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February 26, 2012

Mr. Alfred Pollard
General Counsel
ATTENTION: COMMENTS/ RIN 2590-AA53
Federal Housing Finance Agency
400 7th St., N.W.
Washington, DC 20024

RE: RIN 2590-AA53 Mortgage Assets Affected by PACE Programs

Dear Mr. Pollard:

We believe that FHFA's action to unilaterally halt local government PACE programs on July 6, 2010 was unwarranted and detrimental to the economy and the housing market. This rulemaking provides an opportunity to establish a fact-based record and correct misinformation and misunderstandings, to the benefit of all stakeholders: local governments, mortgage lenders, homeowners, and our nation. To this end, we recommend that the FHFA adopt reasonable underwriting standards that ensure local PACE programs are designed to maximize benefit and minimize risk, as described below.

1) Require ZERO equity to increase sales of unsold homes.

Because Solar adds to the value and makes the property more desirable we urge you to lower PACE's current 15% equity requirement to zero. The backlog of over 2,000,000 unsold repossessed homes will be quickly sold if this additional restrictive rule is eliminated. A home that is a Zero Net Energy home with a 5kW system making all of its energy is very valuable.

Proposed Rule:

We strongly urge you to reconsider your blanket opposition to PACE programs. We recommend that FHFA 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 HR 2599 (The PACE Assessment Protection Act) to protect the interests of local governments, homeowners, mortgage lenders and Government Sponsored Enterprises (GSEs).

My best wishes and sincere regards,

Redwood Renewables LLC

A handwritten signature in blue ink that reads "Tom Faust".

Tom Faust
CEO/ Managing Director