

From: Susannah Troner <srtroner@yahoo.com>  
Sent: Thursday, February 23, 2012 10:26 PM  
To: !FHFA REG-COMMENTS  
Subject: support PACE - RIN 2590-AA53

February 22, 2012

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

RE: RIN 2590-AA53 PACE Programs & Mortgage Assets

Dear Mr. Pollard:

I am writing to you today to urge you to promote business in our Country by facilitating Property Assessed Clean Energy (PACE) programs. In addition to supporting a new and growing business sector, PACE programs will also reduce our reliance on imported fuels, thereby promoting energy security. Speaking as someone from a hurricane-prone state, distributed renewable energy also has many advantages during times of natural disaster and would also help our local government budgets by reducing the need to pay for costly new power plants and transmission systems. There really is no downside to PACE.

I believe that FHFA's July 6, 2010 actions that halted local government PACE programs was shortsighted and unwarranted. Frankly, I just can't understand why the FHFA is opposed. That is why I am happy to participate in this rulemaking – so that I can remind you of the benefits to many stakeholders. Instead of your current course of action which is stifling new business in our community, I recommend that the FHFA adopt reasonable underwriting standards that maximize benefit and minimize risk of PACE programs. Please find below some further comments that I hope might be of interest to you:

PACE assessments do not require federal subsidies or taxes and are valid assessments

PACE assessments are a win-win. They don't require federal subsidies or taxes. They ARE property tax assessments similar to other land-secured special assessment districts in the United States that have hundreds of years of legal local and state precedence. PACE districts are similar to many other special assessment districts in both the size of their assessments and length of their repayment period.

PACE Districts have been validated and have legal precedence: My home state, Florida, a very conservative state, has already upheld the validity of PACE assessments noting that they are like other similar assessments and should be treated the same. Across the U.S. there is a long history, supported by precedence and law, for these special districts, including PACE. These are VOLUNTARY districts and local governments should be able to have local control.

PACE presents minimal risks to lenders, investors, homeowners and GSEs  
There is no evidence that PACE presents “significant safety and soundness”

concerns. Instead, there are studies showing that energy efficiency and renewable energy improvements reduce homeowners' energy bills and increase their property's value, thereby strengthening the value of a lender's collateral. Both the White House and DOE published national PACE guidelines with clear, strong underwriting standards to ensure that homeowners are able to afford the improvements. A bi-partisan bill in the House of Representatives further delineates national standards to minimize risk to lenders and consumers. Finally, the early results of PACE pilot programs show that PACE presents minimal risk: there are only a handful of known defaults out of over three thousand upgraded properties, substantially fewer than the rate of default for non-PACE property-owners in the same districts!!!!

Home energy improvements financed with PACE achieve important business, emergency preparedness, and environmental benefits

As I stated above, in hurricane prone Florida, distributive renewable energy systems also help us with emergency preparedness and recovery. PACE programs would also generate jobs and reduce consumers' energy use. Allowing PACE to move forward would help employ a huge number of people, so it is a big contradiction to say that the US administration is pro-business while at the same time killing this kind of opportunity.

Proposed Rule:

Personally, I already paid off my mortgage, but I can't participate in a PACE program if you don't allow these programs to establish themselves. And PACE programs can't become well-established with your obstacles in place. Remember that we need you to facilitate, not obstruct. Therefore, I STRONGLY urge you to reconsider your stubborn opposition to PACE programs. I recommend that FHFA instead adopt a rule stipulating that Fannie Mae, Freddie Mac, and any other mortgage lenders regulated by FHFA be allowed to buy residential mortgages with PACE assessments that are originated by programs that conform to standards and guidelines such as those established in The PACE Assessment Protection Act (HR 2599) to protect the interests of various stakeholders.

Sincerely,  
Susannah Troner  
12701 SW 81 Avenue  
Pinecrest, Florida 33156