

115TH CONGRESS
1ST SESSION

S. _____

To amend the Truth in Lending Act to include retrofit loans such as property assessed clean energy loans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. COTTON (for himself, Mr. BOOZMAN, and Mr. RUBIO) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Truth in Lending Act to include retrofit loans such as property assessed clean energy loans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protecting Americans
5 from Credit Entanglements Act of 2017” or the “PACE
6 Act of 2017”.

7 **SEC. 2. REAL PROPERTY RETROFIT LOANS.**

8 (a) IN GENERAL.—Section 103 of the Truth in Lend-
9 ing Act (15 U.S.C. 1602) is amended—

1 (1) in subsection (g), in the last sentence, by in-
2 serting “and a person who lends money to con-
3 sumers for real property retrofit loans” before “for
4 purposes”;

5 (2) by redesignating subsection (cc) (relating to
6 definitions relating to mortgage origination and resi-
7 dential mortgage loans) and (dd) as subsections (dd)
8 and (ee), respectively;

9 (3) in subsection (dd)(5), as redesignated, by
10 inserting “, including a real property retrofit loan,”
11 before “other than”;

12 (4) adding at the end the following:

13 “(ff) The term ‘consumer credit transaction’ includes
14 a real property retrofit loan extended to a consumer.

15 “(gg) The term ‘real property retrofit loan’ means a
16 financing instrument—

17 “(1) secured by an interest in real property;

18 “(2) that is repayable in installments through
19 payments made concurrently with the payment of
20 property taxes on the real property; and

21 “(3) that is used to finance real property im-
22 provements or retrofits, including property assessed
23 clean energy loans or other loans repaid through the
24 property tax system for the purposes of energy effi-
25 ciency upgrades, renewable energy installations,

1 windproofing or seismic retrofits, water conservation
2 upgrades, septic tanks, or other real property im-
3 provements or retrofits to a particular parcel of real
4 property.”.

5 (b) REAL PROPERTY RETROFIT LOAN DISCLO-
6 SURE.—Section 128 of the Truth in Lending Act (15
7 U.S.C. 1638) is amended by adding at the end the fol-
8 lowing:

9 “(g) REAL PROPERTY RETROFIT LOAN DISCLO-
10 SURE.—Before extending a real property retrofit loan, the
11 creditor shall provide a disclosure statement explaining
12 that the real property retrofit loan will result in a lien
13 on the real property securing the loan.”.