



1700 G Street NW, Washington, D.C. 20552

May 3, 2023

Mathieu Despard  
Department of Social Work  
University of North Carolina at Greensboro  
Greensboro, NC 27402-6170

RE: Peer review request for *Property Assessed Clean Energy (PACE) Financing and Consumer Financial Outcomes*

Dear Professor Despard:

*Property Assessed Clean Energy (PACE) Financing and Consumer Financial Outcomes* documents research findings on PACE financing from 2014 through 2020. PACE financing is a type of loan that is used to fund home improvements. PACE loans are voluntary transactions secured by the borrower's home, but they are repaid through the borrower's property tax bill. Combining data on applications for and originations of PACE loans with credit report information on the same consumers, this report compares the outcomes of consumers who received PACE loans to those who applied and were approved, but whose loans were not originated. The research was conducted in support of the PACE rulemaking mandated by the Economic Growth, Regulatory Relief, and Consumer Protection Act.

Information quality guidelines promulgated by OMB advise that influential scientific assessments be subject to peer review to ensure the quality of information the government disseminates to the public. With that in mind, I ask that the CFPB's Academic Research Council (ARC) conduct a peer review of the study described above, and that you as the Chair of the ARC facilitate that review.<sup>1</sup> OMB guidance further suggests that Federal Agencies provide peer reviewers with "instructions regarding the objective

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<sup>1</sup> See *OMB Peer Review Bulletin*, 70 Fed. Reg. 2664 (2005).

of the peer review and the specific advice sought.”<sup>2</sup> In performing this peer review, we ask that you evaluate and comment on the theoretical and empirical merit of the information. You should consider, among other things: (1) whether the methodology and assumptions employed are reasonable, appropriate, and consistent with accepted social science theory and statistical practices; (2) whether the data used are reasonable and of sufficient quality for purposes of the analysis; and (3) whether the conclusions, if any, follow from the analysis.

Please note that the standards for evaluation are not necessarily the same as those one might apply in evaluating studies for publication in a professional journal. For example, it is not necessary that the study present new or novel theoretical results or empirical techniques. Consistent with the OMB Bulletin, we are not asking you to “provide advice on policy” or to evaluate the policy implications of the study.<sup>3</sup>

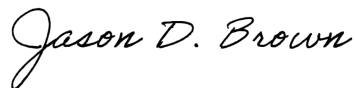
Further, you should be aware that the peer review will not be anonymous. Rather, the review will be placed in the public record, along with the identities of the ARC members who performed the review.

The CFPB would also like to know if peer reviewers have any potential conflicts of interest. Please confirm that you and your fellow reviewers have submitted your most recent OGE Form 450, Confidential Financial Disclosure Report.

I ask that you provide a written report of your review, findings, and recommendations with regard to this influential scientific information by July 3, 2023. If you have any questions relating to this request, please contact me.

I recognize you and other members of the ARC have many demands on your time. The CFPB greatly appreciates your nevertheless considering this request to peer review the study to help us serve consumers as effectively as we can. Thank you very much.

Sincerely,



Jason D. Brown  
Assistant Director, Research

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<sup>2</sup> See *OMB Peer Review Bulletin*, 70 Fed. Reg. 2668 (2005).

<sup>3</sup> See *OMB Peer Review Bulletin*, 70 Fed. Reg. 2669 (2005).