

Regular Session, 2012

HOUSE BILL NO. 681

BY REPRESENTATIVE LEGER

ENERGY: Provides relative to energy efficiency or renewable energy improvement loans

1 AN ACT

2 To amend and reenact R.S. 33:130.812(B)(10)(a), relative to sustainable energy financing
3 districts; to provide relative to financing for projects in such districts; to provide
4 relative to program loans; to provide terms, conditions, and requirements of such
5 loans; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 33:130.812(B)(10)(a) is hereby amended and reenacted to read as
8 follows:

9 §130.812. Financing for projects

10 * * *

11 B.

12 * * *

13 (10)(a) Where an energy efficiency or renewable energy improvements loan
14 in the amount of one hundred thousand dollars or more is proposed for a commercial
15 property and that property is encumbered by a mortgage, at least thirty days prior to
16 entering into a financing agreement, the property owner shall provide notice of the
17 owner's intent to enter into a financing agreement, the maximum principal amount
18 to be financed, and the maximum annual assessment necessary to repay that amount
19 to the holders, as filed in the public record, of any existing mortgages encumbering
20 or otherwise secured by the property. A verified copy or other proof of such notice
21 shall be provided to the parish governing authority. A provision in any agreement

1 between a mortgagee or other lienholder and a property owner that allows for
2 acceleration of payment of the mortgage, note, or lien or other unilateral
3 modification solely as a result of entering into a financing agreement as provided for
4 in this Section is not enforceable. This Subsection does not limit the authority of the
5 holder or loan servicer to increase the required monthly escrow by an amount
6 necessary to annually pay the qualifying improvement assessment. ~~the mortgagee,~~
7 ~~its successors or assigns, or mortgage servicer shall be provided prior written notice,~~
8 ~~by certified mail, return receipt requested of the proposed program loan. The~~
9 ~~mortgagee, its successors or assigns, or mortgage servicer shall have thirty days after~~
10 ~~receipt of such notice to approve or deny the proposed program loan. The notice~~
11 ~~shall contain the following information:~~

12 ~~(i) The proposed borrower's name.~~

13 ~~(ii) The description of the property for which the proposed improvements are~~
14 ~~to be made.~~

15 ~~(iii) A description of the improvements to be made.~~

16 ~~(iv) The proposed dollar amount to be loaned.~~

17 ~~(v) The proposed amortization period in which the loan is to be repaid.~~

18 ~~(vi) A statement that the mortgagee, its successors or assigns, has thirty days~~
19 ~~from receipt of the notice to approve or deny the proposed loan.~~

20 ~~(vii) The name and address of the office where to submit a written approval~~
21 ~~or denial of the proposed loan.~~

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Leger

HB No. 681

Abstract: Provides with respect to financing for projects in sustainable energy financing districts.

Present law provides that the governing authority of any parish or municipality may create a special district known as a sustainable energy financing district. Provides that the local governmental subdivision may incur debt for the purpose of providing to such district sufficient funds to make the loans provided for in the program. The owner of residential or

commercial immovable property within the district may request financing in the form of a loan from the district to cover the costs of energy efficiency improvements or renewable energy improvements that the owner contracts to make to the immovable property. Proposed law retains present law.

Present law provides that where an energy efficiency or renewable energy improvements loan in the amount of \$100,000 or more is proposed for a commercial property and that property is encumbered by a mortgage, the mortgagee, its successors, or assigns, or mortgage servicer shall be provided prior written notice, by certified mail, return receipt requested of the proposed program loan. The mortgagee, its successors, or assigns, or mortgage servicer shall have 30 days after receipt of such notice to approve or deny the proposed program loan. The notice shall contain the following information:

- (1) The proposed borrower's name.
- (2) The description of the property for which the proposed improvements are to be made.
- (3) A description of the improvements to be made.
- (4) The proposed dollar amount to be loaned.
- (5) The proposed amortization period in which the loan is to be repaid.
- (6) A statement that the mortgagee, its successors, or assigns, has 30 days from receipt of the notice to approve or deny the proposed loan.
- (7) The name and address of the office where to submit a written approval or denial of the proposed loan.

Proposed law repeals present law.

Proposed law provides that where an energy efficiency or renewable energy improvements loan of \$100,000 or more is proposed for a commercial property and that property is encumbered by a mortgage, at least 30 days prior to entering into a financing agreement, the property owner shall provide notice of the owner's intent to enter into a financing agreement, the maximum principal amount to be financed, and the maximum annual assessment necessary to repay that amount to the holders, as filed in the public record, of any existing mortgages encumbering or otherwise secured by the property. A verified copy or other proof of such notice shall be provided to the parish. A provision in any agreement between a mortgagee or other lienholder and a property owner which allows for acceleration of payment of the mortgage, note, or lien or other unilateral modification solely as a result of entering into a financing agreement is not enforceable. Present law and proposed law do not limit the authority of the holder or loan servicer to increase the required monthly escrow by an amount necessary to annually pay the qualifying improvement assessment.

(Amends R.S. 33:130.812(B)(10)(a))