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September 14, 2012

Alfred M. Pollard, General Counsel
Attention: Comments/RIN 2590-AA53
Federal Housing Finance Agency
400 Seventh Street SW., Eighth Floor
Washington, DC 20024

Dear Mr. Pollard,

The New Hampshire Bankers Association is opposed to any federal or state legislation or regulation which gives a priority lien to a PACE loan over existing mortgages. It has been our consistent position that the terms of any existing mortgage have been negotiated at arm's length and based on the market value of the real estate and the relative priority of the mortgage at the time the loan was made and should not be disturbed. To change its priority after the fact is likely to have an adverse effect on the value of the mortgage holder's interest in the real estate and create greater risk of loss. However, if a PACE loan is secured prior to the grant of a second mortgage, then the lender can factor in any risk associated with the prior lien and reflect that risk in the terms of the loan. We think Alternatives 1 and 2 are easy to understand and would be acceptable to the Association. We are concerned that Alternative 3 is needlessly complicated and would deter PACE loan programs from succeeding.

Sincerely,

Christina Thornton
President