

# Green Finance Innovation: How Banks and Mortgage Lenders Can Drive NYC Building Decarbonization

Marianna Koval  
April 10, 2024



# NYC Cannot Achieve Building Decarbonization Without Mobilizing a Green Mortgage Industry

- Focusing on building owners alone, their compliance with emission caps, and LL97 penalties won't achieve our goals
- Banks and mortgage lenders should be critical drivers
- New York's banks and mortgage lenders can play a pivotal leadership role by providing green mortgages and financing (C-PACE, equipment loans/leases, ESAs, PPAs) to their customers for decarbonization

# Key Challenge: Informed Leadership

## Areas of Focus

---

- Communicating the risks and opportunities
- Sharing the successful models
- Building a green mortgage industry in NYC

## Key Stakeholders

---

- Mortgage lenders
- Policy makers
- Building owners and operators
- Utility providers

## NYU Stern's Role

---

- Growing a network of industry leaders
- Fostering collaboration to create solutions
- Supporting banks, mortgage lenders, and other actors in prioritizing action

# Importance and Benefits of a Green Mortgage Industry

## For Banks/Mortgage Lenders:

- Providing access to new lending tools, driving asset growth
- Reducing portfolio risk by better borrower positioning
- Meeting new disclosure demands (scope 3) that will shape investor sentiment and enhance reputation

## For Real Estate Owners:

- Reduced operating costs, improved cash flows, liquidity
- Increased “green” value - higher rents, higher occupancy

## For NYC:

- Reduced carbon emissions
- Increased economic growth and job development

**Regarding Building Decarbonization, to achieve New York Climate, Health, and Equity goals under the CLPA a critical obstacle to collectively overcome in 12 months is**

**...**

**the buy-in and creation of a proactive, robust green mortgage industry providing innovative financing products for building decarbonization.**

## Invest NYC SDG

NYU Stern Center for Sustainable Business  
NYU Stern School of Business

**Marianna Koval**, Director, Invest NYC SDG, [mkoval@stern.nyu.edu](mailto:mkoval@stern.nyu.edu)

**Kendra Gibbs**, Associate Director, Invest NYC SDG, [kgibbs@stern.nyu.edu](mailto:kgibbs@stern.nyu.edu)

[NYU Stern Center for Sustainable Business Invest NYC SDG Website](#)