



Connecting Citizens, Shaping Solutions

March 5, 2012

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

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

Dear Mr. Pollard:

On behalf of Valley Vision and our board of directors, I am pleased to submit this letter in support of residential PACE programs. Valley Vision is a nonprofit association of people and organizations working to secure the social, environmental and economic health of the Sacramento Region. Founded in 1994, we are an objective, nonpartisan **"action tank"** committed to regional problem-solving as well as impartial research for sound decision-making. We act as a bridge, uniting neighbors and organizations that *together* can make a real difference in our communities.

We believe that FHFA's action to halt local government PACE programs on July 6, 2010 was unwarranted. The current rulemaking process 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 clean energy business owners. We appreciate the opportunity to participate, and we urge you to look for ways to accommodate this broadly beneficial financing tool.

Property Assessed Clean Energy (PACE) financing is a groundbreaking state and local government innovation with a clear public purpose: reducing our reliance on imported fuel, promoting energy security, avoiding the cost of building new power plants and transmission systems, and protecting the environment. PACE has enormous potential to save homeowners money, create local jobs and dramatically reduce energy use. Because of its unique ability to spur homeowner investment in energy efficiency and clean, on-site renewable energy, PACE enabling legislation was passed by 28 states in just two and a half years.

Valley Vision manages projects such as the Green Capital Alliance – which engages government, business, and community leaders with clean technology and sustainability programs information, and the Cleaner Air Partnership –which helps the Sacramento Region meet clean air standards that protect health and promote economic growth. Valley Vision has also played a role along with local

jurisdictions to develop residential PACE programs, which represent an important economic development tool that we expect to create 750 new jobs and spur \$170 million dollars of economic activity in the first 12 months of program implementation.

Valley Vision recognizes the importance of making the benefits of energy efficiency and renewable energy technology available to our community. Each year, Valley Vision hosts a series of roundtable sessions with leaders of local clean energy firms. Many of these companies are halting or reversing growth due to our dramatically stunted economy, and they described a customer base with high interest in new energy solutions but limited ways to finance these improvements. Since 2010, these company leaders made a consistent request for the reinstatement of residential PACE in the Sacramento region. Doing so would be a clear demonstration of the region's commitment to being responsive to the needs of clean energy companies, which is an important step toward continuing the expansion of the significance of this sector in our economy.

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).

We stand ready to support your efforts on this important issue, and are more than willing to participate in any stakeholder meetings that may be necessary to come to a resolution that ensures the future viability of residential PACE.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Mueller". The signature is fluid and cursive, with the first name "Bill" being larger and more prominent than the last name "Mueller".

Bill Mueller, CEO & Managing Partner
Valley Vision