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Public Comments on Mortgage Assets Affected by PACE Programs:========

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Submitter Info:
Comment: Property Assessed Clean Energy financing programs, as have been initiated by many states and local governments, are a potentially transformative financing mechanism, enabling property owners to make good long term investments in energy efficiency and behind-the-meter renewable energy production. They address a market failure, in that buyers often do not appropriately integrate a property's energy costs into their price assessment. So long as the state and local PACE programs are performance based, and incentivise both efficiency and renewables, preferring those investments which have the greatest (positive) net present value, given the financing rate which is available to the government entity sponsoring the program, they do not pose a significant risk to mortgage holders, and should be allowed in FHFA held mortgages. Additionally, local energy efficiency and solar power installation provide high quality, skilled jobs which cannot be exported, stimulating the economies of the localities implementing the programs. These types of energy efficiency and local renewables programs can go a significant way toward reducing the energy intensivity of our existing building stock, and help insulate the US economy from fluctuations in fossil fueled energy prices.

FHFA's previous ruling has directly affected my community, stalling out energy efficiency programs here in Boulder, CO. Rather than effectively banning these programs, I encourage the FHFA to work with the building retrofit industry and the state and local governments which have instituted these programs to develop guidelines which ensure the most cost effective use of PACE financing, including the use of before and after energy audits, and other energy efficiency retrofit best practices.

Sincerely,
Zane A Selvans, Ph.D.

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