



HOPE HALLECK
CLERK TO THE
COUNTY BOARD

ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE COUNTY BOARD

2100 CLARENDON BOULEVARD, SUITE 300
ARLINGTON, VIRGINIA 22201-5406
(703) 228-3130 • FAX (703) 228-7430
E-MAIL: countyboard@arlingtonva.us



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September 13, 2012

Mr. Alfred Pollard
General Counsel
Federal Housing Finance Agency
400 7th Street, N.W.
Washington, DC 20024

RE: Comments/RIN 2590-AA53

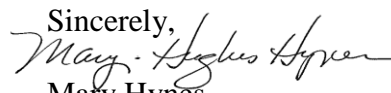
Dear Mr. Pollard:

On behalf of the Arlington County Board, I appreciate the opportunity to provide comments to the Federal Housing Finance Agency (FHFA) on the proposed rule concerning underwriting standards for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) relating to mortgage assets affected by Property Assessed Clean Energy (PACE) programs.

We strongly urge you to reconsider your determination that such programs present significant safety and soundness concerns to mortgage lending and request you work with federal agencies, states and local governments to develop appropriate underwriting standards and homeowner protections for PACE programs.

Arlington County strongly supports local authority to implement PACE programs. We have begun to explore the feasibility of establishing a PACE program since the enactment of enabling legislation at the state level in 2010. While Arlington has been successful over the last decade in substantially reducing energy consumption and GHG emissions from government operations through various efforts, these emissions represent only 4% of the community total. Therefore, in order to make significant strides we must address the other 96% of emissions, of which buildings are a major source. We believe a PACE program would provide us with the means to do so, however the determination by FHFA has caused Arlington and many of our neighboring jurisdictions to discontinue these efforts.

The goals of ensuring stability and strength in the mortgage industry and providing an important tool to local governments to invest in energy efficiency and renewable energy projects do not have to be at odds. PACE programs allow localities to invest in scale energy efficiency and renewable energy projects while also assisting homeowners in overcoming obstacles to undertaking improvements to their property. These improvements not only help us achieve our climate change and energy security goals by reducing emissions and saving energy, they also provide an economic benefit to our communities by lowering energy costs for our residents and creating jobs in the clean energy economy. Clearly, these substantial benefits require us to find a way to resolve the concerns expressed by FHFA in a way that will protect taxpayers and private lenders while also allowing for PACE programs to continue.

Sincerely,

Mary Hynes
Chair