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

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Comment: Anyone paying attention to the news will see "net zero" homes being offered at a small premium over traditional builds. The energy savings pays that premium and more. So the economic case is established for new homes and the entire amount is financed by the mortgage.

For existing homes, the economic case is generally less than break even on a monthly or annual basis because financing is for a shorter term. In addition, the credit market is very demanding and homes that would benefit may be financed above current value. But homeowners able to make their mortgage and energy payments merit assistance and society benefits from helping out in the financing of these improvements in two ways.

First, we improve the energy efficiency of the home, a big positive no matter where you stand on global warming, energy self-sufficiency, etc. Second, we help bind the homeowner to the home by making it more valuable to them and to others, reducing the marginal desire to get out from under a upside-down mortgage. Others may see additional benefits.

This is good policy. Not a bailout. Not grant. Assisting homeowners in the financing of improvements we all see are beneficial. There are about 100,000,000 households in the country. We can't start from scratch. The vast bulk will require refitting to improve energy efficiency. This is a good mechanism to achieve that goal.

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