

Mar 15, 2012

Alfred Pollard

Subject: RIN 2590-AA53 Mortgage Assets Affected by PACE Programs

Dear Alfred Pollard,

Property Assessed Clean Energy (PACE) programs are an important and innovative tool to increase the adoption of residential clean energy technologies, save consumers money, reduce pollution, create jobs, and make the nation more energy independent. I disagree with FHFA's 2010 decision that PACE programs create too much risk, and thus homes with PACE assessments should not be worthy of financing through FHFA loans.

Investing in energy efficiency and renewable energy technologies in homes is the smartest way to reduce our country's dependence on fossil fuels, reduce pollution, improve public health and curb climate change. These innovative PACE programs address the barriers that often stop homeowners from making these improvements and keeps the investment with the home, allowing future owners to both take the responsibility for the investment and reap the benefits.

FHFA's assertion that PACE assessments create unreasonable risk doesn't stand up to scrutiny. In fact, clean energy investments can be among the most profitable that one can make to a home. By lowering its operating cost, efficiency improvements leave homeowners more cash to meet their mortgage obligations. The Lawrence Berkeley Laboratory found that the presence of a solar system on a home provides a significant premium at resale.

I strongly urge FHFA to drop its opposition to residential PACE programs. It appears to be understating its benefit while overstating its risk. Fannie Mae and Freddie Mac should establish fair underwriting standards that allow PACE programs to proceed and deliver the significant economic and environmental benefits waiting to be unlocked.

Thank you for your consideration.

Sincerely,