

C-PACE Marketplace Eyes Club ABS

Allectrify, the operator of a marketplace that connects commercial Property Assessed Clean Energy lenders with prospective borrowers, is contemplating securitization as a funding strategy.

The effort likely would see the Ashland, Ore., company serve as a sponsor for deals backed by receivables from multiple lending partners across its network. It's unclear when a debut offering might hit the market.

Allectrify mainly aims to arrange financing of \$4 million or less, and in particular \$2 million or less — a segment it sees as underserved because mainstream C-PACE lenders typically pursue larger packages. But the targeted sizes are optimal for community banks, credit unions and community-development financial institutions, which historically have not participated in the sector.

As small as the loans are, those institutions in some cases lack the capacities to hold them on their balance sheets. And aggregating the accounts for sale, either via securitization or as whole loans, could provide them with liquidity.

The thought is that loans originated via Allectrify's network will be attractive to investors because the account documents are standardized across the programs.

Allectrify was founded in 2021 by **Colin Bishopp**, who formerly was executive director at trade group **PACENation**. Bishopp additionally has spent time at residential PACE lender **Renew Financial** and at the **U.S. Department of Energy**.

In addition to originating C-PACE financing for participating lenders, Allectrify offers transaction support for those that want to originate their own accounts. The result is what the company bills as a turnkey lending service with greater account standardization and reduced transaction costs for borrowers.

The savings stem in part from simplified loan documentation and negotiation of reduced rates from service providers for legal paperwork, lien recording and energy audits. Allectrify and one of its law-firm partners, **Bricker Graydon**, also worked with **Morningstar DBRS** to develop an alternative to costly validity opinions for smaller C-PACE transactions, for a potential savings of \$5,000 to \$15,000 per project.

Allectrify additionally conducts C-PACE training for bank staff.

To date, Allectrify has [arranged](#) financing for nine projects in Georgia, Missouri, Nebraska and Tennessee. For example, the company guided Nashville-based CDFI **Pathway Lending** to the close of its first C-PACE loan a mere 66 days after completing its lender-training courses.

In April, Allectrify launched an initiative with nine cities and counties nationwide that could produce additional C-PACE loans. Dubbed Building Decarbonization In-a-Box, the initiative aims to generate projects that can be financed by community lenders that receive capitalization grants from the **Environmental Protection Agency** to support so-called green lending. ❖