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March 16, 2020

Federal Housing Finance Agency
400 Seventh Street SW, Eighth Floor
Washington, DC 20219
ATTENTION: PACE Request for Input, Notice No. 2020-N-1

Re: PACE Request for Input, Notice No. 2020-N-1

Sent via email: RegComments@fhfa.gov

To Whom it May Concern,

The 60 Plus Association is a 27-year-old nonpartisan organization that advocates on issues of great importance to senior citizens, including our five million members. We are committed to helping seniors live more comfortably by protecting Social Security and Medicare, ensuring affordable prescription drugs, lowering energy costs, enabling seniors to be secure in their homes – and doing all of this with less government and lower taxes.

We write today to express our support for Property Assessed Clean Energy (PACE) programs, and to encourage FHFA to recognize the value that PACE-financed projects add to homes, to homes' underlying mortgages, and to mortgage portfolios that are managed, securitized and insured by Fannie Mae, Freddie Mac and Federal Home Loan Banks (collectively "government-sponsored enterprises" or "GSEs").

PACE is a remarkably successful example of how a no-mandate, no-subsidy, and no-involuntary-tax program should work for property owners, including seniors. Local governments can choose to approve PACE programs, but individual projects are selected, approved, and repaid solely by property owners. There is no cost to governments, taxpayers, mortgage holders or GSEs in PACE-enabled exercises of fundamental private property rights – the right to protect and improve.

PACE programs benefit seniors because they enable important home improvements, including hurricane resiliency and energy efficiency projects such as impact resistant windows and hurricane-hardened roofs. Many seniors wish to continue living at home, but they are on fixed-incomes and may not be comfortable tapping their retirement savings for the full cost of these critical improvements. PACE is an attractive option because it typically covers 100% of the project cost, provides extended repayment terms, and offers very favorable effective interest rates and low payments compared to unsecured vendor financing.

PACE programs also help vulnerable seniors avoid contractor scams. Most contractors require 10% to 50% payment before starting a project, and often a homeowner has trouble getting contractors to complete the work despite having already paid a substantial amount of the project cost. But PACE financing puts the consumer in

charge. The contractor receives no money for a project until it is 100% complete and the consumer is 100% satisfied – and signs a document stating such. PACE programs also pre-qualify and continuously monitor participating contractors, which simply does not happen with non-PACE financing options. These are incredible advantages to seniors – in fact to all citizens.

The 60 Plus Association appreciates FHFA’s important role – to ensure that the GSEs are financially stable so that homeownership remains accessible for all Americans. PACE programs are relatively new so it is important that FHFA carefully account for any PACE-related circumstances that affect whether GSE-guaranteed mortgages are repaid. In fairness, however, this analysis must carefully consider whether PACE affects mortgage and portfolio values positively or negatively.

The 60 Plus Association is confident that a fair analysis of PACE programs will conclude that PACE financing favorably affects the value of homes and mortgages. PACE financing is affordable, and local governments target PACE financing to improvements that clearly add value to the home, make the homeowner safer and more comfortable, and reduce the home’s operating expenses. These are all good reasons for the homeowner to stay in the home and keep paying the mortgage, which FHFA should consider in its calculations.

FHFA should also consider that Florida and California seniors who live in stronger homes – thanks to PACE-financed roof tie-downs, storm-resistant windows and fire-resistant shingles – are less likely to need first responders during disasters, less likely to lose their homes and suspend mortgage payments, and less likely to suffer total losses that leave mortgage holders with near-worthless paper.

Because of the importance of PACE to seniors, if after considering all parties’ input FHFA decides to take any action that could negatively impact the availability of PACE financing to property owners, we urge that this action first be proposed in a formal Notice of Proposed Rulemaking or similar notice-and-comment process.

Thank you for considering the views of The 60 Plus Association.

Sincerely,



James L. Martin
Founder/Chairman



Saulius “Saul” Anuzis
President

The 60 Plus Association is a 27-year-old nonpartisan organization working for death tax repeal, saving Social Security and Medicare, affordable prescription drugs, lowering energy costs and other issues featuring a less government, less taxes approach as well as a strict adherence to the Constitution. 60 Plus calls on support from over 5 million activists. 60 Plus has been called, “an increasingly influential senior citizen’s group,” and recognized as the alternative to the AARP.

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