



March 20, 2012

City of College Park
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Facsimile: 301-699-8029

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Office of the Mayor
and City Council
4500 Knox Road
College Park, MD 20740

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Mayor

Andrew M. Fellows
5807 Bryn Mawr Road
301-441-8141

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Council Members

District 1
Fazlul Kabir
9817 53rd Avenue
301-659-6295

Patrick L. Wojahn
5015 Lackawanna Street
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Robert T. Catlin
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9238 Limestone Place
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Denise C. Mitchell
3501 Marlborough Way
240-475-7196

Mr. Alfred M. Pollard
General Counsel
Federal Housing Finance Agency (FHFA)
400 Seventh Street SW, Eighth Floor
Washington, DC 20024

RE: Comments on FHFA Statement and Directive Concerning Mortgage Assets Affected by Property Assessed Clean Energy Programs

Dear Mr. Pollard,

We appreciate the opportunity to provide comments to the Federal Housing Finance Agency (FHFA) on the Advance Notice of Rule-making concerning mortgage assets by Property Assessed Clean Energy (PACE) programs. The City of College Park seeks to establish a PACE program in the future and the FHFA Statement and Directive make it difficult to advocate for the necessary state legislation which would allow the City to put the program in place; thus, we ask the FHFA to withdraw the PACE Statement and Directive.

On July 6, 2010, the FHFA issued a Statement and on February 28, 2011, a Directive, which collectively prevent the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) from purchasing mortgage loans secured by properties with outstanding first-lien PACE and PACE-like obligations or by properties that could become subject to first-lien PACE obligations. The Statement and Directive place PACE properties on different terms and conditions than those applicable to mortgages secured by properties with no PACE assessments.

For the past few years, the City has advocated to the Maryland General Assembly to pass legislation which would allow municipalities to establish PACE programs. The City prioritizes such initiatives within our Strategic Plan to improve the environment and quality of life for our residents. We've gained limited traction in past advocacy efforts with the General Assembly. The FHFA Statement and Directive add an additional hurdle in our efforts to get the legislation enacted because they prevent two of the largest loan purchasing entities from pursuing mortgage loans with first-lien PACE obligations. The existence of such FHFA direction hinders our ability to fulfill goals which seek to protect our environment.

PACE loans are a tool that College Park residents would like to use to make improvements in their homes to increase energy efficiency, protect the environment, and bring energy costs down in the long run. These projects bring new jobs to our communities and help people make investments in the community and the environment.

Thank you for this opportunity to comment. If you have any questions, please contact the Assistant to the City Manager, Chantal R. Cotton at ccotton@collegeparkmd.gov.

Sincerely,

A handwritten signature in black ink that reads "Andrew M. Fellows" followed by a stylized flourish.

Andrew M. Fellows
Mayor

cc: 21st Delegation