

115TH CONGRESS  
1ST SESSION

# S. 838

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

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## IN THE SENATE OF THE UNITED STATES

APRIL 5 (legislative day, APRIL 4), 2017

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

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## 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”; and

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.”.

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