback window

BEFORE YOU SEND IT

- Send it to a named person with authority, not to a general inbox.
- Send it before you position the structure with your sponsor — not after.
- Ask for the answer in writing. A verbal assurance about your compensation is not a compensation arrangement.
- File the answer. Compensation practice changes; date every entry in the log.

LICENSING — A SEPARATE QUESTION, AND NOT ONE MGB CAN ANSWER

Commercial mortgage brokerage licensing varies by state and by activity. Whether arranging a C-PACE assessment constitutes licensed activity, and whether your existing license covers it, is a question for your own counsel and your state regulator. It is not a question Missouri Green Banc can answer for you, and you should be suspicious of anyone who tells you it is simple.

Get your own legal advice on this. Once. Then you know, and you can build a practice on it.

DISCLOSURE TO YOUR CLIENT

If you are compensated on the C-PACE placement in addition to the senior debt placement, your sponsor should know that — in writing, in your engagement letter. This is ordinary intermediary practice and it protects you far more than it exposes you. A sponsor who discovers undisclosed compensation after closing is a sponsor you have lost and a complaint you may have to answer. The specific language belongs to your counsel.