MISSOURI GREEN BANC

MISSOURI C-PACE

C-PACE Frequently Asked Questions

What property owners, lenders, contractors, and local officials ask most

Commercial Property Assessed Clean Energy (C-PACE) is a long-term financing tool for building improvements, enabled by Missouri law and administered through the Missouri Clean Energy District.

This document answers the 25 questions Missouri Green Banc hears most often, organized by topic. For definitions of the terms used here, see the companion C-PACE & Clean Energy Finance Glossary.

AT A GLANCE

Voluntary assessment on the property, not a personal loan to the owner.

Up to 100% of eligible project costs, repaid over long terms.

Obligation transfers with the property when it sells.

Private capital funds projects; MCED administers the assessment.

Written consent from existing mortgage holders is required.

QUESTIONS IN THIS DOCUMENT

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C-PACE Basics

Q1 What is C-PACE?

Commercial Property Assessed Clean Energy (C-PACE) is a financing tool created by state law. It lets owners of eligible commercial properties pay for energy efficiency, renewable energy, and related building improvements through a voluntary special assessment on the property.

The assessment is repaid in installments over a long term, similar to a property tax or sewer assessment. The obligation is tied to the property, not to the owner personally.

Q2 Who authorizes C-PACE in Missouri?

Missouri's Property Assessed Clean Energy Act (§67.2800 et seq. RSMo) authorizes PACE programs. The Missouri Clean Energy District (MCED) is the statutory C-PACE authority serving more than 300 member communities, which together represent approximately 62% of Missouri's population. Missouri Green Banc administers MCED.

Q3 Is C-PACE a government loan or subsidy?

No. The public authority's role is to levy and administer the assessment. The money for the project comes from private capital providers. The public tool is what allows private capital to be offered at long terms and competitive rates.

Q4 Why do property owners choose C-PACE?

Owners typically cite four reasons: it can finance up to 100% of eligible project costs with no money down; long terms allow annual energy savings to offset annual payments; the obligation transfers with the property if it is sold; and it preserves other credit lines and equity for the owner's core business.

Eligibility

Q5 Which properties are eligible?

Eligible property types generally include commercial, industrial, agricultural, nonprofit, and multifamily buildings located in an MCED member community. Owners must hold title, be current on property taxes and mortgage payments, and meet program underwriting standards. MCED program guidelines govern final eligibility.

Q6 How do I know if my property is in an MCED member community?

Contact Missouri Green Banc with the property address. Staff will confirm whether the city or county has joined MCED. If it has not, MGB can work with local officials on joining.

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Q7 What improvements can be financed?

Eligible improvements are permanent improvements fixed to the property that meet the definitions in Missouri statute and MCED program guidelines. Common examples include HVAC systems, heat pumps, lighting, building controls, insulation, roofs and windows tied to energy performance, solar arrays, and water efficiency measures.

Eligible soft costs, such as engineering, energy audits, and closing costs, can often be included.

Q8 Can C-PACE be used for new construction?

In many cases, yes. For new construction, financing is typically tied to building features that exceed applicable energy code requirements. Confirm project-specific eligibility with MGB early in design.

Q9 Can I finance a project that is already finished?

Program guidelines may permit retroactive financing of recently completed eligible improvements within a defined look-back period. Ask MGB about current guidelines before assuming a completed project qualifies.

Costs, Terms & Repayment

Q10 How much can be financed, and for how long?

Financing amounts are sized to project cost and property value, subject to program and capital provider limits. Terms are long, often extending up to the useful life of the improvements, which aligns payments with the years the equipment delivers savings.

Q11 What interest rate will I pay?

Rates are set by the capital provider, not by MCED, and depend on market conditions, project size, term, and property characteristics. Owners are encouraged to request proposals from more than one capital provider.

Q12 How is the assessment repaid?

The owner repays in scheduled installments set out in the assessment contract, collected in the manner the contract and statute provide. Because the obligation is an assessment, it is not a personal debt of the owner.

Q13 What happens if I sell the property?

The assessment stays with the property. Remaining installments pass to the new owner, who continues to benefit from the improvements. Buyer and seller can instead agree to pay off the balance at closing, subject to any prepayment terms.

Q14 Can I pay off the assessment early?

Generally, yes. Prepayment terms, including any fees, are set in the assessment contract and the capital provider's financing documents. Review them before closing.

Q15 Can tenants share the cost?

Often. Many commercial leases allow property taxes and assessments to be passed through to tenants, who also receive the benefit of lower utility bills. Whether a pass-through applies depends on the lease terms; owners should review leases with counsel.

Lenders & Capital Providers

Q16 Does my existing mortgage lender have to approve?

Yes. MCED requires written consent from existing mortgage holders before a project closes. The consent process gives the lender an opportunity to review the project and the assessment's effect on the property.

Q17 Why would a mortgage lender consent?

Improvements financed through C-PACE are intended to lower operating costs and increase property value, which strengthens the collateral. Because assessment liens are non-accelerating, only past-due installments hold priority in a default, not the full remaining balance. Many national and regional lenders have established consent practices.

Q18 What priority does the assessment lien have?

PACE assessment liens generally carry the same priority as property tax and special assessment liens. That priority applies to installments that are due and unpaid; the balance is not accelerated.

Q19 How can a capital provider participate in Missouri?

Capital providers can register through NPCA, Missouri Green Banc's open platform connecting Missouri property owners with contractors and capital providers, and can contact MGB about program guidelines and closing procedures.

Contractors

Q20 How can contractors use C-PACE?

C-PACE lets contractors present owners with a financing path for larger, more comprehensive projects that might otherwise stall for lack of capital. Contractors can register on the NPCA platform and complete MGB Academy training on how C-PACE works.

Q21 Does the contractor get paid differently?

Payment terms are set in the construction contract and the financing documents. On larger projects, funds are often released through construction draws as work is completed and verified.

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Process & Local Government

Q22 What are the steps to close a C-PACE project?

A typical project moves through five stages: confirm property eligibility; develop the project scope, often with an energy audit or engineering study; select a capital provider and obtain financing terms; secure mortgage holder consent and complete MCED review; and close, record the assessment contract, and begin construction.

Q23 How long does the process take?

Timelines vary with project size and the number of parties. The longest steps are usually engineering, capital provider underwriting, and mortgage holder consent. Starting those early shortens the overall schedule.

Q24 How does a city or county join MCED?

Local governments join MCED by adopting an ordinance or resolution. Membership lets eligible property owners in the community use C-PACE. Participation is voluntary for property owners, and financing comes from private capital. Contact MGB for membership documents and current terms.

Q25 Does the city or county take on financial risk?

The capital provider funds the project and relies on the assessment for repayment. Local officials should review the membership agreement and statute with their counsel to confirm the community's specific obligations.

READY TO TALK ABOUT A PROJECT?

Missouri Green Banc staff can confirm eligibility, explain the MCED process, and connect you with contractors and capital providers.

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IMPORTANT NOTICE

This document is provided for general educational purposes and is not legal, tax, accounting, or investment advice. C-PACE financing in Missouri is governed by the Property Assessed Clean Energy Act (§67.2800 et seq. RSMo) and the program guidelines of the Missouri Clean Energy District. Program terms, eligibility, and federal incentives change; confirm current requirements with MCED and qualified advisors before making financing decisions.